

REVISED AGENDA¹



City Hall
555 Santa Clara Street
Vallejo, CA 94590
www.cityofvallejo.net

VALLEJO CITY COUNCIL SPECIAL MEETING – 5:00 P.M. (CLOSED SESSION)

VALLEJO FLOOD & WASTEWATER DISTRICT SPECIAL MEETING – 6:30 P.M.

VALLEJO CITY COUNCIL REGULAR MEETING – 7:00 P.M.

MAYOR
Bob Sampayan

CITY COUNCIL
Vice Mayor, Katy Miessner
Pippin Dew-Costa
Jesus "Jess" Malgapo
Robert H. McConnell
Hermie Sunga
Rozzana Verder-Aliga, EdD

MAY 22, 2018

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.

Pursuant to the Government Code Section 54954.3 (The Brown Act), members of the public shall be afforded the opportunity to speak on any agenda item of interest to them provided they are first recognized by the presiding officer. Members of the public wishing to be so recognized are requested to submit a completed speaker card to the City Clerk prior to the consideration of the item.

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 City Council to resolve may come forward to the podium during the "COMMUNITY FORUM" portion of the AGENDA.

Members of the public have the right to speak on any item on this agenda. Those wishing to address the Council: 1) during the Community Forum are limited to three minutes pursuant to Vallejo Municipal Code Section 2.20.300; 2) on a Consent Calendar item are limited to three minutes pursuant to Vallejo Municipal Code Section 2.02.310; and an Action Calendar item are limited to five minutes pursuant to Vallejo Municipal Code Section 2.02.420.

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 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.

Want more City Information - Members of the public can:

Like us on Facebook (www.facebook.com/cityofvallejo)

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

¹ Changed the starting time of the Vallejo Flood & Wastewater District Special Meeting from 6:00 p.m. to 6:30 p.m.

**CALL AND NOTICE OF
SPECIAL MEETING
AT 5:00 PM
OF THE VALLEJO CITY COUNCIL
MAY 22, 2018**

TO THE MEMBERS OF THE VALLEJO CITY COUNCIL:

You are hereby notified that I do hereby call the Vallejo City Council in special session to consider only the matters stated on the agenda listed below.

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

1. CALL TO ORDER

2. ROLL CALL

3. CLOSED SESSION

- A. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6. Negotiators: Greg Nyhoff, City Manager; Teri Killgore, Assistant City Manager; Ron Millard, Finance Director; Charles Sakai (Sloan, Sakai, Yeung & Wong, LLP); and Burke Dunphy (Sloan, Sakai, Yeung & Wong, LLP). Employee Organizations: International Association of Firefighter, Local 1186 (IAFF); Confidential, Administrative, Managerial, and Professional Association of Vallejo (CAMP); and International Brotherhood of Electrical Workers, Local 1245 (IBEW).

4. ADJOURNMENT

Dated: Thursday, May 17, 2018



Bob Sampayan, Mayor

I, Dawn Abrahamson, City Clerk, 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 Vallejo City Council., at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 5:00 p.m., Thursday, May 17, 2018.

Dated: Thursday, May 17, 2018



Dawn G. Abrahamson, City Clerk

**VALLEJO CITY COUNCIL
REGULAR MEETING – 7:00 PM
COUNCIL CHAMBERS
MAY 22, 2018**

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. PRESENTATIONS AND COMMENDATIONS**
 - A. PRESENTATION OF A PROCLAMATION RECOGNIZING JUNE AS "PHILIPPINE CULTURAL MONTH"**
 - B. PRESENTATION OF A PROCLAMATION DECLARING THE WEEK OF MAY 20, 2018 AS "NATIONAL PUBLIC WORKS APPRECIATION WEEK"**
 - C. PRESENTATION OF A MEMORIAL PROCLAMATION IN HONOR OF CHIP CARTER**
 - D. PRESENTATION ON CALIFORNIA YOUTH ENERGY SERVICES RISING SUN PROGRAM**

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.

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 MINUTES

Recommendation: Approve the City Council minutes for the meetings of 1) May 8, 2018 (special); 2) May 8, 2018 (regular); 3) May 15, 2018 (special-closed session); and 4) May 15, 2018 (special)

Contact: Dawn G. Abrahamson, City Clerk (707) 648-4528

Dawn.Abrahamson@cityofvallejo.net

- B. ADOPTION OF AN ORDINANCE REGULATING COMMUNICATIONS FACILITIES**
Recommendation: Adopt an Ordinance amending Vallejo Municipal Code Chapter 10.18 Regulating Telecommunications and Wireless Communications Facilities in the Public Right of Way and on Public Property.
Contact: Will Morat, Administrative Analyst II (707) 648-4109
Will.Morat@cityofvallejo.net
- C. ON-CALL MISCELLANEOUS MAINTENANCE SERVICES CONTRACT**
Recommendation: Authorize the City Manager to execute contracts with Emergency Construction Services and House of Acts for on-call maintenance work not to exceed \$750,000 throughout the term of their agreements.
Contact: Courtney Schreiner Lee, Administrative Analyst (707) 648-4092
courtney.schreinerlee@cityofvallejo.net
- D. 1911 LANDSCAPE MAINTENANCE DISTRICTS ASSESSMENTS**
Recommendation: Adopt the Resolution declaring the intent to levy assessments for 13 Landscape Maintenance Districts (LMDs) for Fiscal Year 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.
Contact: Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097
Carmen.Cole@cityofvallejo.net
- E. 1972 HIDDENBROOKE MAINTENANCE DISTRICT ASSESSMENTS**
Recommendation: Adopt a Resolution preliminary approving the Engineer's Report and declaring the intent to levy and collect assessments for the Hiddenbrooke Maintenance Districts (HMD) for FY 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.
Contact: Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097
Carmen.Cole@cityofvallejo.net
- F. 1972 NORTHEAST QUADRANT LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS**
Recommendation: Adopt a Resolution preliminarily approving the Engineer's Report and declaring the intent to levy and collect assessments for the Northeast Quadrant Landscape Maintenance District (LMD) for FY 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.
Contact: Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097
Carmen.Cole@cityofvallejo.net

- G. **1911 GLEN COVE I / II LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS**
Recommendation: Adopt a Resolution declaring the intent to levy and collect assessments for the Glen Cove I / II Landscape Maintenance District (LMD) for FY 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.
Contact: Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097
Carmen.Cole@cityofvallejo.net
- H. **1972 ACT LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS**
Recommendation: Adopt a Resolution preliminarily approving the Engineer's Report and declaring the intent to levy and collect assessments for 11 Landscape Maintenance Districts (LMDS) for FY 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.
Contact: Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097
Carmen.Cole@cityofvallejo.net
- I. **PURCHASE OF SEVEN 9-1-1 DISPATCH CONSOLES UNDER HGAC PRICING**
Recommendation: Authorize the City Manager to purchase seven 9-1-1 dispatch radio consoles in an amount not to exceed \$550,000.
Contact: Gregory Taylor, Chief Information Officer, (707) 648-4468
gregory.taylor@cityofvallejo.net
- J. **QUITCLAIM A PORTION OF LANDSCAPE MAINTENANCE EASEMENT ON LOTS 16 AND 17 OF CORAL SEA VILLAGE SOUTH UNIT 1 SUBDIVISION, MARE ISLAND TO THE PROPERTY OWNER OF RECORD**
Recommendation: Adopt a Resolution to quitclaim a portion of the Landscape Maintenance Easement on Lots 16 and 17 of Coral Sea Village South Unit 1 to the property owner of record, Tyler Baker for lot 16 and Lennar of California Inc. for lot 17.
Contact: Jeanine Jackson, Associate Engineer, (707) 648-5306
Jeanine.Jackson@cityofvallejo.net
Allan A. Panganiban, Interim Assistant Public Works Director/City Engineer, (707) 648-4686
Allan.Panganiban@cityofvallejo.net

- K. **LICENSE AGREEMENT AND MOU WITH RISING SUN ENERGY CENTER**
Recommendation: Authorize the City Manager to execute attached License Agreement (Attachment A) and attached Memorandum of Understanding (MOU) (Attachment B) with Rising Sun Energy Center to use the currently vacant City-owned room located on the third floor of 505 Santa Clara Street at no cost to implement the California Youth Energy Services (CYES) program in the City of Vallejo.
Contact: Joanna Altman, Assistant to the City Manager, (707) 648-4362
joanna.altman@cityofvallejo.net
- L. **AGREEMENTS TO REIMBURSE VALLEJO FLOOD AND WASTEWATER DISTRICT FOR THE MARE ISLAND FORCE MAIN PROJECT COSTS**
Recommendation: Authorize the City Manager to execute agreements to reimburse Vallejo Flood and Wastewater District (VFWD) for the Mare Island Force Main project share for a total agreement amount not to exceed \$7,031,740.
Contact: Mike Malone, Water Director, (707) 648-4308
Mike.Malone@cityofvallejo.net
- M. **RESOLUTION OF SUPPORT OF CALIFORNIA STATE PROPOSITION 68**
Recommendation: Consider the adoption of a Resolution to support Proposition 68, the California Clean Water and Safe Parks Act appearing on the June 5, 2018 ballot.
Contact: Joanna Altman, Assistant to the City Manager, (707) 648-4362
joanna.altman@cityofvallejo.net
- N. **NEIGHBORHOOD STABILIZATION PROGRAM LOAN AGREEMENT FOR THE SONOMA ESTATES PROJECT**
Recommendation: Adopt a resolution (Attachment 1) approving a Neighborhood Stabilization Program (NSP) Loan Agreement in the amount of \$969,612 with Community Housing Development Corporation (CHDC) for the acquisition and development of the Sonoma Estates Housing Project.
Contact: Will Morat, Interim Housing & Community Development Manager, 707-648-4109
will.morat@cityofvallejo.net

O. **AGREEMENT TO REIMBURSE IN-N-OUT BURGER FOR TRAFFIC SIGNAL**

Recommendation: Authorize the City Manager to execute an agreement to reimburse In-N-Out Burgers for up to 85% of the cost of the traffic signal, estimated to be \$430,000. The maximum authority to reimburse is 20% above the estimated price, which is \$516,000.

Contact: Allan Panganiban, Interim City Engineer (707) 648-4686

Allan.Panganiban@cityofvallejo.net

P. **GRANT AGREEMENT WITH THE U.S. BUREAU OF RECLAMATION**

Recommendation: Adopt a resolution authorizing the City Manager to execute a grant agreement with the U.S. Bureau of Reclamation and provide matching funds of \$1 million.

Contact: Mike Malone, Water Director (707) 648-4308

Mike.Malone@cityofvallejo.net

Richard Wilson, Engineering Manager (707) 648-4309

Richard.Wilson@cityofvallejo.net

8. **ACTION CALENDAR**

NOTICE: Members of the public wishing to address the Council on Action Calendar Items are requested to submit a completed speaker card to the City Clerk. Each speaker is limited to five minutes pursuant to Vallejo Municipal Code Section 2.02.420.

A. **EMERGENCY ORDINANCES ON RECREATIONAL MARIJUANA CULTIVATION, DISTRIBUTION AND MANUFACTURING**

Recommendation:

Hold a public hearing, and introduce and adopt two emergency ordinances amending the Vallejo Municipal Code (VMC) Chapter 7.200 and Title 16 on recreational marijuana cultivation, manufacturing and distribution regulations and zoning to become effective May 23, 2018, so long as they receive at least five affirmative votes. In the alternative, introduce the ordinances on a nonemergency basis tonight, then hold a second reading and adopt the ordinances on June 12, 2018, with an effective date of July 12, 2018. Receive a verbal update on the work of the Marijuana Ad-Hoc Sub-Committee.

Contact: Joanna Altman, Assistant to the City Manager, (707) 648-4362

joanna.altman@cityofvallejo.net

- B. INTRODUCTION OF AMENDMENTS TO THE MOBILE HOME PARKS RENT CONTROL ORDINANCE**
Recommendation: Introduce an ordinance amending Vallejo Municipal Code (VMC) Chapter 5.64 on Mobile Home Parks Rent Control.
Contact: Will Morat, Interim Housing & Community Development Manager, 707-648-4109
will.morat@cityofvallejo.net
- C. MARKETING AGREEMENT - NATIONAL LEAGUE OF CITIES SERVICE LINE WARRANTY PROGRAM**
Recommendation: Authorize the City Manager to execute a Marketing Agreement with SLWA Insurance Services for the National League of Cities (NLC) Service Line Warranty Program, administered by Utility Service Partners, Inc., allowing NLC Service Line Warranty Program the use of the City logo in informing homeowners of the optional NLC Service Line Warranty Program.
Contact: Mike Malone, Water Department Director (707) 648-4308
mike.malone@cityofvallejo.net
- D. APPROVE A MEMORANDUM OF UNDERSTANDING WITH VALLEJO-FAIRVIEW DEVELOPERS, LLC AND COSTCO WHOLESALE CORPORATION FOR THE CITY'S CONTRIBUTION TO PUBLIC IMPROVEMENTS AT THE COOKE PROPERTY**
Recommendation: Authorize the City Manager to execute the attached Memorandum of Understanding (MOU) with Vallejo Fairview Developers, LLC (VFD) and Costco Wholesale Corporation (Costco) for the City's contribution of up to \$7.5 million in public improvements and infrastructure costs related to the development of the Cooke property.
Contact: Ron Gerber, Economic Development Manager, (707) 553-7283, Ron.Gerber@cityofvallejo.net
Alea Gage, Economic Development Project Manager, (707) 649-5454
Alea.Gage@cityofvallejo.net
- E. CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH NEXGEN AM**
Recommendation: Authorize the City Manager to execute the attached three year Consultant and Services Agreement with NEXGEN AM for the purchase and implementation of an asset management system in the amount not to exceed \$941,236.
Contact: Mey S. Saephan, Administrative Analyst I (707) 553-7239
mey.saephan@cityofvallejo.net

F. INTRODUCTION OF AN ORDINANCE AMENDING VALLEJO MUNICIPAL CODE CHAPTER 8.56 RELATING TO SOUND AND LIGHTING PERMITS

Recommendation: Introduce an Ordinance amending Chapter 8.56 of the Vallejo Municipal Code, "Operation of Sound Amplifying or Lighting Equipment."

Contact: Kelly Trujillo, Assistant City Attorney (707) 648-4545

kelly.trujillo@cityofvallejo.net

G. AMENDMENT TO CITY ATTORNEY'S EMPLOYMENT AGREEMENT

Recommendation: Authorize the Mayor to execute an amendment to the city attorney's employment agreement to reflect the rollover of an amount equal to Management Incentive Pay (MIP) (120 hours or 5.77% of salary) into salary effective July 1, 2018 and an additional 2% salary increase effective July 1, 2017, consistent with the rollover and increase given to the other executive unrepresented management employees; and that such new salary be posted in the publicly available pay schedules of the city. And provide Administrative Leave (80 hours or 3.9% of salary) annually beginning on July 1, 2018.

Contact: Ron Millard, Finance Director (707) 648-4592

Ron.Millard@cityofvallejo.net

9. INFORMATION CALENDAR

10. CITY MANAGER'S REPORT

11. CITY ATTORNEY'S REPORT

12. 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.

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

14. CLOSED SESSION

15. ADJOURNMENT

ADDITIONAL CITY INFORMATION

Members of the public can:

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Sign up to receive City updates and get connected with your neighbors on Nextdoor (www.nextdoor.com)

Dated: Thursday, May 17, 2018

A handwritten signature in blue ink that reads "Dawn G. Abrahamson for". The signature is written in a cursive style.

Bob Sampayan, Mayor

I, Dawn Abrahamson, City Clerk 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 Vallejo City Council](#), at the time and in the manner prescribed by law and that this agenda was posted at City Hall, 555 Santa Clara Street, CA at 5:00 p.m., Thursday, May 17, 2018.

Dated: Thursday, May 17, 2018

A handwritten signature in blue ink that reads "Dawn G. Abrahamson". The signature is written in a cursive style.

Dawn G. Abrahamson, City Clerk

VALLEJO CITY COUNCIL
SPECIAL MEETING MINUTES
COUNCIL CHAMBERS
MAY 8, 2018

1. **CALL TO ORDER**

The meeting was called to order by Mayor Sampayan at 5:10 p.m.

2. **ROLL CALL**

Present: Mayor Sampayan, Councilmembers Malgapo, McConnell, Sunga.

Absent: Vice Mayor Miessner and Councilmembers Dew-Costa and Verder-Aliga

Staff present: City Clerk Abrahamson

3. **ACTION CALENDAR**

A. **MAKEUP INTERVIEW FOR APPLICANT TO THE SOLANO OPEN SPACE
CITIZEN'S ADVISORY COMMITTEE**

Recommendation: Conduct a makeup interview for one applicant to the Solano Open Space Citizen's Advisory Committee. Pursuant to the City Council's new procedure for selecting Commissioners, appointments will be made at tonight's regular council meeting.

Contact: Dawn G. Abrahamson, City Clerk, (707) 648-4528

Dawn.Abrahamson@cityofvallejo.net

City Council conducted makeup interviews for Solano Open Space Citizen's Advisory Committee applicant Michael Carey and SolTrans Public Advisory Committee applicant Richard Burnett.

Appointments will be made at the May 8, 2018 regular City Council meeting.

4. **ADJOURNMENT**

The meeting adjourned at 5:35 p.m.

BOB SAMPAYAN, MAYOR

ATTEST:

Special City Council Meeting Minutes
May 8, 2018
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DAWN G. ABRAHAMSON
CITY CLERK

**VALLEJO CITY COUNCIL
REGULAR MEETING MINUTES
COUNCIL CHAMBERS
MAY 8, 2018**

1. CALL TO ORDER

The meeting was called to order by Mayor Sampayan at 7:32 p.m.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

Present: Mayor Sampayan, Councilmembers Dew-Costa, Malgapo, McConnell, Sunga, and Verder-Aliga

Absent: Vice Mayor Miessner

Staff present: City Manager Nyhoff, City Attorney Quintana and City Clerk Abrahamson

4. PRESENTATIONS AND COMMENDATIONS

Action: Presentations were made by Mayor Sampayan and Councilmembers Malgapo and Verder-Aliga.

A. **PRESENTATION OF A PROCLAMATION RECOGNIZING MAY AS "BIKE MONTH"**

B. **PRESENTATION OF A PROCLAMATION RECOGNIZING MAY 6-12, 2018 AS "DRINKING WATER WEEK"**

C. **PRESENTATION OF A PROCLAMATION RECOGNIZING THE WEEK OF MAY 8TH AS "NATIONAL LAW ENFORCEMENT WEEK"**

D. **PRESENTATION OF A PROCLAMATION RECOGNIZING MAY 6-12, 2018 AS "MUNICIPAL CLERKS WEEK"**

5. FIRST COMMUNITY FORUM

Speakers: Christian Tobin, Ryan Messano, Laurie Hancock (Solano County Library), Nestor Aliga, and Rick Maida.

6. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS

Speakers: None.

7. CONSENT CALENDAR AND APPROVAL OF AGENDA

Action: Moved by Councilmember McConnell and carried unanimously by Councilmembers present, unless otherwise noted, approval of the Agenda and the

Consent Calendar with the removal of Item 71 from the Consent Calendar making it Item 7.1. (Absent: Miessner).

A. **APPROVAL OF MINUTES**

Recommendation: Approve the City Council minutes for the meetings of 1) April 16, 2018 (special); 2) April 24, 2018 (special); and 3) April 24, 2018 (regular).

Contact: Dawn G. Abrahamson, City Clerk (707) 648-4528

Dawn.Abrahamson@cityofvallejo.net

Action: Approved minutes.

B. **AWARD CONSTRUCTION CONTRACT TO KEREX ENGINEERING FOR THE FISCAL YEAR 2017-18 SENATE BILL 1 CITYWIDE CURB RAMPS PROJECT**

Recommendation: Adopt a Resolution approving the project budget, plans and specifications for the SB1 Citywide Curb Ramps FY2017-18 Project, and authorize the City Manager to award a construction contract in the amount of \$197,580 to Kerex Engineering, Inc. in accordance with the approved plans and specifications.

Contact: Allan A. Panganiban, Interim City Engineer, (707) 648-4686

allan.panganiban@cityofvallejo.net

Sam Kumar, Senior Civil Engineer, (707) 648-4432

sam.kumar@cityofvallejo.net

Action: Adopted Resolution No. 18-030 N.C.

C. **AGREEMENT WITH YORK RISK SERVICES GROUP, INC.,**

Recommendation: Authorize the City Manager to execute an agreement with York Risk Services Group, Inc. for Third Party Administration (TPA) services in connection with General Liability Claims in an amount not to exceed \$735,507 for a maximum term of five years.

Contact: Claudia Quintana, City Attorney (707) 648-4545

Claudia.Quintana@cityofvallejo.net

Action: Authorized the City Manager to execute an agreement with York Risk Services Group, Inc. for Third Party Administration (TPA) services in connection with General Liability Claims in an amount not to exceed \$735,507 for a maximum term of five years.

D. **MASTER LICENSE AGREEMENT WITH AT&T DBA CINGULAR WIRELESS**

Recommendation: Authorize the City Manager to execute a Small Cell Master License Agreement (MLA) with AT&T DBA Cingular Wireless (AT&T) to lease City-owned street lights for the amount identified in Vallejo Municipal Code

(VMC) 10.18.

Contact: Jose McNeill, Asset and Real Property Manager (707) 648-4343
jose.mcneill@cityofvallejo.net

Action: Authorized the City Manager to execute a Small Cell Master License Agreement (MLA) with AT&T DBA Cingular Wireless (AT&T) to lease City-owned street lights for the amount identified in Vallejo Municipal Code (VMC) 10.18.

E. **RESOLUTION TO WITHDRAW INITIATIVE PETITION**

Recommendation: Adopt a Resolution withdrawing the initiative from the November 2018 ballot.

Contact: Donna Mooney, Chief Assistant City Attorney, (707)648 4548
donna.mooney@cityofvallejo.net

Action: Adopted Resolution No. 18-031 N.C.

F. **PROFESSIONAL SERVICES AGREEMENTS FOR SALES TAX AND PROPERTY TAX SERVICES**

Recommendation:

1. Authorize the City Manager to execute the attached Consultant and Professional Services Agreement with Hinderliter De Llamas and Associates (HdL), in an amount not to exceed \$200,000 for sales tax consulting services.
2. Authorize the City Manager to execute the attached Consultant and Professional Services Agreement with HDL Coren & Cone (HdLCC), in an amount not to exceed \$125,000 for property tax consulting services.
3. Adopt the attached Resolution authorizing Hinderliter de Llamas and Associates, as the City's representative, to receive sales and use tax information from the California Department of Tax and Fee Administration, pursuant to state law.

Contact: Ron Millard, Finance Director (707) 648-4592
Ron.Millard@cityofvallejo.net

Action:

1. Authorized City Manager to execute the attached Consultant and Professional Services Agreement with Hinderliter De Llamas and Associates (HdL), in an amount not to exceed \$200,000 for sales tax consulting services.

2. Authorized City Manager to execute the attached Consultant and Professional Services Agreement with HDL Coren & Cone (HdLCC), in an amount not to exceed \$125,000 for property tax consulting services.

3. Adopted Resolution No. 18-032 N.C. authorizing Hinderliter de Llamas and Associates, as the City's representative, to receive sales and use tax information from the California Department of Tax and Fee Administration, pursuant to state law

G. **REVISING POLICE CHIEF COMPENSATION**

Recommendation: Adopt a resolution amending Exhibit A to Resolution No. 17-126, the Unrepresented Executive Management Employees Compensation Plan Resolution and Schedule for the City of Vallejo, by approving a 5% salary increase to the Police Chief classification effective May 1, 2018 with such increase being covered by existing salary savings from the Police Department budget, and directing staff to amend the employment agreement for the police chief to reflect such increase in a form to be approved by the City Attorney.

Contact: Teri Killgore, Assistant City Manager, (707) 648-4579

Teri.Killgore@Cityofvallejo.Net

Action: Adopted Resolution No. 18-033 N.C.

H. **ADOPTION OF ORDINANCES FOR THE DOWNTOWN PARKING PROGRAM**

Recommendation: Adopt five ordinances amending Vallejo Municipal Code Chapters 8.04, 8.12, 8.20, 8.24 and 8.26; and adoption of an ordinance establishing the parking enterprise fund.

Contact: Allison Mattioli, Administrative Analyst II (707) 648-5407

Allison.Mattioli@cityofvallejo.net

Action: Adopted Ordinance Nos. 1787, 1788, 1789, 1790, 1791, and 1792 N.C. (2d).

I. **COUNCILMEMBER VERDER ALIGA'S TRAVEL EXPENSES FOR SISTER CITY GOOD WILL MISSION**

Recommendation: Authorize a \$1520 reimbursement for Councilmember Verder-Aliga to travel to Akashi, Japan, Jincheon, South Korea and Baguio, Philippines for a Sister City Good Will Mission July 11-29, 2018, consistent with the City of Vallejo's Travel and Expense Reimbursement Policy .

Contact: Dawn G. Abrahamson, City Clerk (707) 648-4528

Dawn.Abrahamson@cityofvallejo.net

Action: item was removed from the Consent Calendar.

City Clerk Abrahamson provided an overview of the request and recommendation.

Speakers: Anne Carr and Ravi Shankar.

Action: Moved by Councilmember McConnell and carried to authorize a \$1520 reimbursement for Councilmember Verder-Aliga to travel to Akashi, Japan, Jincheon, South Korea and Baguio, Philippines for a Sister City Good Will Mission July 11-29, 2018, consistent with the City of Vallejo's Travel and Expense Reimbursement Policy (Noes-McConnell; Absent: Miessner).

J. **CITY TREASURER'S INVESTMENT REPORT**

Recommendation: Accept the City Treasurer's Investment Report for the quarter ended March 31, 2018.

Contact: Ron Millard, Finance Director, (707) 648-4592
ron.millard@cityofvallejo.net

Action: Accepted the City Treasurer's Investment Report for the quarter ended March 31, 2018.

K. **NOTICE OF INTENT TO AMEND THE BUDGET REFLECTING THE BLUE ROCK SPRINGS GOLF COURSE PROJECT**

Recommendation: Provide notice of intent to amend the Fiscal Year 2017-18 Budget to reflect revenues and expenditures for the Blue Rock Springs Golf Course Revitalization Project.

Contact: Will Morat, Administrative Analyst II (707) 648-4109
will.morat@cityofvallejo.net

Action: Provided notice of intent to amend the Fiscal Year 2017-18 Budget to reflect revenues and expenditures for the Blue Rock Springs Golf Course Revitalization Project.

8. **ACTION CALENDAR**

A. **APPOINTMENTS TO THE BEAUTIFICATION COMMISSION, CODE ENFORCEMENT APPEALS BOARD, SOLANO OPEN SPACE CITIZEN'S ADVISORY COMMITTEE, AND SOLTRANS PUBLIC ADVISORY COMMITTEE**

Recommendation:

Make appointments to fill the following vacancies:

1. Three vacancies to the Beautification Commission.
2. Two vacancies to the Code Enforcement Appeals Board.
3. Three vacancies to the Solano Open Space Citizen's Advisory Committee.
4. Three vacancies to the SolTrans Public Advisory Committee.

Contact: Dawn G. Abrahamson, City Clerk, (707) 648-4528
Dawn.Abrahamson@cityofvallejo.net

Actions: (1) Following nominations for the Beautification Commission, it was moved by Councilmember McConnell and carried unanimously by Councilmembers present to appoint Robert LaGatta for a term commencing from date of appointment and expiring on June 30, 2020; Suzanne Poynter for a term commencing May 10, 2018 and expiring on June 30, 2022; and Brian Duquette for a term commencing May 10, 2018 and expiring on June 30, 2021. (Absent: Miessner)

(2) It was moved by Councilmember McConnell and carried unanimously by Councilmembers present to appoint Carey Hawkins Ash and L Alexander Matias to the Code Enforcement Appeals Board for terms commencing from date of appointment and expiring on December 31, 2021 (Absent: Miessner).

(3) It was moved by Councilmember McConnell and carried unanimously by Councilmembers present to appoint Michael Carey and Peg Ohara to the Solano Open Space Citizen's Advisory Committee for terms commencing from date of appointment and expiring on June 30, 2022 (Absent: Miessner).

(4) It was moved by Councilmember McConnell and carried unanimously by Councilmembers present to appoint Richard Burnett, Michael Milan and Drew Skau to the SolTrans Public Advisory Committee for terms commencing from date of appointment and expiring on June 30, 2022. (Absent: Miessner).

B. **INTRODUCTION AND ADOPTION OF AN EMERGENCY ORDINANCE CREATING THE BUILDING STANDARDS CODE APPEALS BOARD AND AMENDMENTS TO BUILDING AND FIRE CODE APPEALS**

Recommendation: Introduce and adopt an emergency Ordinance creating the Building Standards Code Appeals Board and amending Chapter 12.04 and 12.28 regarding Building and Fire Code Appeals.

Contact: Kelly Trujillo, Assistant City Attorney (707) 648-4201
kelly.trujillo@cityofvallejo.net

Assistant City Attorney Trujillo, Building Official Lonell and Fire Chief McArthur provided an overview of the Building and Fire Standards Codes, discussed immediate changes needed to the Vallejo Municipal Code and highlighted the key points of creating a specialized Appeals Board.

Speakers: None.

Action: Moved by Councilmember McConnell and carried unanimously by Councilmembers present to introduce and adopt Emergency Ordinance No. 1793 N.C. (2d) (Absent: Miessner).

C. **INTRODUCTION OF AN ORDINANCE REGULATING COMMUNICATIONS FACILITIES**

Recommendation: Introduce an ordinance amending Vallejo Municipal Code (VMC) Chapter 10.18 regulating telecommunications and wireless communications facilities in the Public Right of Way and on Public Property. Contact: Will Morat, Administrative Analyst II, (707) 648-4109 will.morat@cityofvallejo.net

Interim Housing & Community Development Manager Morat provided an overview of the staff report and outlined the recommendation.

Speakers: None.

Staff responded to questions from Councilmembers. Councilmembers provided comment.

Action: Moved by Councilmember McConnell and carried unanimously by Councilmembers present to introduce an ordinance amending Vallejo Municipal Code (VMC) Chapter 10.18 regulating telecommunications and wireless communications facilities in the Public Right of Way and on Public Property (Absent: Miessner).

D. **CONSIDERATION OF AN OMBUDSMAN/VOLUNTEER POSITION**

Recommendation: Following discussion, provide direction to staff in order to include establishment of the appropriate position in the Fiscal Year 2018-19 budget.

Contact: Greg Nyhoff, City Manager (707) 648-4576 Greg.Nyhoff@cityofvallejo.net

City Manager Nyhoff discussed his recommendation of including a part-time Volunteer Coordinator in the Fiscal Year 2018-19 budget for Council consideration.

Speakers: Tom Arie Donch (Vallejo Arts Community Foundation) and Kathy

O'Hare.

Councilmembers provided comment and direction to staff to include the following:

(1) Consensus to start off with a part-time Volunteer Coordinator position and reconsider at mid-year budget review with the possibility of extending to a full-time position.

(2) Formed a two Councilmember ad-hoc committee comprised of Councilmembers Malgapo and McConnell to work with the City Manager on the creation and discussion of the duties and responsibilities for an Ombudsman position.

9. INFORMATION CALENDAR – None.

10. CITY MANAGER'S REPORT

A. DEVELOPMENT REVIEW PROCESS

City Manager Nyhoff informed the community about the May 15 special City Council meeting which will allow Council the opportunity to review, discuss and recommend an Exclusive Negotiating Rights Agreement for the development of North Mare Island. He concluded his report by providing highlights and findings of an outside independent audit of the City's Development Review Process.

11. CITY ATTORNEY'S REPORT

City Attorney Quintana informed Council that she would be bringing an ordinance adding rules of decorum and clarifying the role of Council Liaisons to City Boards and Commissions to an upcoming meeting for their review and consideration.

12. COMMUNITY FORUM

Speakers: Ray Wood, Lillie J. Hurd and Tom Arie Donch (Vallejo Community Arts Foundation).

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

Councilmembers reported on various community events and meetings attended.

14. CLOSED SESSION – None.

15. ADJOURNMENT

The meeting adjourned at 10:14 p.m.

BOB SAMPAYAN, MAYOR

ATTEST:

DAWN G. ABRAHAMSON
CITY CLERK

VALLEJO CITY COUNCIL
SPECIAL MEETING MINUTES
COUNCIL CHAMBERS
MAY 15, 2018

1. **CALL TO ORDER**

The meeting was called to order at 5:31 p.m.

2. **ROLL CALL**

Present: Mayor Sampayan, Vice Mayor Miessner, Councilmembers Dew-Costa, Malgapo, McConnell, Sunga, and Verder-Aliga (arrived at 5:07 p.m.)

Absent: None

Staff present: Finance Director Millard

The City Council convened into Closed Session in the Council Conference Room at 5:32 p.m.

3. **CLOSED SESSION**

A. Conference with Labor Negotiator(s) Pursuant to Government Code Section 54957.6. Negotiators: Charles Sakai (Sloan, Sakai, Yeung & Wong, LLP), Ron Millard, Finance Director; Vice Mayor Katy Miessner and Councilmembers Robert McConnell and Jess Malgapo. Unrepresented Employee: City Attorney

4. **ADJOURNMENT**

The meeting adjourned at 5:57 p.m.

BOB SAMPAYAN, MAYOR

ATTEST:

DAWN G. ABRAHAMSON
CITY CLERK

VALLEJO CITY COUNCIL
SPECIAL MEETING MINUTES
COUNCIL CHAMBERS
MAY 15, 2018

1. **CALL TO ORDER**

The meeting was called to order at 6:01 p.m.

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

Present: Mayor Sampayan, Vice Mayor Miessner, Councilmembers Dew-Costa, Malgapo, McConnell, Sunga, and Verder-Aliga

Absent: None

Staff present: City Manager Nyhoff, City Attorney Quintana and City Clerk Abrahamson

4. **ACTION CALENDAR**

A. **EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT WITH THE NIMITZ GROUP FOR NORTH MARE ISLAND**

Recommendation: Authorize the City Manager to negotiate an Exclusive Negotiating Rights Agreement between the City of Vallejo and the Nimitz Group for the development of North Mare Island.

Contact: Ron Gerber, Economic Development Manager (707) 553-7283
Ron.gerber@cityofvallejo.net

City Manager Nyhoff provided introductory remarks and discussed the parameters of the evaluation and selection process.

Economic Development Manager Gerber provided an overview Request for Qualifications and eight responses received, discussed the overall criteria for selection and the reasons for the recommendation of The Nimitz Group as the recommended developer and concluded with next steps related to the ENRA.

Speakers: Dave Phinney (representing The Nimitz Group), Tim Hiemstra, Kent Fortner (Mare Island Brewing Company), Richard Robles, Robert Brekke, Anne Carr, Jessica Brown, Matt Snyder, and Diana Lang.

Staff responded to questions from Councilmembers. Councilmembers provided comment.

Action: Moved by Vice Mayor Miessner and carried unanimously to authorize the City Manager to negotiate an Exclusive Negotiating Rights Agreement between the City of Vallejo and the Nimitz Group for the development of North Mare Island.

5. ADJOURNMENT

The meeting adjourned at 7:26 p.m.

BOB SAMPAYAN, MAYOR

ATTEST:

DAWN G. ABRAHAMSON
CITY CLERK

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
VALLEJO AMENDING SECTION 10.18.160 OF THE VALLEJO MUNICIPAL
CODE RELATING TO THE SIZE OF TELECOMMUNICATION FACILITIES ON PUBLIC
PROPERTY AND IN THE PUBLIC RIGHT OF WAY

WHEREAS, on July 25, 2017, the City Council adopted Vallejo Municipal Ordinance 10.18 Regulating Telecommunications Facilities in the Public Right of Way and on Public Property; and

WHEREAS, the types of wireless antennas, towers, poles, transmission equipment and associated equipment that telecommunications providers install in the public rights-of-way can vary considerably in size and appearance; and

WHEREAS, minor modifications to required dimensions would align City requirements with industry standards while retaining the City's beauty and aesthetics, and does not incommode the public right of way.

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

SECTION 1. Vallejo Municipal Code Chapter 10.18.160 is hereby amended as follows:

10.18.160 Small Cell Sites that do Not Qualify for an Eligible Facilities Request

A. Site Selection

1. No net new TF or WCF Poles or Towers are permitted in the PROW or on City property.
2. No net new Transmission Equipment shall be installed above grade on a pedestal, cabinet, or other structure that is detached from the Pole or Tower in the PROW or on City property. All Transmission Equipment shall be mounted on the approved Pole using Low Profile equipment, or installed below grade in a vault. Vault vents must be flush to the ground.
3. Locations shall be on existing infrastructure. The infrastructure selected should be located at alleys and near property line prolongations. If the facility is not able to be placed on existing infrastructure, the applicant shall provide a map of existing infrastructure in the service area and describe why each such Site was not feasible.

4. If existing infrastructure Sites have been exhausted, the City requires that the applicant dedicate a new Base Station approved by the Community and Economic Development Director, such as a street light, on which the TF or WCF can be installed. In such cases, the new Base Station shall be dedicated to the City and will have a primary purpose other than as a TF or WCF and the TF or WCF will be a secondary use. Applicant is responsible for all costs associated with purchase and installation of new Base Station
- B. Existing Infrastructure requirements
1. Street light
 - a. The Antenna shall be the smallest possible volume but in no case greater than three cubic feet. The Antenna must be mounted using Concealment Elements as approved by the Community and Economic Development Director. Antenna installations will be top of pole mount and shall not increase the height by more than 10 percent or ten feet, whichever is greater, over other street lights in the immediate vicinity.
 - b. No net new Transmission Equipment shall be installed above grade on a pedestal, cabinet, or other structure that is detached from the Pole or Tower in the PROW or on City property. All Transmission Equipment shall be mounted on the approved Pole using Low Profile equipment, or installed below grade in a vault. Vault vents must be flush to the ground.
 - c. Transmission Equipment, other than Antennas, shall be mounted as prescribed by the Community and Economic Development Director in one of the manners described.
 - i.) Low Profile Equipment shall be mounted directly to the pole a minimum of eight (8) feet above the existing grade and be coated or painted with an approved color to match the existing pole.
 - ii.) Low Profile Equipment shall be mounted to the pole in an equipment box a minimum of eight (8) feet above the existing grade. The equipment box shall be coated or painted an approved color to match the existing pole and will be no wider than thirteen (13) inches at the point it is mounted nor protrude from the surface of the pole by more than nine (9) inches.
 - d. The applicant may propose or the City may require that the existing light standard be replaced, at the applicant's expense, with a City-approved Base Station that is manufactured with a base shroud designed to accept wireless

equipment and integrated RF screen to accept a wireless Antenna. The Base Station shall be dedicated to the City for a primary purpose other than a TF or WCF. Applicant is responsible for all costs associated with purchase and installation of new Base Station.

C. Utility Pole

1. The Antenna shall be the smallest possible volume but in no case greater than three cubic feet and shall be mounted at the top of the pole or on the side of the pole with a bracket. When mounted with a bracket the bracket may extend no more than eighteen (18) inches from the surface of the pole or the minimum safety buffer required by the California Public Utilities Commission, and will be coated or painted an approved color to match the existing pole. The Antenna must be mounted using Concealment Elements as approved by the Community and Economic Development Director.
2. No net new Transmission Equipment shall be installed above grade on a pedestal, cabinet, or other structure that is detached from the Pole or Tower in the PROW or on City property. All Transmission Equipment shall be mounted on the approved Pole using Low Profile equipment, or installed below grade in a vault. Vault vents must be flush to the ground.
3. Transmission Equipment, other than Antennas, shall be mounted as prescribed by the Community and Economic Development Director in one of the manners described.
 - a. Low Profile Equipment shall be mounted directly to the pole a minimum of eight (8) feet above the existing grade and be coated or painted with an approved color to match the existing pole.
 - b. Low Profile Equipment shall be mounted in an equipment box that is mounted directly to the pole a minimum of eight (8) feet above the existing grade. The equipment or box shall be coated or painted an approved color to match the existing pole and will be no wider than thirteen (13) inches at the point it is mounted nor protrude from the surface of the pole by more than nine (9) inches, or the minimum safety buffer required by the California Public Utilities Commission.
 - c. All cabling and wiring must be contained in conduit, encased directly to the face of the Pole in infrastructure designed to self-contain any Transmission Equipment. No exposed slack or extra cable will be allowed.

- d. New sites may not be located on a utility Pole if the existing utility Pole already has more than two existing risers/drops, unless the applicant has obtained permission from the Pole owner to replace the Pole with a Pole that allows the new cable and wires to be inside the Pole, in conduit. When the installation will result in two or fewer risers/drops on the Pole, the wires and cable may be installed as a riser/drop in conduit painted an approved color or in commercially available black or dark brown conduit, as directed by the City.

D. Traffic Signal Pole

1. The Antenna shall be the smallest possible volume but in no case greater than three cubic feet. The Antenna must be mounted using Concealment Elements as approved by the Community and Economic Development Director. Antenna installations will be top of pole mount and shall not increase the height by more than 10 percent or ten feet, whichever is greater, over other street lights in the immediate vicinity.
- 2) No net new Transmission Equipment shall be installed above grade on a pedestal, cabinet, or other structure that is detached from the Pole or Tower in the PROW or on City property. All Transmission Equipment shall be mounted on the approved Pole using Low Profile equipment, or installed below grade in a vault. Vault vents must be flush to the ground.
- 3) Installations on Poles with mast arms shall not be allowed when other suitable Poles are available in the area.
- 4) All electrical wiring and components for the TF or WCF will be contained inside the pole and physically separated from the traffic signal wiring. No pull boxes shall be shared.
- 5) The pole must have a handhole for maintenance of the traffic signal wiring. The handhole must be located so as to provide safe and practical access to City maintenance staff.
- 6) Transmission Equipment, other than Antennas, shall be mounted as prescribed by the Community and Economic Development Director in one of the manners described.
 - a. Low Profile Equipment shall be mounted directly to the pole a minimum of eight (8) feet above the existing grade and be coated or painted with an approved color to match the existing pole.

- b. Low Profile Equipment mounted in an equipment box that is mounted directly to the pole a minimum of eight (8) feet above the existing grade. The equipment or box shall be coated or painted an approved color to match the existing pole and will be no wider than thirteen (13) inches at the point it is mounted nor protrude from the surface of the pole by more than nine (9) inches.
- c. All cabling and wiring must be contained in conduit, encased within the Pole in infrastructure designed to self-contain any Transmission equipment. No exposed slack or extra cable will be allowed.
- d. If the existing Pole was not designed to self-contain any and all Transmission equipment, Applicant must purchase a new Base Station approved by the Community and Economic Development Director, and install the new Base Station according to standards and specifications established by the City, replacing the existing Pole, and dedicate that Base Station to the City for a primary purpose other than a TF or WCF. Applicant is responsible for all costs associated with purchase and installation of new Base Station.

SECTION 2. Severability.

If any section, subsection, sentence, clause, phrase of work of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact that one or more provisions may be declared invalid.

SECTION 3. Effective Date.

This Ordinance shall take effect and be in full force and effect from and after (30) thirty days after its final passage.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Jack McArthur, Fire Chief (707) 648-4526
SUBJECT: ON-CALL MISCELLANEOUS MAINTENANCE SERVICES CONTRACT

RECOMMENDATION

Authorize the City Manager to execute contracts with Emergency Construction Services and House of Acts for on-call maintenance work not to exceed \$750,000 throughout the term of their agreements.

REASONS FOR RECOMMENDATION

To expedite the process for requesting and completing time-sensitive maintenance work by qualified companies. These agreements ensure staff across City departments are paying the same rate for services and increases transparency and accountability.

BACKGROUND AND DISCUSSION

Several City of Vallejo departments utilize outside resources to perform tasks such as litter and debris removal on certain City-maintained properties and rights-of-way, weed abatement on non-compliant properties, building board-ups, unlawful encampment clean-ups, and miscellaneous handy-work at City facilities. This work is usually requested and performed within a short time-frame in an effort to reduce potential hazards, or to maintain compliance with City standards.

In an effort to streamline workflow between departments and maintain compliance with City codes and ordinances, a Request for Proposals (RFP) was created and advertised on the City website for three weeks (March 15 until April 5, 2018), seeking companies to provide any, or all, of the following on-call services:

- Litter/Debris Removal
- Lawn & Small Area Mowing
- Vegetation Control/Weed Abatement
- Fence Repair
- Bag, Tag, & Bio-Hazard Clean-Up for Unlawful Encampments
- Window & Building Board-Ups
- Miscellaneous Handy-Work

The City received two proposals, one from House of Acts and the other from Emergency Construction Services. Upon review, the selection committee determined that each company provided the services at levels appropriate for the work that is often requested, and that their fee schedules were in line with current market rate.

Having two companies on-call ensures that all departments can receive timely service when necessary and gives the City the opportunity to use the company with the most beneficial rate for that service.

FISCAL IMPACT

Departments will use the on-call contracts as necessary throughout the term of the contract; total costs each Fiscal Year may fluctuate based on need. Departments will use allocated funds, there will be no additional fiscal impact on the General Fund associated with this item.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	ECS_Master Agreement_final
2.	HOA_Master Agreement_final

CONTACT

Courtney Schreiner Lee, Administrative Analyst (707) 648-4092

courtney.schreinerlee@cityofvallejo.net

SERVICES
MASTER AGREEMENT

This Service Provider and Professional Services Master Agreement ("Agreement") is made at Vallejo, California, dated for reference this ____ day of _____, 2018, by and between the City of Vallejo, a municipal corporation ("City"), and Emergency Construction Services, Inc., hereinafter referred to as "Service Provider", who agree as follows:

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

Approved as to Form:

By: 
City Attorney

The provisions of this section shall survive the expiration or termination of this Agreement.

5. Insurance Requirements. Service Provider agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled “Insurance Requirements for Service Provider.” Failure to maintain required insurance at all times shall constitute a default and material breach.

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

7. Conflict of Interest. Service Provider warrants and represents that to the best of its knowledge, there exists no actual or potential conflict between Service Provider’s family, business, real property or financial interests and the services to be provided under this Agreement. Service Provider shall comply with the City of Vallejo Conflict of Interest Code and not enter into any contract or agreement during the performance of this Agreement which will create a conflict of interest with its duties to City under this Agreement. In the event of a change in Service Provider’s family, business, real property, or financial interests occurs during the term of this Agreement that creates an actual or potential conflict of interest, then Service Provider shall disclose such conflict in writing to City. Every individual who performs services on behalf of Service Provider pursuant to this Agreement must file a full Statement of Economic Interests (also known as Form 700) with the City Clerk if the work of the individual involves making a governmental decision whether to issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement; authorizes the City to enter into, modify, or renew a contract; grants City approval of specifications for a contract; adopts or approves for the City any policy, standard or guideline; lobbies on behalf of the City, or performs the same or substantially all the same duties for the City that would otherwise be performed by an individual holding a position specified in the City’s Conflict of Interest Code.

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

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

10. Business License. Service Provider, and its subcontractors, has obtained or agrees to apply prior to performing any services under this Agreement to City's Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement. The failure to obtain such license shall be a material breach of this Agreement and grounds for termination by City. No payments shall be made to Service Provider until such business license(s) has been obtained.

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

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

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

Service Provider is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work and shall prepare plans, reports, and/or other work products in such a way that additional costs will not be incurred beyond a project budget approved or amended by the City Manager or his or her designee.

Whenever the scope of work requires or permits review, approval, conditional approval or disapproval by City, it is understood that such review, approval, conditional approval or disapproval is solely for the purposes of administering this Agreement and determining whether the Service Provider is entitled to payment

for such work, and not be construed as a waiver of any breach or acceptance by the City of any responsibility, professional or otherwise, for the work, and shall not relieve the Service Provider of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Service Provider.

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

In the event that the Service Provider is unable to meet the completion date or schedule of services, Service Provider shall immediately inform the City Representative of this in writing. If additional time is required to perform the work, the City Representative may adjust the schedule.

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

14. Personnel. Service Provider agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement.

The payment made to Service Provider pursuant to this Agreement shall be the full and complete compensation to which Service Provider and Service Provider's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Service Provider nor Service Provider's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Service Provider. The City shall not be required to pay any workers' compensation insurance on behalf of Service Provider.

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

15. Service Provider Not Agent. Except as authorized under this Agreement or as City may authorize in a letter of authorization signed by the City Manager or his or her designee, Service Provider shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Service Provider

shall have no authority, express or implied, under this Agreement, to bind City to any obligation whatsoever.

16. Term. The term of this Agreement shall commence on May 23, 2018 and shall continue in full force and effect until June 30, 2021.

City shall, at its discretion, have the right to extend the term of this Agreement, in intervals of one year, by written notice to Service Provider. The total duration of this Agreement, including the exercise of any options under this section, shall not exceed five years.

If the term of this Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of the Agreement is contingent on the appropriation of funds for such purpose by the City Council of the City of Vallejo. If funds to effect such continued payment are not appropriated, Service Provider agrees to terminate any services supplied to City of Vallejo under this Agreement, and relieve City of any further obligation therefore.

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

The City shall pay Service Provider for services performed in accordance with this Agreement before the date of termination. If this contract provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be based on an amount mutually agreed to by City and Service Provider for the portion of work completed in conformance with this Agreement before the date of termination. In addition, the City will reimburse Service Provider for authorized expenses incurred and not previously reimbursed. The City shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

18. Products of Consulting Services. The work product, including without limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Service Provider resulting from services rendered pursuant to this Agreement, shall become the property of City. Service Provider agrees that all copyrights which arise from creation of the work under this Agreement shall be vested in the City

and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Service Provider makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

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

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

20. Assignment and Subcontracting. Service Provider shall not subcontract, assign or transfer voluntarily or involuntarily any of its rights, duties or obligation under this Agreement without the express written consent of the City Manager or his or her designee in each instance. Any attempted or purported assignment of any right, duty or obligation under this Agreement without said consent shall be void and of no effect.

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

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

Any subcontractor or assignee consented to by City shall be bound by all terms and conditions of this agreement and the same shall be incorporated into and made a part of any assignment or subcontractor agreement.

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

22. Non-Discrimination/Fair Employment Practices.

(a) Service Provider shall not, because of race, religious creed, color, sex, national origin, ancestry, disability, medical condition, age, marital status or sexual orientation of any person, refuse to hire or employ, or to bar or discharge from employment, or to discriminate in compensation, or in terms, conditions or privileges any person, and every employee will receive equal opportunity for employment and shall be granted equal treatment with respect to compensation, terms, conditions or other privileges of employment, without regard to his race, religious creed, color, sex, national origin, ancestry, or disability, medical condition, age, marital status or sexual orientation.

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

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

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

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

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

If to City: Courtney Schreiner Lee
Administrative Analyst
City of Vallejo Fire Department
970 Nimitz Avenue
Vallejo, CA 94592

If to Service Provider: Roch Brousseau
COO
Emergency Construction Services, Inc.
2349 N. Watney Way, Suite A

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

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

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

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

26. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of Solano County in the State of California or in the United States District Court, Eastern District of California, Sacramento, California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

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

28. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

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

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

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

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

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

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

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

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

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

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

36. Facsimile Signature; Electronic Signature. This Agreement shall be binding upon the receipt of facsimile signatures or e-mailed by PDF or otherwise. Any person transmitting his or her signature by facsimile or electronically shall promptly send an original signature to the other party pursuant to the notice

provision of this Agreement. The failure to send an original shall not affect the binding nature of this Agreement.

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

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

Exhibit A, entitled "Scope of Work," including any attachments

Exhibit B, entitled "Compensation," including any attachments

Exhibit C, entitled "Insurance Requirements," including attachments

[SIGNATURES ON FOLLOWING PAGE]

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

Emergency Construction Services
an incorporation

CITY OF VALLEJO,
a municipal corporation

By: _____
[Name]
[Title]

By: _____
Greg Nyhoff
City Manager

DATE: _____

DATE: _____

Vallejo Business License No.

ATTEST:

By: _____
Dawn Abrahamson, City Clerk

(City Seal)

APPROVED AS TO CONTENT:

Jack McArthur
Fire Chief

APPROVED AS TO FORM
AND INSURANCE:

Claudia Quintana
City Attorney

EXHIBIT A

SCOPE OF WORK

1. Representatives.

The City Representative for this Agreement is dependent on the Division requesting service. The Service Provider shall communicate directly with the Representative for the appropriate Division requesting service, as noted below:

<u>Fire Dept.</u> • Shirley Herbert Secretary (707) 648-4565 Shirley.Herbert@cityofvallejo.net • Michael Brooks Battalion Chief (707) 648-4159 Michael.Brooks@cityofvallejo.net	<u>Police Dept.</u> • Karen Ang Secretary (707) 553-7290 Karen.Ang@cityofvallejo.net	<u>Public Works Dept.</u> • Roland Rojas AMS, Facilities & Grounds (707) 648-4557 Roland.Rojas@cityofvallejo.net • Derek Crutchfield Administrative Analyst (707) 648-4536 Derek.Crutchfield@cityofvallejo.net
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The Service Provider’s Representative for this Agreement is:

Roch Brousseau
COO
Emergency Contract Services, Inc.
2349 N. Watney Way, Suite A
Fairfield, CA 94533
(707) 953-8990
roch@bayareaecs.com

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

2. Services to be Provided.

Service Provider shall provide the following services, as detailed in Attachment 1 of Exhibit A, for specific projects as may be requested by the appropriate Representative;

- Litter/Debris Removal
- Lawn & Small Area Mowing
- Vegetation Control/Weed Abatement

- Fence Repair
- Bag, Tag, & Bio-Hazard Clean-up of Unlawful Encampments
- Window & Building Board-up
- Miscellaneous Handy-Work

Such services shall be further defined, scheduled and authorized in subsequent Statements of Work.

Each Statement of Work shall address one specific project, and be substantially in the form as shown in Attachment 2 of Exhibit A, attached hereto and incorporated herein by this reference.

The terms and conditions of this Agreement shall apply to all Statements of Work executed by the parties during the term of this Agreement.

SAMPLE – DO NOT USE
CITY OF VALLEJO
STATEMENT OF WORK

Statement of Work No. ____

This Statement of Work, effective first day of _____, (“Effective Date”) is issued under and subject to all the terms and conditions of the Services Master Agreement (“Agreement”), dated as of _____, by and between the City of Vallejo (“City”) and Emergency Construction Services, an incorporation, (“Service Provider”).

Capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

SECTION 1. SCOPE OF WORK

The scope of work authorized by this Statement of Work is as described below

SECTION 2. TIME OF PERFORMANCE

The start date shall be _____ and the completion date shall be _____.

SECTION 3. NOT TO EXCEED COST AND COMPENSATION

All services performed under this Statement of Work shall be performed on project basis, invoiced for convenience on an hourly basis per the Fee Schedule in Exhibit B.

City agrees to pay Service Provider for the services set forth in this Statement of Work in an amount not to exceed Dollar Amount in Words (\$Dollar Amount in Numbers).

This Statement of Work is released as authorization for work to commence. The parties agree to perform their respective obligations under this Statement of Work in accordance with the terms and conditions of the Agreement.

EXHIBIT B
COMPENSATION

1. Service Provider's Compensation.

Services: City agrees to pay Service Provider, at the rate(s) specified below, for those services set forth in Exhibit A of this Agreement and for all authorized reimbursable expenses up to One Hundred Fifty Thousand Dollars and 0 Cents (\$150,000.00) per year, not to exceed \$750,000 throughout the term of this Agreement.

Service Provider shall notify City in writing no later than thirty (30) days prior to the estimated date when Service Provider will have billed City the maximum payment amount permitted under this Agreement.

Service Provider understands that each individual Project shall be subject to its own Statement of Work and be subject to its own unique not to exceed amount. Service Provider shall notify the city in writing no later than thirty days prior to the estimated date when Service Provider will have billed City the maximum payment amount permitted under each statement of work.

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

Service Provider's billable hourly rates and fee schedule shall follow the Fee Schedule in Attachment 1 to Exhibit B.

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

4. Payments to Service Provider.

A. Payments to Service Provider shall be made within a reasonable time after receipt of Service Provider's invoice, said payments to be made in proportion to services performed. Service Provider may request payment on a monthly basis. Service Provider shall be responsible for the cost of supplying all documentation

necessary to verify the monthly billings to the satisfaction of City.

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

1. The Statement of Work # or other specific project description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. City's Purchase Order Number (if issued)
5. Social Security Number or Taxpayer Identification Number
6. Amount of this Invoice (Itemize all Reimbursable Expenses")
7. Total Billed to Date (include all services rendered to City)

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

D. Request for payment shall be sent to:

[Authorized City Representative]
[Department]
555 Santa Clara Street
Vallejo, CA 94590

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

The obligations of Service Provider under this section shall survive this Agreement.

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

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

8. Prevailing Wages. Service Provider acknowledges that it is required to pay prevailing wages on any public works project. Service provider shall determine whether the activities to be contracted for include or constitute a "public works project" pursuant to the California Labor Code.

EXHIBIT C

INSURANCE REQUIREMENTS

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

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

A. Insurance Services Office form number GL 0002 covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

B. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 any auto and endorsement CA 0025.

C. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

D. Professional Liability insurance appropriate to the Service Provider's profession (Errors and Omission).

2. Minimum Limits of Insurance. Service Provider shall maintain limits no less than:

A. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

B. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

C. Workers' Compensation and Employer's Liability: \$1,000,000 per accident for bodily injury or disease. If Service Provider is not subject to California Workers' Compensation requirements, Service Provider shall file a completed certificate of exemption form which may be obtained from the City prior to commencing any activity authorized hereunder.

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

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

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

A. The City of Vallejo, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the Service Provider; products and completed operations of the Service Provider; premises owned, occupied or used by the Service Provider; or automobiles owned, leased hired or borrowed by the Service Provider. The coverage shall contain no special limitations on the scope of protection afforded to the City of Vallejo, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.

B. For any claims related to this project, the Service Provider's insurance coverage shall be primary insurance as respects the City of Vallejo, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City of Vallejo, its officers, officials, employees, agents, or volunteers shall be excess of the Service Provider's insurance and shall not contribute with it.

C. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents, or volunteers.

D. The Service Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

F. The workers' compensation and employer's liability policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against City, its officers, officials, employees, agents and volunteers, which might arise by reason of payment under such policy in connection with Service Provider's performance under this Agreement.

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

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

7. Subcontractors. Service Provider shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

8. Payment Withhold. City will withhold payments to Service Provider if the certificates of insurance and endorsements required in Paragraph F, above, are canceled or Service Provider otherwise ceases to be insured as required herein.

SERVICES MASTER AGREEMENT

This Service Provider and Professional Services Master Agreement ("Agreement") is made at Vallejo, California, dated for reference this ____ day of _____, 2018, by and between the City of Vallejo, a municipal corporation ("City"), and House of Acts, hereinafter referred to as "Service Provider", who agree as follows:

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

Approved as to Form:

By: 
City Attorney

The provisions of this section shall survive the expiration or termination of this Agreement.

5. Insurance Requirements. Service Provider agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled “Insurance Requirements for Service Provider.” Failure to maintain required insurance at all times shall constitute a default and material breach.

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

7. Conflict of Interest. Service Provider warrants and represents that to the best of its knowledge, there exists no actual or potential conflict between Service Provider’s family, business, real property or financial interests and the services to be provided under this Agreement. Service Provider shall comply with the City of Vallejo Conflict of Interest Code and not enter into any contract or agreement during the performance of this Agreement which will create a conflict of interest with its duties to City under this Agreement. In the event of a change in Service Provider’s family, business, real property, or financial interests occurs during the term of this Agreement that creates an actual or potential conflict of interest, then Service Provider shall disclose such conflict in writing to City. Every individual who performs services on behalf of Service Provider pursuant to this Agreement must file a full Statement of Economic Interests (also known as Form 700) with the City Clerk if the work of the individual involves making a governmental decision whether to issue, deny, suspend, or revoke any permit, license, application, certificate, approval, order, or similar authorization or entitlement; authorizes the City to enter into, modify, or renew a contract; grants City approval of specifications for a contract; adopts or approves for the City any policy, standard or guideline; lobbies on behalf of the City, or performs the same or substantially all the same duties for the City that would otherwise be performed by an individual holding a position specified in the City’s Conflict of Interest Code.

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

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

10. Business License. Service Provider, and its subcontractors, has obtained or agrees to apply prior to performing any services under this Agreement to City's Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement. The failure to obtain such license shall be a material breach of this Agreement and grounds for termination by City. No payments shall be made to Service Provider until such business license(s) has been obtained.

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

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

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

Service Provider is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work and shall prepare plans, reports, and/or other work products in such a way that additional costs will not be incurred beyond a project budget approved or amended by the City Manager or his or her designee.

Whenever the scope of work requires or permits review, approval, conditional approval or disapproval by City, it is understood that such review, approval, conditional approval or disapproval is solely for the purposes of administering this Agreement and determining whether the Service Provider is entitled to payment for such work, and not be construed as a waiver of any breach or acceptance by

the City of any responsibility, professional or otherwise, for the work, and shall not relieve the Service Provider of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Service Provider.

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

In the event that the Service Provider is unable to meet the completion date or schedule of services, Service Provider shall immediately inform the City Representative of this in writing. If additional time is required to perform the work, the City Representative may adjust the schedule.

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

14. Personnel. Service Provider agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement.

The payment made to Service Provider pursuant to this Agreement shall be the full and complete compensation to which Service Provider and Service Provider's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Service Provider nor Service Provider's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Service Provider. The City shall not be required to pay any workers' compensation insurance on behalf of Service Provider.

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

15. Service Provider Not Agent. Except as authorized under this Agreement or as City may authorize in a letter of authorization signed by the City Manager or his or her designee, Service Provider shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Service Provider shall have no authority, express or implied, under this Agreement, to bind City to

any obligation whatsoever.

16. Term. The term of this Agreement shall commence on May 23, 2018 and shall continue in full force and effect until June 30, 2021.

City shall, at its discretion, have the right to extend the term of this Agreement, in intervals of one year, by written notice to Service Provider. The total duration of this Agreement, including the exercise of any options under this section, shall not exceed five years.

If the term of this Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of the Agreement is contingent on the appropriation of funds for such purpose by the City Council of the City of Vallejo. If funds to effect such continued payment are not appropriated, Service Provider agrees to terminate any services supplied to City of Vallejo under this Agreement, and relieve City of any further obligation therefore.

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

The City shall pay Service Provider for services performed in accordance with this Agreement before the date of termination. If this contract provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be based on an amount mutually agreed to by City and Service Provider for the portion of work completed in conformance with this Agreement before the date of termination. In addition, the City will reimburse Service Provider for authorized expenses incurred and not previously reimbursed. The City shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

18. Products of Services. The work product, including without limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Service Provider resulting from services rendered pursuant to this Agreement, shall become the property of City. Service Provider agrees that all copyrights which arise from creation of the work under this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City

acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Service Provider makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

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

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

20. Assignment and Subcontracting. Service Provider shall not subcontract, assign or transfer voluntarily or involuntarily any of its rights, duties or obligation under this Agreement without the express written consent of the City Manager or his or her designee in each instance. Any attempted or purported assignment of any right, duty or obligation under this Agreement without said consent shall be void and of no effect.

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

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

Any subcontractor or assignee consented to by City shall be bound by all terms and conditions of this agreement and the same shall be incorporated into and made a part of any assignment or subcontractor agreement.

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

22. Non-Discrimination/Fair Employment Practices.

(a) Service Provider shall not, because of race, religious creed, color, sex,

national origin, ancestry, disability, medical condition, age, marital status or sexual orientation of any person, refuse to hire or employ, or to bar or discharge from employment, or to discriminate in compensation, or in terms, conditions or privileges any person, and every employee will receive equal opportunity for employment and shall be granted equal treatment with respect to compensation, terms, conditions or other privileges of employment, without regard to his race, religious creed, color, sex, national origin, ancestry, or disability, medical condition, age, marital status or sexual orientation.

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

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

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

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

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

If to City: Courtney Schreiner Lee
Administrative Analyst
City of Vallejo Fire Department
970 Nimitz Avenue
Vallejo, CA 94592

If to Service Provider: Hattie S. Miles
Owner
627 Grant Street
Vallejo, CA 94590

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

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

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

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

26. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of Solano County in the State of California or in the United States District Court, Eastern District of California, Sacramento, California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

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

28. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

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

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

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

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

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

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

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

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

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

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

36. Facsimile Signature; Electronic Signature. This Agreement shall be binding upon the receipt of facsimile signatures or e-mailed by PDF or otherwise. Any person transmitting his or her signature by facsimile or electronically shall promptly send an original signature to the other party pursuant to the notice provision of this Agreement. The failure to send an original shall not affect the binding nature of this Agreement.

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

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

Exhibit A, entitled "Scope of Work," including any attachments

Exhibit B, entitled "Compensation," including any attachments

Exhibit C, entitled "Insurance Requirements," including attachments

[SIGNATURES ON FOLLOWING PAGE]

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

House of Acts
A corporation

CITY OF VALLEJO,
a municipal corporation

By: _____
Hattie S. Miles
Owner

By: _____
Greg Nyhoff
City Manager

DATE: _____

DATE: _____

18-00009217
Vallejo Business License No.

ATTEST:

By: _____
Dawn Abrahamson, City Clerk

(City Seal)

APPROVED AS TO CONTENT:

Jack McArthur
Fire Chief

APPROVED AS TO FORM
AND INSURANCE:

Claudia Quintana
City Attorney

EXHIBIT A

SCOPE OF WORK

1. Representatives.

The City Representative for this Agreement is dependent on the Department requesting service. The Service Provider shall communicate directly with the representative for the appropriate Department requesting service, as noted below:

<u>Fire Dept.</u>	<u>Police Dept.</u>	<u>Public Works Dept.</u>
<ul style="list-style-type: none">• Shirley Herbert Secretary (707) 648-4565 Shirley.Herbert@cityofvallejo.net	<ul style="list-style-type: none">• Karen Ang Secretary (707) 553-7290 Karen.Ang@cityofvallejo.net	<ul style="list-style-type: none">• Roland Rojas AMS, Facilities & Grounds (707) 648-4557 Roland.Rojas@cityofvallejo.net
<ul style="list-style-type: none">• Michael Brooks Battalion Chief (707) 648-4159 Michael.Brooks@cityofvallejo.net		<ul style="list-style-type: none">• Derek Crutchfield Administrative Analyst (707) 648-4536 Derek.Crutchfield@cityofvallejo.net

The Service Provider’s Representative for this Agreement is:

Edmond S. Wade
Workforce Manager
627 Grant Street
Vallejo, CA 94590
(707) 980-7608
houseofactsada@comcast.net

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

2. Services to be Provided.

Service Provider shall provide services the following services, as further detailed in Attachment 1 of Exhibit A, for specific projects as may be requested by the authorized City Representative;

- Litter/Debris Removal
- Lawn & Small Area Mowing
- Vegetation Control/Weed Abatement
- Fence Repair
- Window & Building Board-up

Such services shall be further defined, scheduled and authorized in subsequent Statements of Work.

Each Statement of Work shall address one specific project, and be substantially in the form as shown in Attachment 2 of Exhibit A, attached hereto and incorporated

herein by this reference.

The terms and conditions of this Agreement shall apply to all Statements of Work executed by the parties during the term of this Agreement.

SAMPLE – DO NOT USE
CITY OF VALLEJO
STATEMENT OF WORK

Statement of Work No. ____

This Statement of Work, effective first day of _____, (“Effective Date”) is issued under and subject to all the terms and conditions of the Services Master Agreement (“Agreement”), dated as of _____, by and between the City of Vallejo (“City”) and House of Acts (“Service Provider”).

Capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

SECTION 1. SCOPE OF WORK

The scope of work authorized by this Statement of Work is as described below.

SECTION 2. TIME OF PERFORMANCE

The start date shall be _____ and the completion date shall be _____.

SECTION 3. NOT TO EXCEED COST AND COMPENSATION

All services performed under this Statement of Work shall be performed on project basis, invoiced for convenience on an hourly basis per the attached Fee Schedule in Exhibit B.

City agrees to pay Service Provider for the services set forth in this Statement of Work in an amount not to exceed Dollar Amount in Words (\$Dollar Amount in Numbers).

This Statement of Work is released as authorization for work to commence. The parties agree to perform their respective obligations under this Statement of Work in accordance with the terms and conditions of the Agreement.

HOUSE OF ACTS
a corporation

By:

Hattie S. Miles
Owner

DATE: _____

APPROVED AS TO CONTENT:

[Name here]
Authorized City Representative

APPROVED AS TO BUDGET:

[Name here]
[Authorized budget admin title]

EXHIBIT B
COMPENSATION

1. Service Provider's Compensation.

Services: City agrees to pay Service Provider, at the rate(s) specified below, for those services set forth in Exhibit A of this Agreement and for all authorized reimbursable expenses, for a total not to exceed One Hundred Fifty Thousand Dollars and 0 Cents (\$150,000) per year, not to exceed \$750,000 throughout the term of this Agreement.

Service Provider shall notify City in writing no later than thirty (30) days prior to the estimated date when Service Provider will have billed City the maximum payment amount permitted under this Agreement.

Service Provider understands that each individual Project shall be subject to its own Statement of Work and be subject to its own unique not to exceed amount. Service Provider shall notify the city in writing no later than thirty days prior to the estimated date when Service Provider will have billed City the maximum payment amount permitted under each Statement of Work.

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

Service Provider's billable hourly rates and fee schedule shall follow the Fee Schedule in Attachment 1 to Exhibit B.

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

4. Payments to Service Provider.

A. Payments to Service Provider shall be made within a reasonable time after receipt of Service Provider's invoice, said payments to be made in proportion to services performed. Service Provider may request payment on a monthly basis. Service Provider shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of City.

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

1. The Statement of Work # or other specific project description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. City's Purchase Order Number (if issued)
5. Social Security Number or Taxpayer Identification Number
6. Amount of this Invoice (Itemize all Reimbursable Expenses")
7. Total Billed to Date (for all services rendered to City)

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

D. Request for payment shall be sent to:
[Authorized City Representative]
[Department]
555 Santa Clara Street
Vallejo, CA 94590

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

The obligations of Service Provider under this section shall survive this Agreement.

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

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

8. Prevailing Wages. Service Provider acknowledges that it is required to pay prevailing wages on any public works project. Service provider shall determine whether the activities to be contracted for include or constitute a “public works project” pursuant to the California Labor Code.

EXHIBIT C

INSURANCE REQUIREMENTS

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

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

A. Insurance Services Office form number GL 0002 covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

B. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 any auto and endorsement CA 0025.

C. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

D. Professional Liability insurance appropriate to the Service Provider's profession (Errors and Omission).

2. Minimum Limits of Insurance. Service Provider shall maintain limits no less than:

A. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

B. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

C. Workers' Compensation and Employer's Liability: \$1,000,000 per accident for bodily injury or disease. If Service Provider is not subject to California Workers' Compensation requirements, Service Provider shall file a completed certificate of exemption form which may be obtained from the City prior to commencing any activity authorized hereunder.

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

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

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

A. The City of Vallejo, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the Service Provider; products and completed operations of the Service Provider; premises owned, occupied or used by the Service Provider; or automobiles owned, leased hired or borrowed by the Service Provider. The coverage shall contain no special limitations on the scope of protection afforded to the City of Vallejo, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.

B. For any claims related to this project, the Service Provider's insurance coverage shall be primary insurance as respects the City of Vallejo, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City of Vallejo, its officers, officials, employees, agents, or volunteers shall be excess of the Service Provider's insurance and shall not contribute with it.

C. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents, or volunteers.

D. The Service Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

F. The workers' compensation and employer's liability policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against City, its officers, officials, employees, agents and volunteers, which might arise by reason of payment under such policy in connection with Service Provider's performance under this Agreement.

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

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

7. Subcontractors. Service Provider shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

8. Payment Withhold. City will withhold payments to Service Provider if the certificates of insurance and endorsements required in Paragraph F, above, are canceled or Service Provider otherwise ceases to be insured as required herein.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Terrance Davis, Public Works Director
SUBJECT: 1911 LANDSCAPE MAINTENANCE DISTRICTS ASSESSMENTS

RECOMMENDATION

Adopt the Resolution declaring the intent to levy assessments for 13 Landscape Maintenance Districts (LMDs) for Fiscal Year 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.

REASONS FOR RECOMMENDATION

The City Council directed SCI Consulting Group to prepare an Overview Report containing fiscal information for each LMD regulated by the Improvement Act of 1911, except for Glen Cove I / II District, which will be considered in a separate report. The City Council is required to have a public hearing to take public comments regarding FY 2018-19 assessments within the following 13 Ad Valorem Landscape Maintenance Districts, formed pursuant to the Improvement Act of 1911: 1) Cimarron Hills/Madigan, 2) College Hills, 3) Costa Del Rio (Seaview), 4) Somerset Highlands I/II, 5) Hunter Ranch I/II, 6) Monica Place, 7) Ridgecrest, 8) Somerset Highlands III, 9) Springtree/Fleming Hill, 10) Summit II, 11) Town & Country I, 12) Woodridge, and 13) Greenmont/Seaport Hills. The 1911 Act requires annual determination of each district's costs and allocation of those costs by means of annual assessments to the parcels within each district.

BACKGROUND AND DISCUSSION

The City of Vallejo has 27 Landscape Maintenance Districts (LMD), 13 of which were established in accordance with Division 15 Part 2 of the California Streets and Highways Code, the Landscape and Lighting Act of 1972 (1972 Act), and 14 of which were established in accordance with Division 7 of the California Streets and Highways Code, the Improvement Act of 1911 (1911 Act). These districts require annual determination of each district's costs, and allocation of these costs by means of annual assessment to the dwelling units within each district.

The City Council will be considering The City Council will be considering the Glen Cove I/II 1911 Act district under separate Council action. Approval of this Resolution formally starts the process for establishing the FY 2018-19 assessments for the following 13 Ad Valorem Landscape Maintenance Districts, formed pursuant to the Improvement Act of 1911: 1) Cimarron Hills/Madigan, 2) College Hills, 3) Costa Del Rio (Seaview), 4) Somerset Highlands I/II, 5) Greenmont/Seaport Hills, 6) Monica Place, 7) Ridgecrest, 8) Somerset Highlands III, 9) Springtree/Fleming Hill, 10) Summit II, 11) Town & Country I, 12) Woodridge, and 13) Hunter Ranch I/II.

Previous City Council actions formed the 1911 Act LMD and set a maximum annual assessment rate as determined by the City. The creation of these LMDs were approved by a majority of the parcel owners at the time of each LMD's formation. The City has not exceeded the authorized maximum assessment rate for any

LMD. The 1911 Act LMDs are exempt from the procedures and approval process of Proposition 218 until such time that it is necessary to exceed the maximum approved rate.

The attached Overview Report, prepared by SCI Consulting Group, provides the fiscal information for the LMDs. Assessments for the 1911 Act LMDs are determined by applying the established assessment rate to each \$100.00 of the assessed value of each parcel.

The assessments are collected by the County of Solano and forwarded to the City for deposit into specific fund accounts for each LMD. All assessments are expended for landscape maintenance, repair of damage due to vandalism or natural occurrence, site rehabilitation or improvements, water and utilities, and City administration and inspection costs.

The approved FY 2017-2018 and the proposed FY 2018-2019 assessment rates are being provided in the following listing:

DISTRICT	MAX RATE / \$100	APPROVED FY 2017-2018 ASSESSMENT	PROPOSED FY 2018-2019 ASSESSMENT
Cimarron Hills-Madigan	\$ 1.50	\$ 0.162	\$ 0.162
College Hills	\$ 1.50	\$ 0.100	\$ 0.100
Costa del Rio (Seaview)	\$ 4.00	\$ 0.287	\$ 0.287
Somerset I/II	\$ 1.25	\$ 0.060	\$ 0.060
Greenmont/Seaport Hills	\$ 1.25	\$ 0.032	\$ 0.032
Monica Place	\$ 1.25	\$ 0.187	\$ 0.187
Ridgecrest	\$ 1.50	\$ 0.115	\$ 0.115
Somerset III	\$ 1.50	\$ 0.114	\$ 0.144
Springtree-Fleming	\$ 1.50	\$ 0.195	\$ 0.195
Summit II	\$ 1.50	\$ 0.095	\$ 0.095
Town & Country I	\$ 1.50	\$ 0.087	\$ 0.150
Woodridge	\$ 1.50	\$ 0.071	\$ 0.071
Hunter Ranch I/II	\$ 1.50	\$ 0.100	\$ 0.100

All of the LMD assessment rates are proposed to remain the same as FY 2017-18 with the exception of Somerset Highlands III and Town and Country I. In order to meet the rehabilitation reserve requirements, an increase in the assessment rate is required due to increased landscape water and maintenance costs. The overall assessed value of a majority of the properties within the LMD's has increased by 5.24% since last year's determination. The current assessed value for these properties is \$941,565,735. Rehabilitation projects will focus in areas such as:

- Improving landscape services
- Reducing water costs
- Street tree maintenance

- Additional rehabilitation of ornamental landscape and plant replacement
- Reducing graffiti and other common area blight
- Extension of the grass cutting providing a wider fire-defensive perimeter away from the residential structures

All of the costs associated with the above landscape maintenance districts are paid by the assessments levied upon the parcels within those districts. The amount of funds projected to be assessed for these 1911 Act Districts in FY 2018-19 is \$1,073,022.

The FY 2018-19 Overview Report for the 1911 Act LMD's is included as an attachment to this staff report and is also on file in the City Clerk's Office (3rd floor) and in the Department of Public Works (4th Floor), City Hall, 555 Santa Clara Street, Vallejo, CA 94590.

FISCAL IMPACT

LMD budgets are separate from the City's General Fund. The collected LMD assessments finance the maintenance of the districts. The Public Works Department costs for labor and materials associated with the LMD's are charged to the individual district's budgets. All City costs associated with maintaining and administering the Districts are covered by the annual assessments. There is no fiscal impact to the General Fund.

The financial health of the previously identified districts have been described in the Overview Report. As noted in this report, required operating reserves will continue to be compromised and service levels reduced in those districts that have not had an increase to their assessment since their origination in the 1970's. FY 2018-19 funding in the remaining districts is adequate to maintain the current minimal service levels and to sustain the required operating reserves.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Resolution - 2018 LMD 1911 x13 Districts Setting Hearing Date
2.	ENGINEER REPORT 1911 Act FY 2018-19 Vallejo

CONTACT

Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097
Carmen.Cole@cityofvallejo.net

RESOLUTION NO. 18-_____ N.C.

A RESOLUTION SETTING A PUBLIC HEARING DATE FOR ESTABLISHING AD VALOREM ASSESSMENTS FOR FISCAL YEAR 2018-2019 FOR 13 LANDSCAPE MAINTENANCE DISTRICTS: CIMARRON HILLS/MADIGAN; COLLEGE HILLS; COSTA DEL RIO (SEAVIEW); SOMERSET HIGHLANDS I/II; HUNTER RANCH I/II; MONICA PLACE; RIDGECREST; SOMERSET HIGHLANDS III; SPRINGTREE/FLEMING HILL; SUMMIT II; TOWN AND COUNTRY I; WOODRIDGE; AND GREENMONT/SEAPORT HILLS

WHEREAS, the City Council, by previous Resolutions, formed and levied annual assessments for the 13 Landscape Maintenance Districts (hereafter referred to as the "Districts"), pursuant to the provisions of the Improvement Act of 1911 (California Streets and Highways Code section 5000 et seq.) (hereafter referred to as the "Act"); and

WHEREAS, the 13 Districts are Cimarron Hills/Madigan, College Hills, Costa Del Rio (Seaview), Somerset Highlands I/II, Summit II, Hunter Ranch I/II, Monica Place, Ridgcrest, Somerset Highlands III, Springtree/Fleming Hill, Town & Country I, Woodridge, and, Greenmont/Seaport Hills; and

WHEREAS, the Act provides the City Council with the authority to annually levy and collect assessments for the Districts on the Solano County tax roll on behalf of the City of Vallejo to pay the maintenance and services of all improvements and facilities related thereto, and

WHEREAS, SCI Consulting Group has provided an Overview Report, which documents each Districts costs and the allocation of those costs; and

WHEREAS, the City Council is required to conduct a public hearing to take public comments regarding Fiscal Year 2018-2019 assessments within the 13 Ad Valorem Landscape Maintenance Districts.

NOW, THEREFORE, BE IT RESOLVED that a Public Hearing on these matters is hereby set for, June 12, 2018 at 7:00 p.m., at the City Council Chambers, located at 555 Santa Clara Street, Vallejo, California. The City Clerk shall cause a notice of the hearing to be given by publishing a copy of this Resolution once, at least 10 days prior to the date of the hearing above specified, in a newspaper circulated in the City of Vallejo.

Approved as to Form:

By: 
City Attorney



CITY OF VALLEJO
LANDSCAPE MAINTENANCE DISTRICTS

OVERVIEW REPORT

FISCAL YEAR 2018-2019

APRIL 2018

PURSUANT TO THE IMPROVEMENT ACT OF 1911

PREPARED BY:

SCI Consulting Group
4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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INTRODUCTION

OVERVIEW

The City of Vallejo (the “City”) annually levies and collects special assessments in order to provide and maintain the improvements within the fourteen (14) separate landscape maintenance districts (“District” or “Districts”). The Districts have been formed between the years 1977 and 1981 pursuant to the Improvement Act of 1911, Part 3 of Division 7 of the California Streets and Highways Code (the “1911 Act”). The Districts are as follows:

- Cimarron Hills/Madigan Ranch
- College Hills
- Seaview (Costa del Rio)
- Glen Cove I/II
- Greenmont-Seaport Hills
- Hunter Ranch I/II
- Monica Place
- Ridegecrest
- Somerset I/II
- Somerset III
- Springtree
- Summit II
- Town & Country I
- Woodridge

This Overview Report (the “Report”) describes the Districts, any changes to the Districts, and the proposed assessments for Fiscal Year 2018-2019. The proposed assessments are based on the estimated cost to maintain the improvements within each District. The Report also details each District’s landscaped improvements, financial information, budget and boundaries.

The Report contains a section for recommendations and analysis based on the financial information presented for each District.

The various improvements provided and assessed within each District may include local street lighting, local landscaping improvements and special services. All local landscaping improvements maintained by the Districts and associated with each District were either installed as a condition of development for properties within the District or were installed for the benefit of the properties within the Districts. The landscaping improvements associated with each District may include parkways, perimeters, entryways, medians, slopes, retention and detention basin areas, internal landscaped amenities, neighborhood parks, open space areas and other easements and public right-of-ways within the Districts.

Improvements within each District may also include turf, ground cover, shrubs and trees, irrigation systems, lighting, water features, entry monuments, drainage systems and associated appurtenances. Special services provided include tree trimming, graffiti removal,

weed abatement and landscape maintenance of flood control areas, operations, administration and all services and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition.

Similar to landscape improvements, street lighting improvements funded through District assessments were installed for the benefit of properties within each of the Districts. The assessments in each District provide for the maintenance, operation and energy costs related to their specific street light improvements.

ASSESSMENT PROCESS

This Report was prepared to establish the budgets for the continued maintenance and services expenditures that would be funded by the proposed 2018-2019 assessments. This Report and the proposed assessments have been made pursuant to the provisions of the 1911 Act.

In each subsequent year for which the assessments will be continued, the City must determine the budgets and costs for the upcoming year and allocate these costs to parcels within each District. This Report includes this information. After the Report is completed, the Council may approve the proposed assessments and establish the date for a public hearing on the continuation of the assessments. If the Council approves the proposed assessments by resolution, a notice of public hearing must be published in a local paper.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 12, 2018. At this hearing, the Council would consider approval of a resolution ordering the levy of assessments for fiscal year 2018-2019. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2018-2019.

OVERVIEW REPORT

Beginning in 2011-12, SCI Consulting Group became the Assessment Engineer for these Assessments. To maintain an accurate reference and legally defensible record of the Assessments, pertinent language used in the previous Overview Reports has been retained herein, and the fundamental methodology has been maintained, essentially verbatim. (In most cases, language taken from the previous Overview Report is shown in Times New Roman, 10 pt. Font.)

LEGAL REQUIREMENTS

All assessments described in this Report and approved by the City Council are prepared in accordance with the 1911 Act and are in compliance with the provisions of the California Constitution Article XIID (Proposition 218).

The 1911 Act provides that assessments be determined by applying the established assessment rate to each one hundred dollars of assessed value of each parcel.

On November 5, 1996, California voters approved Proposition 218, which subsequently became a California Constitutional Amendment (Articles XIIC and XIID). Proposition 218 established additional requirements with respect to taxes, fees and assessments levied by California agencies. All new and existing assessments (with some exceptions) are required to comply with the substantive and procedural requirements of Article XIIC & XIID.

Pursuant to the California Constitution Article XIID Section 5, certain existing assessments are exempt from the substantive and procedural requirements of Article XIID Section 4 and property owner balloting for the assessments is not required until such time that the assessments are increased. Specifically, the City determined that all improvements and the annual assessments originally established for the District were part of the conditions of property development and approved by the original property owner (developer). As such, pursuant to Article XIID Section 5(b), all the property owners approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the existing assessment amount (the maximum assessment rate for each District identified in this Report) is exempt from the procedural requirements Article XIID Section 4.

The current maximum assessment rates per each one hundred dollars of assessed value of each parcel were originally approved by the property owners. Accordingly, any assessment amount equal to or below the maximum amount is considered an exempt assessment pursuant to Article XIID Section 5(b). The annual assessments for this fiscal year 2018-2019 are significantly less than the maximum assessment allowed. The proposed assessment for any fiscal year may be increased over the previous fiscal year provided the assessment rate does not exceed the maximum assessment rate for each District. Any proposed new or increased assessment that exceeds the current maximum assessment shall comply with all provisions of Article XIID Section 4 including a property owner protest proceeding (property owner assessment balloting).

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

Assessments for the 1911 Act landscape maintenance districts of the City of Vallejo are determined by applying the established assessment rate to each one hundred dollars (\$100) of assessed value of each parcel. The word “parcel” refers to an individual property assigned its own Assessor Parcel Number by the Solano County Assessor’s Office. The Solano County Auditor/Controller uses Assessor Parcel Numbers and specific Fund Numbers to identify assessed properties on the tax roll. The annual assessments outlined in this Report are proposed to cover the estimated costs to provide all necessary service, operation, administration, and maintenance required each year to keep these improvements in a healthy, vigorous, and satisfactory condition.

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits.

Proposition 218, which added Article XIID of the California Constitution, provides as follows:

“No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Benefit categories have been established that represent the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing lighting and landscaping improvements to be provided with the assessment proceeds. These categories of special benefit are summarized as follows:

- A. PROXIMITY TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICTS.
- B. ACCESS TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICTS.
- C. IMPROVED VIEWS WITHIN THE ASSESSMENT DISTRICTS.
- D. EXTENSION OF A PROPERTY’S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS.
- E. CREATION OF INDIVIDUAL LOTS FOR RESIDENTIAL AND COMMERCIAL USE THAT, IN ABSENCE OF THE ASSESSMENTS, WOULD NOT HAVE BEEN CREATED.

Case law interpreting Proposition 218 provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or improved access
- Views

This case law also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The case law also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).

Proximity, improved access and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

GENERAL VERSUS SPECIAL BENEFIT

In absence of the assessments, the Improvements in the Districts would not be provided, so the Improvements are “over and above” what otherwise would be provided. Many of the parcels would not even exist if the assessments were not established because an assessment for the specific Improvements within the Districts was a condition of development approval.

All of the Assessment proceeds derived from the Districts will be utilized to fund the cost of providing a level of tangible “special benefits” in the form of landscaped parkways, landscaped medians, landscaped corridors, open space areas and other Improvements and costs incidental to providing the Improvements and collecting the Assessments.

Although these Improvements may be available to the general public at large, the permanent public Improvements in the Districts were specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the Districts, and not the public at large. Other properties that are either outside the Districts or within the Districts and not assessed, do not enjoy the unique proximity, access, views and other special benefit factors described previously. Moreover, the homes in the Districts would not have been built if the Assessments were not established because an assessment for the Improvements was a condition of development approval.

BENEFIT FINDING

In summary, real property located within the boundaries of the Districts distinctly and directly benefits from closer proximity, access and views of Improvements funded by the Assessments, the creation of developable parcels and from the extension of usable land area provided by the assessments. The Improvements are specifically designed to serve properties in the Districts, not other properties or the public at large. The Districts have been

narrowly drawn to include those parcels that receive a direct advantage from the Improvements. The public at large and other properties outside the Districts receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the Districts in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

Without the Assessments, the public improvements within the Districts would not be maintained and would turn into brown, unmaintained and unusable public improvements and public lands. If this happened, it would create a significant and material negative impact on the desirability, utility and value of property in the Districts. Most importantly, without the Assessments, the developed properties would not exist, because the subdivisions and development proposals would not have been approved. The Improvements are, therefore, clearly above what otherwise would be provided and the Improvements uniquely and specially benefit parcels in the Districts in a way that is not enjoyed by the general public or other property. We therefore conclude that all the Improvements funded by the Assessment are of special benefit to the identified benefiting properties located within the Districts and that the value of the special benefits from such Improvements to property in the Districts reasonably exceeds the cost of the Assessments for every assessed parcel in the Districts. (In other words, as required by Proposition 218; the reasonable cost of the proportional special benefit conferred on each parcel reasonably exceeds the cost of the assessments.) Any general benefits to surrounding properties outside of the Districts, if there were any, are collateral and conferred concomitantly.

The original determination of benefits to property and the method of special benefit apportionment to property were developed by Willdan Financial Services when the Districts were originally approved by property owners as noted in the Description of Districts section of this Report. The description of benefits and the determination and apportionment of benefits to property in this Report are consistent with the original benefit determination and apportionment. The original method of apportionment of assessment and other relevant elements of the original Reports for the Districts are hereby incorporated by reference.

Quantification of General Benefit

Although the analysis used to support these assessments concludes that the benefits are solely special, as described above, consideration is made for the suggestion that a portion of the benefits are general. General benefits cannot be funded by these assessments - the funding must come from other sources.

The maintenance and servicing of these improvements is also partially funded, directly and indirectly from other sources including the City of Vallejo, Solano County and the State of California. This funding comes in the form of grants, development fees, special programs, and general funds, as well as direct maintenance and servicing of facilities (e.g. curbs, gutters and streets, etc.) This funding from other sources more than compensates for general benefits, if any, received by the properties within the assessments district.

The General Benefits from these Assessments may be quantified as illustrated in the following table.

Benefit Factor	Relative Weight	General Benefit Contribution	Relative General Benefit
Creation of parcels	90	0%	0
Proximity and access to open space and landscape areas	5	10%	0.5
Improved views	5	10%	0.5
	100		1
Total Calculated General Benefit =			1.0%

As a result, City of Vallejo will contribute at least 1% of the total budget from sources other than the assessment. This contribution offsets any general benefits from the assessment services.

This general benefit contribution is the sum of the following components:

The City of Vallejo owns, maintains, rehabilitates and replaces curb and gutter along the border of the Districts improvements. This curb and gutter serves to support, contain, retain, manage irrigation flow and growth, and provide a boundary for the improvements. The contribution from the City of Vallejo towards general benefit from the maintenance, rehabilitation and replacement of the curb and gutter is conservatively estimated to be 1%.

The City of Vallejo owns and maintains local public streets along the border of the Districts improvements. These public streets provide access to the improvements for its enjoyment as well as efficient maintenance. The contribution from the City of Vallejo towards general benefit from the maintenance of local public streets is conservatively estimated to be 1%.

The value of the construction of the improvements can be quantified and monetized as an annuity. Since this construction was performed and paid for by non-assessment funds, this "annuity" can be used to offset general benefit costs, and is conservatively estimated to contribute 25%.

Therefore, the total General Benefit is conservatively quantified at 1.0% which is more than offset by the total non-assessment contribution towards general benefit of 27%.

BUDGET DEFINITIONS

The following provides a summary of the services and costs that are included in the District Budgets:

DIRECT COSTS:

Contract Maintenance Costs — Includes all contracted labor, material and equipment required to properly maintain the landscaping, irrigation systems, drainage systems, fencing, and entry monuments within the District. All improvements within the District are maintained and serviced on a regular basis.

Salaries & Benefits — Staff time devoted to managing and inspecting Districts. The Public Works LMD reimbursement is proportionally spread amongst twenty-seven (27) Districts based on each District's budgeted direct and maintenance expense, inspections as a percentage of total costs in these categories for all Districts. Inspection costs are budgeted directly to the District as Field Inspection based on the historical and projected time spent in the inspection efforts.

Services & Supplies - Vehicles, supplies and services devoted to managing and inspecting Districts.

Landscape Water — Utility costs for water required to irrigate landscaped areas.

Utilities — Includes the cost of the furnishing of electricity required for the irrigation systems and hardwire telephone connections at upgraded irrigation controllers, monitored by City Staff.

Landscape Rehabilitation & Vandalism — Landscape projects, which significantly benefit and upgrade a specific Landscape Maintenance District. These costs reflect only a proportional share of the entire cost of the project and are noted because the amount of design, planning, coordination and execution. This budget item represents a cost to the individual Landscape Maintenance District, which is representative and has been identified by the city as above normal routine landscape maintenance inspection.

Vandalism includes repairs and rehabilitation that are generally unforeseen and not normally included in the yearly maintenance contract costs. This may include repair of damaged amenities due to vandalism, storms, frost, etc. These upgrades could include replacing plant materials and/or renovation of irrigation or lighting systems.

Capital Projects – This item includes major repairs or capital improvement projects.

ADMINISTRATION COSTS:

Administration & Overhead — The cost allocation of all particular departments and staff of the City, for providing general support, services and operations related to the various districts, enterprises and accounts of the City.

County Administration Fee — This is the estimated cost to the District for the County to collect District assessments on the property tax bills. This charge is based on a flat rate per fund number plus a charge per assessment levied.

Professional Services — This is the estimated cost to the District for the Assessment Engineer to prepare this report and to calculate and submit the assessments to the Solano County Auditor's office.

LEVY BREAKDOWN:

Operating Reserve Collection/(Transfer) — This budget item is provided to illustrate collection by the District of funds to operate the District from the time period of July 1 (beginning of the Fiscal Year) through January or when the County provides the City with the first installment of assessments collected from the property tax bills. Transfer amounts (Negative amounts) shown for this budget item represent transfers from the reserve fund that reduces the Balance to Levy. Maintaining an adequately funded reserve fund eliminates the need for the City to transfer funds from non-District accounts to pay for operational expenses during the first half of the fiscal year and also provides the District with sufficient funds to address any unforeseen or unusual expenditures that may occur during the year.

Rehabilitation Fund Collection/(Transfer) — This budget item is provided to illustrate collection by the District of funds to cover costs of repairs, landscape maintenance that may be unforeseen and are not normally included in the yearly maintenance contract costs or for planned capital improvement projects. These amounts are held in or paid from the refurbishment/rehabilitation fund. Negative amounts shown for this budget item are transfers from the refurbishment/rehabilitation fund to be used to reduce the Balance to Levy. Transfer amounts (Negative amounts) will only occur after the planned projects have been completed and excess funds are being credited back to the District's regular accounts. The refurbishment/rehabilitation fund eliminates the need for the City to transfer funds from non-District accounts. The Rehabilitation fund can be utilized to cover operating costs should the revenue and reserve fund be insufficient.

Other Revenue Source — This item includes additional funds designated for the District that are not annual assessments. These funds are applied to reduce assessments, and may be from non-District or District sources including City General Fund Contributions and/or interest earnings. Any funds indicated on this line will be shown as a negative number indicating a reduction in the amount to be levied and represent funds that do not have to be repaid.

Balance to Levy — This is the total amount to be collected for the current fiscal year through assessments. The Balance to Levy represents the sum of Total Direct and Administration Costs, Reserve collections or transfers, Rehabilitation collections or transfers, contributions from other sources and contribution repayments. Only those costs related to the improvements identified as special benefits are levied and collected on the tax roll.

DISTRICTS STATISTICS:

Total Parcels Levied — The total number of parcels levied within the District boundary.

Anticipated Total Assessed Values/\$100 — The sum of all the assessed values of all parcels within the District as established by the Solano County Assessor's Office divided by \$100.

Rate per \$100 of AV — The established assessment rate to each one hundred dollars (\$100) of assessed value of each parcel.

Minimum Cost Recovery Rate per \$100 of AV — The estimated assessment rate to each one hundred dollars (\$100) of assessed value of each parcel to recover sufficient revenue for the District Direct, Administration and Rehabilitation costs.

FUND BALANCE INFORMATION:

Beginning Operating Reserve Fund Balance — The projected reserve fund balance as provided by the City of Vallejo.

Operating Reserve Fund Adjustments — Positive amounts shown for this budget item represent additions to the reserve fund from levy revenue exceeding the total of all Direct, District Administration and Rehabilitation Costs. Surplus levy revenue is allocated to the reserve fund until the balance is equivalent to six months of levy revenue. The reserve fund negative amounts shown for this budget item represent transfers from the reserve fund to be used to reduce the Balance to Levy as a result of total Direct and District Administration Costs exceeding total levy revenue. Additionally, negative amounts shown for this budget item may represent a reduction of the reserve fund balance in excess of six months of levy revenue; excess balances may be used to increase the refurbishment/rehabilitation fund.

Anticipated Operating Reserve Balance — The projected ending balance in the reserve fund as based on activity provided by the City of Vallejo. A negative Operating Reserve Fund balance represents cumulative contributions from the General Fund.

Beginning Rehabilitation Reserve Fund Balance — The projected rehabilitation fund balance as provided by the City of Vallejo.

Rehabilitation Reserve Fund Adjustments — Positive amounts shown for this budget item represents additions to the rehabilitation fund from levy revenue. The rehabilitation fund negative amounts shown for this budget item represent transfers from the rehabilitation fund to be used to reduce the Balance to Levy as a result of excess funds on project completion.

Anticipated Rehabilitation Reserve Balance — The projected ending balance in the rehabilitation fund as based on activity provided by the City of Vallejo. A negative Rehabilitation Reserve Fund balance represents cumulative contributions from the General Fund.

DESCRIPTION OF THE DISTRICTS AND BUDGETS

CIMARRON HILLS – MADIGAN RANCH

The Cimarron Hills – Madigan Ranch Landscape Maintenance District serves a residential neighborhood of ten developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1979.
- The District has 12 acres of native and ornamental ground cover, shrubbery and trees.
- The District has 13 acres of weed control and plantings.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.162, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Fairgrounds Drive, Napa County line, Borges Lane, and Griffin Drive including open space below Highway 80.

IMPROVEMENTS

The District maintains landscaping and weed control on the following areas:

- Along Fairgrounds Drive near the intersection of Taper to the Napa County Line.
- Borges Lane to Griffin Drive.
- Open space below Highway 80 including the water tank site.

FINANCIAL INFORMATION

The Direct Costs of the District have decreased from fiscal year 2017-2018 to fiscal year 2018-2019 due to completion of landscape rehabilitation projects. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will

often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Cimarron Hills / Madigan Ranch Landscape Maintenance District	
Fund Number 0189 (#171)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$45,323
Salaries & Benefits	\$26,642
Services & Supplies	\$2,641
Landscape Water	\$25,000
Utilities	\$1,400
Landscape Rehabilitation / Vandalism	\$15,000
Capital Projects	\$0
Total Direct Costs	\$116,006
Administration Costs	
Administration & Overhead	\$10,586
County Administration Fees	\$2,938
Professional Fees	\$1,559
Total Administration Costs	\$15,083
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$131,089
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$169,657
Contribution (from) General Fund / Other Revenue	(\$6,955)
Balance to Levy	\$293,791
District Statistics	
Total Parcels	811
Total Parcels Levied	811
Anticipated Total Assessed Value / \$100	\$1,813,524.88
Proposed Rate per \$100 of Assessed Value	\$0.162
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$293,791.03
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$65,544.46
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$65,544.46
Beginning Rehabilitation Reserve Fund Balance	\$629,935.54
Rehabilitation Reserve Fund Adjustments	\$169,657.12
Anticipated Rehabilitation Reserve Fund Balance	\$799,592.66
Anticipated Total Ending Fund Balance	\$865,137.12

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded. The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Although a portion of the projected Reserve Fund balance could be used for District expenses thereby reducing or subsidizing the annual assessments over the next few years, use of the Reserve Fund for anything other than unforeseen expenses could have a negative effect on the long-term financial health of the District.

COLLEGE HILLS

The College Hills Landscape Maintenance District (District) is a residential neighborhood consisting of two developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1977.
- The District has 2 acres of ornamental and native ground cover, shrubbery, and trees.
- The District has 0.5 acre of weed control and plantings.
- Weed control in open space areas assists in fire protection.
- Concrete walkway and sound wall.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.100, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the city of Vallejo, generally located within the area bounded by Fairgrounds Drive, Whitney Avenue, and Olympic Drive.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Slope along the west side of Fairgrounds Drive, including the concrete walkway and sound wall.
- North side of Whitney Avenue, between Fairgrounds Drive and Pembroke Drive.
- Easement behind Chapman and above Frodham Circle up to the access walkway.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIIIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
College Hills Landscape Maintenance District	
Fund Number 0119 (#175)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$9,616
Salaries & Benefits	\$5,347
Services & Supplies	\$530
Landscape Water	\$1,000
Utilities	\$790
Landscape Rehabilitation / Vandalism	\$6,000
Capital Projects	\$0
Total Direct Costs	\$23,283
Administration Costs	
Administration & Overhead	\$2,125
County Administration Fees	\$381
Professional Fees	\$202
Total Administration Costs	\$2,708
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$25,991
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$13,948
Contribution (from) General Fund / Other Revenue	(\$1,872)
Balance to Levy	\$38,066
District Statistics	
Total Parcels	213
Total Parcels Levied	213
Anticipated Total Assessed Value / \$100	\$380,664.19
Proposed Rate per \$100 of Assessed Value	\$0.100
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$38,066.42
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$12,995.33
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$12,995.33
Beginning Rehabilitation Reserve Fund Balance	\$174,180.67
Rehabilitation Reserve Fund Adjustments	\$13,947.75
Anticipated Rehabilitation Reserve Fund Balance	\$188,128.42
Anticipated Total Ending Fund Balance	\$201,123.75

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded. The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider decreasing the assessment rate if direct costs are anticipated to remain at the current level.

SEA VIEW (COSTA DEL RIO)

The District lies within the City of Vallejo, generally located within the area bounded by Seaport Drive, Seawind Drive, Moonraker Drive, Sea Crest, and Schooner Way.

SPECIAL DISTRICT FEATURES

The District was formed in 1980.

The District has 5 acres of native and ornamental ground cover, shrubbery and trees.

The District has 1.5 acre of weed control and plantings.

Weed control in open space areas assists in fire protection.

Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.287, Maximum Rate: \$4.00.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Seaport Drive, Seawind Drive, Moonraker Drive, Sea Crest, and Schooner Way.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Landscaping and irrigation along Seaport Drive, Seawind Drive, Moonraker Drive, the upper most north facing slope of Sea Crest and Schooner Way.
- Open space weed control at the point on Seawind Drive.
- Street lights
- Sidewalks including curbs, gutters and striping
- Retaining walls
- Street signs
- Street maintenance

There are currently several rehabilitation projects in the District needed i.e. street paving, curb, gutter and sidewalk replacements, irrigation upgrades and vegetation replacement.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. As noted above there are several rehabilitation projects pending that the rehabilitation reserve fund is currently not adequate to fund. The assessment was increased fiscal year 2017-2018 in order to accumulate enough funds to complete these projects in the future. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Seaview (Costa Del Rio) Landscape Maintenance District	
Fund Number 0121 (#166)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$26,762
Salaries & Benefits	\$18,298
Services & Supplies	\$1,814
Landscape Water	\$25,000
Utilities	\$300
Landscape Rehabilitation / Vandalism / Street Sweeping	\$12,000
Capital Projects	\$0
Total Direct Costs	\$84,174
Administration Costs	
Administration & Overhead	\$7,270
County Administration Fees	\$1,004
Professional Fees	\$533
Total Administration Costs	\$8,807
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$92,981
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$10,122
Contribution (from) General Fund / Other Revenue	(\$2,692)
Balance to Levy	\$100,411
District Statistics	
Total Parcels	125
Total Parcels Levied	125
Anticipated Total Assessed Value / \$100	\$349,863.98
Proposed Rate per \$100 of Assessed Value	\$0.287
Maximum Rate per \$100 of Assessed Value	\$4.00
Total Assessment Levy	\$100,410.96
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$46,490.55
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$46,490.55
Beginning Rehabilitation Reserve Fund Balance	\$222,682.45
Rehabilitation Reserve Fund Adjustments	\$10,121.85
Anticipated Rehabilitation Reserve Fund Balance	\$232,804.30
Anticipated Total Ending Fund Balance	\$279,294.85

RECOMMENDATIONS

The Reserve Fund balance for the District is not adequately funded due to pending rehabilitation projects in the District.

The following are recommendations to the City:

- Ensure the District Reserve Fund adequately funded.
- Increase the assessment in the future in order to provide adequate funding of capital improvement and rehabilitation projects.

GLEN COVE I & II

The Glen Cove One and Two Landscape Maintenance District (District) serves a residential neighborhood located in southeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1978 with three annexations occurring in 1979 and 1980.
- The District has 3 acre of ornamental and native landscaping which includes ground cover, shrubbery and trees.
- The District has 7 acres of weed control and plantings.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.19, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Honeydew Drive, Highway 780, Peppercorn & Wildberry Court, Wildflower Drive, Shady Lane and Silktree Lane.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- South side of the street just across from the entrance to the shopping center and east to the rear fence line of lot 60 on Honeydew Drive.
- Stonewood Court cul-de-sac along the east side of the Highway 780 fence line and along the rear yard fences of Peppercorn and Wildberry Court.
- East and west sides of Shady Lane to Wildflower Drive including the v-ditches and fence line of Highway 780.
- Downhill slope side of Wildflower Drive including the v-ditches and the out fall structures as well as the siltation basin on Wildflower Drive.
- The east and west sides of Silktree up to the fence lines on each side.

- The median island on Bluebell Place and the landscaped slopes of Wildflower, Ironwood, Buckeye, Applenut, and Dogwood Lane.

FINANCIAL INFORMATION

The Direct Costs of the District have not significantly changed from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Glen Cove I & II Landscape Maintenance District	
Fund Number 0191 (#182)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$33,052
Salaries & Benefits	\$16,759
Services & Supplies	\$1,661
Landscape Water	\$10,000
Utilities	\$1,500
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$72,972
Administration Costs	
Administration & Overhead	\$6,659
County Administration Fees	\$1,461
Professional Fees	\$775
Total Administration Costs	\$8,895
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$81,867
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$71,467
Contribution (from) General Fund / Other Revenue	(\$7,199)
Balance to Levy	\$146,135
District Statistics	
Total Parcels	239
Total Parcels Levied	239
Anticipated Total Assessed Value / \$100	\$769,132.69
Proposed Rate per \$100 of Assessed Value	\$0.190
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$146,135.21
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$40,933.68
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$40,933.68
Beginning Rehabilitation Reserve Fund Balance	\$678,954.00
Rehabilitation Reserve Fund Adjustments	\$71,466.86
Anticipated Rehabilitation Reserve Fund Balance	\$750,420.86
Anticipated Total Ending Fund Balance	\$791,354.54

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund continues to be adequately funded.
- Decrease the assessment rate if direct costs are anticipated to remain at the current level in order to decrease the contribution to the Reserve Fund.

GREENMONT – SEAPORT HILLS

The Greenmont – Seaport Hills Landscape Maintenance District (District) serves a residential area of 4 developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

The District was formed in 1978 with one annexation in 1979.

The District has 10 acres of ornamental and native landscaping which includes wild flowers and native grasses acting as ground cover, shrubbery and trees.

The entire District is treated as a weed control District for purposes of fire protection when fire season is declared each year in May.

Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.032, Maximum Rate: \$1.25.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Columbus Parkway, Greenmont Drive, and Devlin Drive.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Slopes surrounding the residential neighborhood primarily overlooking Columbus Parkway and Greenmont Drive as well as Devlin Drive.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIIIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Greenmont Seaport Hills Landscape Maintenance District	
Fund Number 0187 (#168)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$13,442
Salaries & Benefits	\$7,201
Services & Supplies	\$714
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$31,357
Administration Costs	
Administration & Overhead	\$2,861
County Administration Fees	\$325
Professional Fees	\$173
Total Administration Costs	\$3,359
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$34,716
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	(\$175)
Contribution (from) General Fund / Other Revenue	(\$2,000)
Balance to Levy	\$32,541
District Statistics	
Total Parcels	407
Total Parcels Levied	407
Anticipated Total Assessed Value / \$100	\$1,016,909.22
Proposed Rate per \$100 of Assessed Value	\$0.032
Maximum Rate per \$100 of Assessed Value	\$1.25
Total Assessment Levy	\$32,541.10
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$17,358.21
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$17,358.21
Beginning Rehabilitation Reserve Fund Balance	\$182,650.79
Rehabilitation Reserve Fund Adjustments	(\$175.32)
Anticipated Rehabilitation Reserve Fund Balance	\$182,475.47
Anticipated Total Ending Fund Balance	\$199,833.68

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider increasing the assessment in the future if direct costs are anticipated to remain at the current level.

HUNTER RANCH I/II

The Hunter Ranch I/II Landscape Maintenance District serves a residential neighborhood of two developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was initially formed in 1981.
- The District has 2 acres of native and ornamental ground cover, shrubbery and trees.
- The District has 6 acres of plantings and weed control.
- Weed control in open areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.100, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the areas bounded by Foothill Drive, Sterling Drive, Redwood Parkway, and Doncaster.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- South side of Sterling from the sound wall at Ascot Drive to the curve at Legend Drive.
- North and south sides of each crossing at Clydesdale, Pacer, and Dapples Drives including the open spaces between each street crossing to Redwood Parkway behind the fence line.
- Landscaping strip on the east and west side of the intersection of Doncaster and Redwood Parkway.

Planned capital improvement projects include remove and replace landscape and irrigation to keep up with current standards.

FINANCIAL INFORMATION

The Direct Costs of the District have reduced from fiscal year 2017-2018 to fiscal year 2018-2019 due to completion of landscape rehabilitation projects. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Hunter Ranch I & II Landscape Maintenance District	
Fund Number 0172 (#181)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$16,359
Salaries & Benefits	\$13,520
Services & Supplies	\$1,340
Landscape Water	\$15,000
Utilities	\$150
Landscape Rehabilitation / Vandalism	\$12,500
Capital Projects	\$0
Total Direct Costs	\$58,869
Administration Costs	
Administration & Overhead	\$5,372
County Administration Fees	\$927
Professional Fees	\$492
Total Administration Costs	\$6,791
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$65,660
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$32,182
Contribution (from) General Fund / Other Revenue	(\$5,162)
Balance to Levy	\$92,679
District Statistics	
Total Parcels	377
Total Parcels Levied	377
Anticipated Total Assessed Value / \$100	\$926,793.95
Proposed Rate per \$100 of Assessed Value	\$0.100
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$92,679.40
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$32,829.90
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$32,829.90
Beginning Rehabilitation Reserve Fund Balance	\$483,399.10
Rehabilitation Reserve Fund Adjustments	\$32,181.60
Anticipated Rehabilitation Reserve Fund Balance	\$515,580.70
Anticipated Total Ending Fund Balance	\$548,410.60

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Decrease the assessment rate provided the current level of service is unchanged and there are no unforeseen expenditures in order to decrease the contribution to the Reserve Fund.

MONICA PLACE

The Monica Place Landscape Maintenance District (District) serves a residential neighborhood located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1976.
- The District has 1,000 square feet of weed control and plantings.
- Landscape is ornamental ground cover.
- Weed control areas along Monica Place assist in fire protection and protection of the asphalt.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.187, Maximum Rate: \$1.25.

BOUNDARIES

The District lies within the City of Vallejo, generally located along the roadside of Monica Place.

IMPROVEMENTS

The District maintains weed control easements found along the edge of the asphalt and behind the sidewalk along Monica Place.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation

Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Monica Place Road Landscape Maintenance District	
Fund Number 0163 (#167)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$0
Salaries & Benefits	\$0
Services & Supplies	\$0
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$0
Capital Projects	\$0
Total Direct Costs	\$0
Administration Costs	
Administration & Overhead	\$0
County Administration Fees	\$27
Professional Fees	\$17
Total Administration Costs	\$44
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$44
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$2,894
Contribution (from) General Fund / Other Revenue	(\$241)
Balance to Levy	\$2,697
District Statistics	
Total Parcels	5
Total Parcels Levied	5
Anticipated Total Assessed Value / \$100	\$14,420.91
Proposed Rate per \$100 of Assessed Value	\$0.187
Maximum Rate per \$100 of Assessed Value	\$1.25
Total Assessment Levy	\$2,696.71
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$21.98
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$21.98
Beginning Rehabilitation Reserve Fund Balance	\$24,107.02
Rehabilitation Reserve Fund Adjustments	\$2,893.74
Anticipated Rehabilitation Reserve Fund Balance	\$27,000.76
Anticipated Total Ending Fund Balance	\$27,022.74

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider decreasing the assessment in the future provided the current level of service is unchanged and there are no unforeseen expenditures.

RIDGECREST

The Ridgcrest Point Landscape Maintenance District (District) serves a residential neighborhood located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1978.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.115, Maximum Rate: \$1.50.
- The District levy is collected by the City and passed on to the homeowner's association that manages all aspects of District maintenance. Levy revenue in excess of District costs is retained by the City as payment on a prior agreement between the City and the District.
- The District is composed of six Pacific Gas & Electric easements and one area of ornamental plantings. The PG&E easements are composed of four with ornamental plants and two with weed height control and native/drought resistant plants.
- Weed control assists in fire protection.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the Woodvale Court cul-de-sac and the area bounded by Sylvia Court, Hale Street, Delgado Street, Clatyon Court, Elna Drive, Henry Street, and Woodvale Court.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- The PG&E easements found within chain-link fence enclosures on each side of Woodvale Street crossing extending north to and crossing Skyline Drive and along the south side of Goheen Circle
- Rear yard fence lines.

FINANCIAL INFORMATION

The Direct Costs of the District have increased from fiscal year 2017-2018 to fiscal year 2018-2019 due to increased maintenance costs. This proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b). The amount budgeted is shown in the Contract Maintenance Costs line item as the homeowner's association manages all aspects of District maintenance.

City of Vallejo	
Ridgecrest Landscape Maintenance District	
Fund Number 0193 (#169)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$53,464
Salaries & Benefits	\$0
Services & Supplies	\$0
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$0
Capital Projects	\$0
Total Direct Costs	\$53,464
Administration Costs	
Administration & Overhead	\$0
County Administration Fees	\$543
Professional Fees	\$288
Total Administration Costs	\$831
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$54,295
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$0
Contribution (from) General Fund / Other Revenue	\$0
Balance to Levy	\$54,295
District Statistics	
Total Parcels	171
Total Parcels Levied	171
Anticipated Total Assessed Value / \$100	\$472,130.12
Proposed Rate per \$100 of Assessed Value	\$0.115
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$54,294.96
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$8,069.00
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$8,069.00
Beginning Rehabilitation Reserve Fund Balance	\$0.00
Rehabilitation Reserve Fund Adjustments	\$0.00
Anticipated Rehabilitation Reserve Fund Balance	\$0.00
Anticipated Total Ending Fund Balance	\$8,069.00

RECOMMENDATIONS

The Reserve Fund balance for the District is not adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund is adequately funded.
- Consider increasing the assessment rate if direct costs are anticipated to remain at the current level.

SOMERSET HIGHLANDS (I/II)

The District lies within the City of Vallejo, generally located within the area bounded by Columbus Parkway, Georgia Street, and Regents Parkway.

SPECIAL DISTRICT FEATURES

- The District was originally formed in 1975.
- The District has 2 acres of native and ornamental ground cover, shrubbery and trees.
- The District has 5 acres of weed control.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.06, Maximum Rate: \$1.25.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Columbus Parkway, Georgia Street, and Regents Parkway.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Slope along Columbus Parkway from Georgia Street north to the rail fence and south to Regents Parkway.
- Open space along Regents Parkway to Brunswick.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Somerset Highlands I & II Landscape Maintenance District	
Fund Number 0109 (#173)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$41,667
Salaries & Benefits	\$17,178
Services & Supplies	\$1,703
Landscape Water	\$4,000
Utilities	\$250
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$74,798
Administration Costs	
Administration & Overhead	\$6,825
County Administration Fees	\$827
Professional Fees	\$439
Total Administration Costs	\$8,091
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$82,889
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$2,701
Contribution (from) General Fund / Other Revenue	(\$2,888)
Balance to Levy	\$82,702
District Statistics	
Total Parcels	533
Total Parcels Levied	533
Anticipated Total Assessed Value / \$100	\$1,378,359.68
Proposed Rate per \$100 of Assessed Value	\$0.060
Maximum Rate per \$100 of Assessed Value	\$1.25
Total Assessment Levy	\$82,701.58
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$41,444.51
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$41,444.51
Beginning Rehabilitation Reserve Fund Balance	\$247,349.49
Rehabilitation Reserve Fund Adjustments	\$2,700.56
Anticipated Rehabilitation Reserve Fund Balance	\$250,050.05
Anticipated Total Ending Fund Balance	\$291,494.56

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Increase the assessment rate in order to ensure the Reserve Fund is not depleted in the near future.

SOMERSET HIGHLANDS III

The Somerset Highlands Three Landscape Maintenance District (District) serves a residential neighborhood located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

The District was formed in 1981.

The District has 7 acres of native and ornamental ground cover, shrubbery and trees.

The District has 4 acres of weed control.

Weed control in open space areas assists in fire protection.

Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.144, Maximum Rate: \$1.50.

Boundaries

The District lies within the City of Vallejo, generally located within the area bounded by Locust Drive, Ascot Parkway, Columbus Parkway, and Rock Springs Golf Course.

IMPROVEMENTS

The District maintains landscaped areas and weed control in the following areas:

- Landscape slope along the east and west side of Ascot Parkway.
- Medians from just south of Hawksbury Drive to the intersection of Columbus Parkway to the end of the sound wall along the north side of Columbus Parkway.
- Strip of landscaping running along two hundred feet east of the intersection of Columbus and Ascot Parkways at the sound wall to the back of the curb.
- Interior slope beneath the power lines and slope overlooking the Blue Rock Springs Golf Course.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The assessment rate is proposed to increase in order to adequately fund the Rehabilitation Reserve Fund. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Somerset Highlands III Landscape Maintenance District	
Fund Number 0171 (#176)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$42,998
Salaries & Benefits	\$18,171
Services & Supplies	\$1,801
Landscape Water	\$11,000
Utilities	\$150
Landscape Rehabilitation / Vandalism	\$5,000
Capital Projects	\$0
Total Direct Costs	\$79,120
Administration Costs	
Administration & Overhead	\$7,220
County Administration Fees	\$987
Professional Fees	\$415
Total Administration Costs	\$8,622
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$87,742
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$11,479
Contribution (from) General Fund / Other Revenue	(\$553)
Balance to Levy	\$98,668
District Statistics	
Total Parcels	233
Total Parcels Levied	233
Anticipated Total Assessed Value / \$100	\$685,191.25
Proposed Rate per \$100 of Assessed Value	\$0.144
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$98,667.54
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$43,768.05
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$43,768.05
Beginning Rehabilitation Reserve Fund Balance	\$11,508.95
Rehabilitation Reserve Fund Adjustments	\$11,478.86
Anticipated Rehabilitation Reserve Fund Balance	\$22,987.81
Anticipated Total Ending Fund Balance	\$66,755.86

RECOMMENDATIONS

The Reserve Fund balance for the District is not adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund is adequately funded.
- Increase the assessment if direct costs are anticipated to remain at the current level in order to adequately fund the Reserve Fund.

SPRINGTREE

The Springtree Landscape Maintenance District (District) serves a residential neighborhood consisting of four developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1978 with one annexation in 1979.
- The District has 1 acre of native and ornamental ground cover, shrubbery and trees
- The District has 10 acres of weed control.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.195, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Tuolumne Street, Guava Court, Platt and Wake Court, Parkview Terrace, Phoenix Circle and the water treatment fence line.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Landscaping along Tuolumne Street starting from Parkview Terrace, Public LMD behind lot 7, ending at the intersection of Phoenix Circle.
- South side of Tuolumne Street beginning at Ridgeview Drive and ending at the rear of lot 8 at Guava Court.
- Behind the residences along the south side of Mitchell Court and Riverview Drive.
- Open space bounded by Platt and Wake Court and Parkview Terrace and the water treatment plant fence line.
- Public LMD on the north side of Amber Avenue, south side adjoining the park.
- Public LMD situated below Phoenix Circle from lots 27-42 and behind the homes on Pepper Avenue.

Capital projects include remove and replace landscape and irrigation to keep up with current standards.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019 due to landscape rehabilitation projects. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Springtree Landscape Maintenance District	
Fund Number 0192 (#172)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$29,561
Salaries & Benefits	\$16,454
Services & Supplies	\$1,631
Landscape Water	\$8,000
Utilities	\$1,000
Landscape Rehabilitation / Vandalism	\$15,000
Capital Projects	\$0
Total Direct Costs	\$71,646
Administration Costs	
Administration & Overhead	\$6,538
County Administration Fees	\$1,237
Professional Fees	\$657
Total Administration Costs	\$8,432
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$80,078
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$50,245
Contribution (from) General Fund / Other Revenue	(\$6,629)
Balance to Levy	\$123,694
District Statistics	
Total Parcels	297
Total Parcels Levied	297
Anticipated Total Assessed Value / \$100	\$634,328.00
Proposed Rate per \$100 of Assessed Value	\$0.195
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$123,693.96
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$40,038.97
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$40,038.97
Beginning Rehabilitation Reserve Fund Balance	\$622,876.03
Rehabilitation Reserve Fund Adjustments	\$50,245.02
Anticipated Rehabilitation Reserve Fund Balance	\$673,121.05
Anticipated Total Ending Fund Balance	\$713,160.02

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider decreasing the assessment in the future provided the current level of service is unchanged and there are no unforeseen expenditures.

SUMMIT II

The Summit Two Landscape Maintenance District (District) serves a residential neighborhood made from two subdivisions located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1978 with one annexation in 1979.
- The District has 3.5 acres of weed control.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.095, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Hillview Drive, Sunrise Way and the P.G. & E. towers.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

Remove the hazardous tree conditions behind the homes on Hillview and Sunrise Drive.
Improve the fire protection grass control under the PGE power lines

FINANCIAL INFORMATION

The Direct Costs of the District have decreased from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds

are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Summit II Landscape Maintenance District	
Fund Number 0188 (#164)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$4,989
Salaries & Benefits	\$2,761
Services & Supplies	\$274
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$4,000
Capital Projects	\$0
Total Direct Costs	\$12,024
Administration Costs	
Administration & Overhead	\$1,097
County Administration Fees	\$402
Professional Fees	\$213
Total Administration Costs	\$1,712
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$13,736
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$28,486
Contribution (from) General Fund / Other Revenue	(\$2,015)
Balance to Levy	\$40,207
District Statistics	
Total Parcels	171
Total Parcels Levied	171
Anticipated Total Assessed Value / \$100	\$423,228.56
Proposed Rate per \$100 of Assessed Value	\$0.095
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$40,206.71
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$6,868.03
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$6,868.03
Beginning Rehabilitation Reserve Fund Balance	\$194,624.97
Rehabilitation Reserve Fund Adjustments	\$28,485.65
Anticipated Rehabilitation Reserve Fund Balance	\$223,110.62
Anticipated Total Ending Fund Balance	\$229,978.65

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider decreasing the assessment in the future provided the current level of service is unchanged and there are no unforeseen expenditures.

TOWN & COUNTRY

The Town & Country One Landscape Maintenance District (District) serves a residential neighborhood located in northwest Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1980.
- The District has 1.5 acres of ornamental shrubbery and trees.
- Weed control assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.150, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Fairgrounds Drive, Marine World Parkway fence, and the North Vallejo Community Park Ball Field.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Slope on Fairgrounds Drive from Marine World Parkway fence to the North Vallejo Community Park Ball Field.
- Walkway from Basalt down to the North Vallejo Community Park Ball Field.

FINANCIAL INFORMATION

The Direct Costs of the District have slightly increased from fiscal year 2017-2018 to fiscal year 2018-2019. The assessment rate is proposed to increase in order to ensure the Rehabilitation Reserve is not depleted in the future. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Town & Country 1 Landscape Maintenance District	
Fund Number 0122 (#165)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$12,328
Salaries & Benefits	\$5,170
Services & Supplies	\$512
Landscape Water	\$2,000
Utilities	\$400
Landscape Rehabilitation / Vandalism	\$2,100
Capital Projects	\$0
Total Direct Costs	\$22,510
Administration Costs	
Administration & Overhead	\$2,054
County Administration Fees	\$371
Professional Fees	\$197
Total Administration Costs	\$2,622
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$25,132
Contribution to / (from) Reserve Fund	\$1,398
Contribution to / (from) Rehabilitation Fund	\$10,673
Contribution (from) General Fund / Other Revenue	(\$112)
Balance to Levy	\$37,091
District Statistics	
Total Parcels	124
Total Parcels Levied	124
Anticipated Total Assessed Value / \$100	\$247,275.25
Proposed Rate per \$100 of Assessed Value	\$0.150
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$37,091.29
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$11,168.00
Operating Reserve Fund Adjustments	\$1,397.95
Anticipated Operating Reserve Fund Balance	\$12,565.95
Beginning Rehabilitation Reserve Fund Balance	\$0.00
Rehabilitation Reserve Fund Adjustments	\$10,673.42
Anticipated Rehabilitation Reserve Fund Balance	\$10,673.42
Anticipated Total Ending Fund Balance	\$23,239.37

RECOMMENDATIONS

The Reserve Fund balance for the District is not adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund is adequately funded.
- Consider increasing the assessment in the future if direct costs are anticipated to remain at the current level.

WOODRIDGE

The Woodridge Landscape Maintenance District (District) serves a residential neighborhood located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1977.
- The District has 6 acres of native and ornamental ground cover, shrubbery and trees.
- The District has 11 acres of weed control.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.071, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, made up of several islands as generally located within the area bounded by Tennessee Street and Oakwood; Masonic Drive and Oakwood; Evergreen, Parhaven Court and Temple; Woodson Way, Blue Bird, Robin Courts, Skyline Drive and Blue Rock Springs Corridor.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Landscaped slope along the north side of Tennessee Street behind Lain Court.
- Island at the corner of Tennessee and Oakwood, the easement directly west of the island and behind the homes of Bridge Court.
- Easement off Evergreen Way on the south side bounded by the rear yard fences of Curtis and Springbrook.
- Easement open space up slope of Evergreen and behind Park Haven Court and down slope of Temple.
- Open space between Masonic Drive and Oakwood just south of Justin Court.

- Open space above Woodson Way and below Blue Bid and Robin Courts.
- The rear slope of Wood Court, Skyline Drive, and Masonic Court above Blue Rock Springs Corridor including the eucalyptus grove to within one hundred feet of the creek at high stage.
- Slope behind Creekview, Glenview, and the open space entrance to the rear slope and frontage along the creek behind the private frontage road along Redwood.
- The islands of Redwood and the frontage landscaping from just west of Foothill to Doncaster on the north side and 500 feet west of Topley on the south side.

FINANCIAL INFORMATION

The Direct Costs of the District have decreased significantly from fiscal year 2017-2018 to fiscal year 2018-2019 due to decreased Landscape Water costs. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Woodridge Landscape Maintenance District	
Fund Number 0118 (#174)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$25,529
Salaries & Benefits	\$15,707
Services & Supplies	\$1,557
Landscape Water	\$10,400
Utilities	\$200
Landscape Rehabilitation / Vandalism	\$15,000
Capital Projects	\$0
Total Direct Costs	\$68,393
Administration Costs	
Administration & Overhead	\$6,241
County Administration Fees	\$762
Professional Fees	\$404
Total Administration Costs	\$7,407
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$75,800
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$2,279
Contribution (from) General Fund / Other Revenue	(\$1,898)
Balance to Levy	\$76,181
District Statistics	
Total Parcels	449
Total Parcels Levied	449
Anticipated Total Assessed Value / \$100	\$1,072,967.36
Proposed Rate per \$100 of Assessed Value	\$0.071
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$76,180.68
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$37,899.90
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$37,899.90
Beginning Rehabilitation Reserve Fund Balance	\$151,871.10
Rehabilitation Reserve Fund Adjustments	\$2,278.88
Anticipated Rehabilitation Reserve Fund Balance	\$154,149.98
Anticipated Total Ending Fund Balance	\$192,049.88

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Terrance Davis, Public Works Director
SUBJECT: 1972 HIDDENBROOKE MAINTENANCE DISTRICT ASSESSMENTS

RECOMMENDATION

Adopt a Resolution preliminary approving the Engineer's Report and declaring the intent to levy and collect assessments for the Hiddenbrooke Maintenance Districts (HMD) for FY 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.

REASONS FOR RECOMMENDATION

The City Council appointed SCI Consulting Group as the Engineer of Work and directed them to prepare the Engineer's Report for the HMD. The Report identifies all assessable parcels within the HMD and was prepared pursuant to the Landscape and Lighting Act of 1972 and in compliance with Article XIID of the California Constitution (Proposition 218). A Public Hearing is legally required to allow the City Council to receive input from the public on this item.

BACKGROUND AND DISCUSSION

The City of Vallejo has 27 Landscape Maintenance Districts (LMD), 13 of which were established in accordance with Division 15 Part 2 of the California Streets and Highways Code, the Landscape and Lighting Act of 1972 (1972 Act), and 14 of which were established in accordance with Division 7 of the California Streets and Highways Code, the Improvement Act of 1911 (1911 Act). These districts require annual determination of each district's costs, and allocation of these costs by means of annual assessment to the dwelling units within each district.

The City Council will be considering the 1911 Act districts and the remaining twelve 1972 Act districts under separate Council action. Approval of this Resolution starts the process for establishing the FY 2018-19 assessments for the Hiddenbrooke Maintenance District (HMD). The HMD is being handled under a separate Council action to allow the Hiddenbrooke Homeowners Association time to review the public financial information regarding their district.

The attached Engineer's Report, prepared by SCI Consulting Group, provides the fiscal information for the HMD. The Engineer's Report is prepared annually for the HMD and analyzes the district based on "equivalent benefit units" (EBU). One EBU is applied to a single-family residence. Proposed assessments for each parcel are based on the special benefit received by the parcels within the district. The proposed FY 2018-19 budget for the HMD is included as part of the Engineer's Report.

The assessments are collected by the County of Solano and forwarded to the City for deposit into specific fund accounts for each LMD. All assessments are expended for landscape maintenance, repair of damage

due to vandalism or natural occurrence, site rehabilitation or improvements, water and utilities, and City administration and inspection costs.

The annual assessment rates for the HMD are not proposed to increase at this time.

The FY 2018-19 Report for the HMD is included as an attachment to this staff report and is also on file in the City Clerk's Office (3rd Floor) and in the Department of Public Works (4th Floor), City Hall, 555 Santa Clara Street, Vallejo, CA 94590.

FISCAL IMPACT

The proposed HMD annual assessment for FY 2018-19 is \$675.80 per EBU. This assessment rate is not proposed to increase over last year's annual assessment rate as the review of expenditures and the existing reserve balance indicates that the authorized Consumer Price Index-Urban increase to this assessment is not required at this time. Consistent with Proposition 218, such an increase is not considered an increased assessment that requires a notice and ballot be sent to property owners.

The HMD assessment requires the contribution of \$2,660 from the general fund to cover the maintenance of the Welcome Center and Trails which are part of the general benefits cost that cannot be assessed to the HMD. The existing budget should be sufficient to cover the \$2,660 cost increase, no additional funding is being requested at this time.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Resolution - 2018 LMD 1972 Hiddenbrooke Setting Hearing Date
2.	HMD ENGINEER REPORT 1972 Act FY 18-19 Vallejo

CONTACT

Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097
Carmen.Cole@cityofvallejo.net

**A RESOLUTION DECLARING INTENTION TO LEVY ASSESSMENTS
FOR FISCAL YEAR 2018-2019, PRELIMINARILY APPROVING
ENGINEER'S REPORT AND PROVIDING FOR NOTICE OF PUBLIC HEARING
FOR THE HIDDENBROOKE MAINTENANCE DISTRICT**

WHEREAS, the City Council, by previous Resolutions, formed and levied annual assessments for the Hiddenbrooke Maintenance District (hereafter referred to as the "District" or "HMD"), pursuant to California Constitution Article XIID, and the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof); and

WHEREAS, by Resolution, the City Council ordered the preparation of an Engineer's Report for the District for fiscal year (FY) 2018-2019; and

WHEREAS, the Engineer's Report was prepared by SCI Consulting Group, Engineer of Work, in accordance with California Constitution Article XIID and California Streets and Highways Code Sections 22565, *et. seq.*; the Report has been made, filed with the City Clerk, duly considered by the City Council and is hereby deemed sufficient and preliminarily approved. The Report shall stand as the Engineer's Report for all subsequent proceedings. Reference is hereby made to the Report for a full and detailed description of the improvements, the boundaries of the Districts and the proposed assessments upon assessable lots and parcels of land within the Districts.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF VALLEJO AS FOLLOWS:

Section 1 That it is the intention of this Council to levy and collect assessments within the District for FY 2018-19. It is proposed that Districts undertake the following improvements including but not limited to: storm water management, street system maintenance, open space maintenance, landscape maintenance, geotechnical monitoring and maintenance, street tree maintenance, Welcome Center operation and maintenance, waterfall maintenance, monument maintenance and passive park maintenance and all appurtenant facilities and operations related thereto. The Engineer's Reports describes all the improvements and any substantial changes in existing improvements.

Section 2 The District consists of the lots and parcels shown on the boundary map of the District on file with the City, and reference is hereby made to such map for further particulars.

Approved as to Form:

By: 
City Attorney

Section 3 That the assessment is subject to an annual adjustment tied to the Consumer Price Index of "All Urban Consumers" (CPI-U) for the San Francisco-Oakland-San Jose Area as of February 1 of each succeeding year. The maximum authorized assessment rate is equal to the maximum assessment rate approved by property owners FY 2003-04 adjusted annually by the change in the CPI-U.

The change in the CPI-U from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for FY 2018-19 is increased by 3.56% which equates to \$759.80 per equivalent

Subject: ADOPT A RESOLUTION INITIATING PROCEEDINGS FOR ASSESSMENT ON PROPERTIES IN
THE HIDDENBROOKE MAINTENANCE DISTRICT AND SETTING A PUBLIC HEARING FOR
JUNE 12, 2018

benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for FY 2018-19 at the rate of \$675.80, which is less than the maximum authorized assessment rate.

Section 4 That a Public Hearing shall be held on June 12, 2018 at 7:00 p.m. to consider the ordering of the improvements and the levy of the proposed assessments at the City Council Chambers, located at 555 Santa Clara Street, Vallejo, California.

Section 5 The City Clerk shall cause a notice of the hearing to be given by publishing a copy of this Resolution once, at least ten 10 days prior to the date of the hearing above specified, in a newspaper circulated in the City of Vallejo.

May 22, 2018



CITY OF VALLEJO
HIDDENBROOKE MAINTENANCE DISTRICT

ENGINEER'S REPORT

FISCAL YEAR 2018-2019

APRIL 2018

PURSUANT TO THE CITY OF VALLEJO MUNICIPAL CODE CHAPTER 14.30
AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:

SCI Consulting Group

4745 MANGLES BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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INTRODUCTION

OVERVIEW

On January 28, 1992, the City of Vallejo (the "City") City Council (the "Council"), adopted Resolution No. 92-46 N.C. approving the Engineer's Report, confirming diagram and assessment, ordering improvements and formation of the "Sky Valley Maintenance Assessment District." The City originally formed the Sky Valley Maintenance Assessment District to pay for certain public improvements, including but not limited to, storm water management, street system maintenance, open space maintenance, landscape maintenance, and geotechnical monitoring and maintenance.

On October 6, 1998, the Council by Resolution No. 98-373 approved the Engineer's Report for the levy and collection of an increased assessment within the District for Fiscal year 1999-2000. Prior to the adoption of the annual assessments and Engineer's Report, the City Council conducted mailed ballot proceedings in accordance with the requirements of the California Constitution Article XIID. In addition to the property owner balloting for the assessments, the name of the District was changed from the "Sky Valley Maintenance Assessment District" to the "Hiddenbrooke Maintenance District" or "HMD" to reflect the name change of the former Sky Valley development. The approved Report identified the special benefits received by property within the HMD, addressed public and general benefits as required by Article XIID and established the maximum assessment rate and the application of that rate to the various land uses within the District.

Prior to Fiscal Year 2000-2001, the property owners within the District requested the City maintain additional improvements including a "Welcome Center" and a Passive Park within the development. A second majority protest ballot proceeding for an increased maximum assessment and inflationary formula resulting from the addition of the Welcome Center and Passive Park was conducted. The tabulation of ballots returned indicated 100% approval of the new maximum assessment of \$509.00 per Equivalent Dwelling Unit (Equivalent Benefit Unit) including an annual inflationary adjustment based on the annual percentage change in the Consumer Price Index (CPI). On February 15, 2000 the Council, by Resolution No. 00-72, approved a supplemental Report that added the maintenance of the additional improvements and established the maximum assessment rate and formula for the District.

In Fiscal Year 2002-2003, property owners within the Hiddenbrooke Maintenance District asked the City to reconstruct the District budget and assessment methodology to simplify the budgeting of expenditures and revenues, and to develop a more equitable methodology. The reconstruction resulted in the following changes:

1. The assessment methodology was changed to simplify the calculation of the annual levy and to reduce the potential for future errors. The trigger for property development status has changed from building permit issuance to development status according to the County of Solano Secured Roll as of January 1st of the fiscal year prior to the upcoming fiscal year in which the levy will take place. For example, development status according to the County secured roll as of January 1, 2003

would be used for the Fiscal Year 2003-2004 levy. Previously, the trigger date was based on the issuance of a building permit by March 1st of the fiscal year prior to the upcoming fiscal year in which the levy would have taken place.

2. An increased Maximum Assessment of \$532.22 per Equivalent Dwelling Unit including an annual inflationary adjustment based on the annual percentage change in the Consumer Price Index (CPI) as calculated by the Bureau of Labor Statistics (BLS).
3. The Hiddenbrooke developer-funded reserve balance was intended to be spent for improvements. It will now be set aside as a reserve fund based on the original agreement with the City of Vallejo.
4. The Golf Course Property, including the parcel that has the Golf Course Clubhouse situated upon it, is not included within the boundaries of the District and, accordingly, is not subject to assessment by the HMD.

A third majority protest ballot proceeding for the changes described above was conducted. The tabulation of ballots returned indicated approval, and on July 22, 2003 the Council, by Resolution, approved an Engineer's Annual Levy Report that established the maximum assessment rate, formula and boundaries for the District.

In Fiscal Year 2004-2005, the City proposed to annex the Orchards development, at the south end of the original District, in order to provide funding for the operations and maintenance of improvements in this area. A fourth majority protest ballot proceeding for the annexation and maximum assessment of \$534.88 per Equivalent Dwelling Unit including an annual inflationary adjustment based on the annual percentage change in the CPI. On June 8, 2004 the Council, by Resolution, approved a supplemental Report that annexed the Orchards development and established the maximum assessment rate and formula.

ASSESSMENT PROCESS

This Engineer's Report ("Report") was prepared to establish the budgets for the continued capital improvement and services expenditures that would be funded by the proposed 2018-19 assessments, determine the benefits received from the lighting and landscaping maintenance and improvements by property within the HMD and the method of assessment apportionment to lots and parcels within the HMD. This Report and the proposed assessments have been made pursuant to the provisions of Chapter 14.30 of the Vallejo Municipal Code, the Landscaping and Lighting Act of 1972, and Article XIID of the California Constitution (the "Article").

In each subsequent year for which the assessments will be continued, the Council must direct the preparation of an Engineer's Report, budgets and proposed assessments for the upcoming fiscal year. After the Engineer's Report is completed, the Council may preliminarily approve the Engineer's Report and proposed assessments and establish the date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Council.

If the Council approves this Engineer's Report and the continuation of the assessments by resolution, a notice of assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 12, 2018. At this hearing, the Council will consider approval of a resolution confirming the continuation of the assessments for fiscal year 2018-2019. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2018-2019.

ENGINEER'S REPORT

SCI Consulting Group has been retained by the City as the Assessment Engineer for this Assessment since 2011-2012. Language taken from the previous Engineer's Report is shown in Times New Roman, 10 pt. Font.

PLANS & SPECIFICATIONS

The work and improvements (the "Improvements") are proposed to be undertaken by the City of Vallejo Hiddenbrooke Maintenance District and the cost thereof paid from the levy of the annual assessment provide special benefit to Assessor Parcels within the District as defined in the Method of Assessment herein. The improvements that may be provided to properties within or adjacent to the District may include any or all of the improvements described under Section 14.30.100 of the Vallejo Municipal Code. These improvements include, but are not limited to, the following services:

- Storm water management
- Street system maintenance
- Open space maintenance
- Trail maintenance
- Landscape and appurtenant facilities maintenance
- Tree maintenance
- Geotechnical monitoring and maintenance
- Welcome Center operation and maintenance
- Waterfall maintenance
- Monument maintenance
- Passive park maintenance

Installation, maintenance and servicing of public facilities, and incidental expenses, including but not limited to, street lights, public lighting facilities, landscaping, sprinkler systems, statuary, fountains, other ornamental structures and facilities, landscape corridors, ground cover, shrubs and trees, street frontages, drainage systems, fencing, entry monuments, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, for property owned and maintained by the City of Vallejo. Any plans and specifications for these improvements will be filed with the Public Works Director of the City of Vallejo and are incorporated herein by reference.

Installation means the construction of lighting and landscaping improvements, including, but not limited to: land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks and drainage and lights.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of electric current or energy for the operation or lighting of any improvements, and water for irrigation of any landscaping or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the Assessment District plus Incidental expenses.

The improvements provided through the District are essentially monitoring and maintenance services. The plans and specifications for the work consist of schematic maps, letters, agreements, conditions, cost estimates and related documents which describe the nature and scope of the monitoring and maintenance activities to be performed. These documents include but are not limited to the following:

1. Map entitled Hiddenbrooke Nature Trail by Phillippi Engineering, Inc. dated March 1997 as amended
2. Agreement dated February 2, 1989 concerning mitigation measures relating to Storm Drainage and Water Supply between Sky Valley Company and the City of Benicia
3. Letter from Greater Vallejo Recreation District (GVRD) to the City of Vallejo dated February 24, 1997 regarding Sky Valley Maintenance Assessment District
4. HMD summary of budgets with attachments prepared by the City of Vallejo dated May 19, 1997
5. HMD estimated budget for year 0 to 15 (build out) prepared by the City of Vallejo dated June 1997
6. Landscape maintenance specification for public streets in the HMD
7. Portions of the Hiddenbrooke Specific Plan, as amended, which contains maintenance specifications and criteria
8. Hiddenbrooke Parkway Welcome Center Services Agreement

9. Letter in regard to Solicitor's Opinion that Hiddenbrooke Golf Course will fund its own landslide repair improvements

The foregoing documents are available for review in the office of the City Engineer and are incorporated herein by reference.

GENERAL DEFINITIONS

The terms hereinafter set forth have the following meanings in this Report and have been maintained, verbatim from the previous Engineer's Report:

“Acreage” means the gross acreage of any Assessor's Parcel of real property in the HMD calculated to two (2) decimal places, without any deduction for any intrusions or limitations of usage, including but not limited to, easements, public or private rights of way, utility installment or parking area improvements. The acreage of each Assessor's Parcel shall be as determined by the City Engineer. The City Engineer may rely upon a certification or certifications of one or more licensed civil engineers (or such other documentation as the City Engineer deems appropriate in the circumstances) in making the determination as to the acreage of any specific Assessor's Parcel.

“Assessor's Parcel” means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel Number (APN).

“Assessor's Parcel Map” means an official map of the County Assessor of the County of Solano designating parcels by Assessor's Parcel Number.

“Commercial Property” or **“COM”** means Developed Property used for commercial or industrial purposes other than property assigned to Land Use Designations SFR, SFV, MFR, MFV, CMV, SPC or EXE. This land use has improvement value according to the Solano County Secured roll. This land use type is assessed at 1.00 EBU per every 3,000 square feet of building square footage or portion thereof.

“Developed Property” means all Assessors' parcels within the Hiddenbrooke Maintenance Assessment District for which parcel data, from the most current Solano County Secured Roll available as of January 1 of the calendar year in which the Report is being prepared, shows improvement value on that property.

“Equivalent Benefit Unit” or **“EBU”** means a basic measurement unit of benefit. A parcel with the SFR designation consists of one (1) EBU and is the baseline measure of benefit to which all other land use designations are compared within the HMD. EBUs are rounded to two (2) decimal places.

“Exempt Property” or **“EXE”** is a land use designation that identifies properties that are not assessed and are assigned 0.00 EBU. This land use classification may include, but is not limited to, lots or parcels identified as public streets and other roadways, dedicated public easements, open space areas and rights-of-way including greenbelts and parkways utility rights-of-way, common areas, sliver parcels and bifurcated lots or any other property that cannot be developed, park properties and other publicly owned properties that are part of the District improvements or that have little or no improvement value. These types of parcels are considered to receive incidental or no benefit from the improvements and are therefore exempted from assessment.

“Fiscal Year” is the City's fiscal year beginning July 1 and ending June 30.

“Golf Course Property” means any property planned under the Specific Plan to be used as a golf course and related or appurtenant facilities and improvements, including but not limited to a driving range and a clubhouse, which property is not assessed within the HMD.

“HMD” is the abbreviation for Hiddenbrooke Maintenance District.

“Hotel” or **“HOT”** means a structure or structures including Hotel Rooms and related facilities (including but not limited to restaurants and food service facilities, conference rooms and meeting halls) (i) operated for the accommodation of transient guests and including any hotel as defined in the California Civil Code or (ii) operated as a condominium hotel in accordance with the Specific Area Plan. This land use is assessed 0.15 EBU per Hotel Room on a developed lodging use-related parcel and 0.12 EBU per Hotel Room on an undeveloped, planned lodging use-related parcel.

“Hotel Room” means each individual condominium unit or room within a Hotel designed to provide accommodations for transient guests or other occupants of the Hotel.

“Improvement” means one or any combination of the following: (i) maintenance of regional park land, (ii) maintenance of parks and parkways, (iii) maintenance of open space, (iv) maintenance of streets (v) operation and maintenance of a welcome center (vi) provision of flood control and storm protection services, (vii) related facilities, along with appurtenances and appurtenant work deemed necessary for provision of services and maintenance and (viii) incidental expenses related thereto.

“Multi-Family Residential” or **“MFR”** means Developed Property and is defined as a fully subdivided and developed residential parcel that has more than one residential unit developed on the property and has improvement value according to the Solano County Secured Roll data. This land use is assessed 0.90 EBU per dwelling unit.

“Parcel” refers to an individual property assigned its own Assessment Number (Assessor’s Parcel Number—APN) by the Solano County Assessor’s Office. The Solano County Auditor/Controller uses Assessment Numbers and specific District Fund Numbers, to identify on the tax roll, properties assessed for special district benefit assessments.

“Planned Lot” is a land use defined as any property not subdivided with a specific number of proposed residential lots or dwelling units to be developed on the parcel where a final map has been recorded for the parcel.

“Publicly Owned Property” means any land within the Hiddenbrooke Maintenance Assessment District (i) conveyed or irrevocably offered for dedication to a public agency, (ii) which is encumbered by easements for the benefit of public entities or utilities which make impractical utilization of the real property for other than the purpose set forth in the easement.

“Single-Family Residential” or **“SFR”** means Developed Property and is defined as a fully subdivided and developed attached or detached residential, single-family property site with improvement value according to the Solano County Secured Roll data. This land use is assessed 1.00 EBU per lot or parcel. This is the base value that all other land use types are compared and weighted against (i.e. Equivalent Benefit Unit or EBU.)

“Situs” means the property location address.

“Special Designation Property” or **“SPC”** is a land use designation factor defining undeveloped property that has more than one type of planned land use associated with it. A common example of such a property is one in which the property includes planned, unsubdivided single-family residential lots and planned commercial structural development. This land use is assessed at 0.60 EBU per planned SFV lot and 0.60 EBU per 3,000 square feet (or portion thereof) of planned commercial building square footage. This category also includes undeveloped property that has been subdivided but on which construction has not yet begun.

“Specific Plan” means Hiddenbrooke Specific Plan adopted by the City Council on September 15, 1987 amended September 26, 1995.

“Undeveloped Commercial Property” or **“CMV”** means Undeveloped Property zoned exclusively for commercial or industrial purposes other than property assigned to Land Use Designations SFR, SFV, MFR, MFV, COM, SPC or EXE. This land use has no improvement value according to the Solano County Secured roll. This land use type is assessed at 1.50 EBU per acre. Parcels less than 1 acre in this category are assigned a minimum of 1.50 EBU. Parcels over 50 acres are assigned a maximum of 75.00 EBU.

“Undeveloped Multi-Family Residential” or **“MFV”** means Undeveloped Property that is an undeveloped residential, multi-family parcel without improvement value according to the Solano County Secured Roll data and includes a specific number of proposed dwelling units to be developed on the parcel (defined as a Planned Lot). This land use is assessed 0.60 EBU per proposed dwelling unit.

“Undeveloped Property” means all Assessor’s parcels within the Hiddenbrooke Maintenance Assessment District for which parcel data, from the most current Solano County Secured Roll available as of January 1 of the calendar year in which the Report is being prepared, shows no improvement value on that property.

“Undeveloped Single-Family Residential” or **“SFV”** means Undeveloped Property and is defined as either 1) a fully subdivided yet undeveloped residential, single-family property lot or parcel without improvement value according to the Solano County Secured Roll data or 2) an unsubdivided, undeveloped residential, single-family parcel without improvement value according to the Solano County Secured Roll data which includes a specific number of proposed residential lots or dwelling units to be developed on the parcel (defined as a Planned Lot). This land use is assessed 0.60 EBU per subdivided lot, per proposed residential lot, or per proposed dwelling unit.

FISCAL YEAR 2018-2019 ESTIMATE OF COST AND BUDGET

COST ESTIMATES

As defined in the Municipal Code, the cost estimates for the Improvements include the following:

- a) The total costs for improvements to be made this fiscal year, being the total cost of constructing or installing all proposed improvements and of maintaining and servicing all existing and proposed improvements, including incidental expenses. This may include an operating reserve, which shall not reasonably exceed the estimated costs of maintenance and servicing to January of the fiscal year, or whenever the City expects to receive its apportionment of special assessments and tax collections from the County, whichever is later. These estimated costs of maintenance and servicing typically include fixed landscape, open space and infrastructure items, as well as water, electricity and telephone utility items. The operating reserve fund can also be used to offset any unforeseen expenses during a given fiscal year, including, but not limited to, emergency repairs
- b) The amount of any surplus or deficit in the improvement fund to be carried over from the previous fiscal year
- c) The amount of any contributions to be made from sources other than assessments levied pursuant to this part
- d) The amount of the annual installment for the fiscal year

Specifically, the budget includes, but is not limited to the following items:

Landscape Maintenance Contract – The landscaping contract is renewed annually and includes Landscape Maintenance, Open Space Management, Trail Maintenance, Tree Maintenance, Irrigation System Repairs, Waterfall Maintenance and Monuments as detailed below. Fiscal Year 2016-2017 the Landscape Maintenance Contract was put out to bid and awarded, as a result the costs for Landscape Maintenance services increased.

Landscape Maintenance - The ornamental landscape of Hiddenbrooke Parkway, Tot-lot on Bennington Drive Park and numerous irrigated landscape areas make up the maintenance component. The park is approximately one acre in size and has a mixture of lawn, paved areas and resting areas. A portion of the park (Parcel I) will remain in a natural state consistent with the mitigation measures for the Hiddenbrooke development.

Open Space Management – Open space management is overseen by the City. Fire prevention is included within the landscape maintenance contract. Adverse soil surface irregularities are repaired and funded by the Developer Deposit Fund. This Fund was a condition of development for any repairs of the open space.

Trail Maintenance – The City manages the trail maintenance service. Trail maintenance is scheduled annually through the maintenance contract.

Tree Maintenance – Tree pruning and care will be performed on a rotating schedule as necessary to keep trees healthy, maintain the urban canopy and avoid unexpected tree limb breakage. An occasional tree replacement is also covered by this budget line but a large number of replacements would be included in the Rehabilitation Reserves budget.

Irrigation Systems Repairs – This budget item provides for the ongoing maintenance and repair of the existing irrigation system to ensure that it is properly functioning at all times. As the systems age, larger scale preventative replacements and upgrading to systems that provide more efficient use of water may be done.

Waterfall Maintenance Contract - Beginning 2015-16 the waterfall maintenance contract is a part of the landscape maintenance contract.

Monuments – This budget item provides for the ongoing maintenance of monument landscape and irrigation throughout the district.

Salaries and Benefits – Staff time devoted to managing and inspecting Districts. The Public Works LMD reimbursement is proportionally spread amongst twenty-seven (27) Districts based on each District's budgeted direct and maintenance expense, inspections as a percentage of total costs in these categories for all Districts. Inspection costs are budgeted directly to the District as Field Inspection based on the historical and projected time spent in the inspection efforts.

Services & Supplies - Vehicles, supplies and services devoted to managing and inspecting Districts.

Capital Projects – This item includes major repairs or capital improvement projects. Fiscal Year 2017-2018 start design of Hiddenbrooke Parkway landscape and irrigation improvements.

Landscape Rehabilitation & Vandalism — Landscape Rehabilitation includes landscape projects, which significantly benefit and upgrade HMD. These cost reflect only a proportional share of the entire cost of the project and are noted because the amount of design, planning, coordination and execution. This budget item

represents a cost which has been identified by the city as above normal routine landscape maintenance inspection.

Vandalism - Includes repairs and rehabilitation that are generally unforeseen and not normally included in the yearly maintenance contract costs. This may include repair of damaged amenities due to vandalism, storms, frost, etc. These upgrades could include replacing plant materials and/or renovation of irrigation or lighting systems.

Utility – Includes the cost of water, electricity, and telephone. Amounts are budgeted based on historical usage and costs, considering published or projected rate increases for Vallejo Water, Vallejo Sanitation and PG&E. Water costs for the HMD include irrigation, the waterfall and the Welcome Center bathroom. Electricity costs include support for the irrigation systems, lights at the entry, Welcome Center lighting, and holiday tree lighting for the olive grove at the entry.

Utility Corridor Maintenance – All wet utilities come through the utility corridor and it is HMD's emergency exit in the event Highway 80 closed. The utility corridor is maintained by the HMD and includes road surfacing and roadway improvements.

Welcome Center and Miscellaneous Repairs - The Welcome Center Agreement specifies the required expenses to staff the facility with "Greeters" and Security personnel and provide roving patrols as directed by the Hiddenbrooke Property Owners Association (HPOA), which has been charged with directing the activity/operations of the Welcome Center. The Agreement will be annually renewable, subject to the consent of the service provider and the City. An annual allowance is included in the general budget for touch up painting, security camera systems or other items necessary to operations of the Welcome Center. If for any reason the Welcome Center should no longer be funded or desired in the future, the HMD Developer Deposit Fund may be used to cover the cost of removal.

Napa County Street System Maintenance – Approximately ½ mile of the entrance roadway, Hiddenbrooke Parkway, is situated in Napa County. As a condition of the District development, maintenance of this portion of the road will not be undertaken by Napa County. The District can expect to request and receive a high level of street maintenance services, above what the City normally provides under the General Fund.

Storm Water Management – The District was mandated in the Conditions of Approval for runoff emptying into Lake Herman, the emergency back-up reservoir for the City of Benicia. This condition was initiated by the City of Benicia for water quality monitoring services, which is being provided by the Vallejo Sanitation and Flood Control District.

Professional Services – This is the estimated cost to the District for the Assessment Engineer to prepare this report and to calculate and submit the assessments to the Solano County Auditor’s office.

County Administrative Services – This is the amount charged by the County for the cost of processing and collecting the annual levy on the property tax billings and remitting funds to the City of Vallejo. It is based on the total levy.

Administration & Overhead – The cost allocation of all particular departments and staff of the City, for providing general support, services and operations related to the various districts, enterprises and accounts of the City.

Number of District Parcels: This is the number of assessable parcels within a particular district. This number does not include exempt or non-taxable parcels.

District Direct Cost: This is the sum total of the regularly budgeted direct costs for the District. The total direct costs include the budgeted expenses for: Maintenance, Water, Utilities, Vandalism/Natural Damage, and Special Maintenance/Services. The amount budgeted for Improvements/Rehabilitation reserve is not included in this dollar amount.

Geotechnical Monitoring/Maintenance – As a Condition of Approval the District is required to monitor slope stability. Funds are reserved to monitor slope movement, remove or repair landslides and any condition for which the District should require the services of a geologist or soil engineer. The Hiddenbrooke project was approved with Resolution 87-613 Tentative Map 88-10 (dated 1-19-1988) and Specific Area Plan (dated 1987). These documents require only a determination of the adequacy of the landslide repair but do not state to what degree of effort is needed.

FUND BALANCES

The HMD has its own improvement fund to be accounted for separately from all other City funds. All moneys representing special assessments, installment payments, contributions and annual interest earned and surplus/deficits from prior years’ expenses and revenues are deposited into this fund. The HMD divides the improvement fund into the following four (4) funds: the HMD Developer Deposit Fund, the HMD Rehabilitation Fund, the HMD Operating Reserve Fund, and the HMD Undesignated Reserve Fund. Annual revenues that exceed the cost of annual operations will be deposited into the reserve funds to be used for future City Council approved projects and expenditures. City staff is currently working with the Hiddenbrooke HPOA’s HMD Advisory Committee to update the five (5) year Capital/Rehabilitation plan. The City can draw from the Rehabilitation Fund, as part of the improvement fund, only as necessary to cover the District improvements should the Undesignated Reserve Fund or current year budget be insufficient.

HMD Developer Deposit Fund

The developers of Hiddenbrooke deposited \$600,000 into the HMD Developer Deposit Fund during the 1999-2000 Fiscal Year for any remediation work required within the Hiddenbrooke development or the Utility Corridor (UC) between Columbus Parkway and Hiddenbrooke. The fund will ensure the ability of the HMD to repair adverse land movement or impacts to improvements within the broader HMD areas and the Utility Corridor such as: debris flows, landslides, slope re-grading due to erosion or earth movement, Utility Corridor monitoring/maintenance or slope repair, and maintenance or resurfacing of the a/c village trail due to expansive soil.

The Utility Corridor links Hiddenbrooke with St John's Mine Road and is the responsibility of the Hiddenbrooke development. The corridor has suffered erosive damage due to the annual discharge of precipitation storm water from the Utility Corridor slopes and roadway. The UC lies within the Solano Land Trust Swett Ranch, formerly the PG & E properties and is entitled with a construction and maintenance easement which encumbers the UC. Approximately \$168,000 has been spent since 2007 on engineers and consultants to develop a plan to remediate the corridor, but no actual work has been done.

The HMD Developer Deposit Fund balance can and does grow beyond the original \$600,000 deposit. This deposit is subject to interest earnings. The City is allowed to invest this deposit in an interest bearing account and the resulting interest earnings are deposited directly to the HMD Developer Deposit Fund. The approximate interest earnings since the original deposit are represented in the Reserve Fund Information table located on the following pages.

HMD Rehabilitation Fund

The Rehabilitation Fund was originally designated for repairs to the Napa County Road, Debris Flow Cleaning, Slide Re-grading, and maintenance or slope repair of the Utility Corridor Access Road. In FY 2003-2004, the HMD Rehabilitation Fund was designated only for repairs to the Napa County portion of Hiddenbrooke Parkway and the other descriptive items were determined to be available for funding from the HMD Developer Deposit Fund. Beginning with FY 2010-2011, the purpose of the HMD Rehabilitation Fund has been expanded to include the Napa County Road section and all other renovation and rehabilitation to landscape and irrigation systems within the HMD; effectively anything that is not in the Open Space areas or Utility Access or Utility Easements in the hillsides.

The City Public Works Department has established \$1 million as the cap for the sum total of the HMD Developer Deposit Fund, adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco-Oakland-San Jose. The percentage increase will be from February 1 of the prior year to February 1 of the current year, or similar time period.

The adjusted Developer Deposit Fund cap for Fiscal Year 2017-2018 has been adjusted from \$1,476,947 to \$1,527,754 (3.44 Percent). In February 2018, this figure was adjusted

accordingly to reflect the current percentage change in the Local CPI. According to the City Finance Department, the current total of the HMD Developer Deposit Fund has not reached this cap. The estimated FY 2017-2018 ending balance for both Funds is \$1,527,754, including the \$867,548 Developer Deposit Fund and \$704,251 Rehabilitation Fund.

The percentage change in the Local CPI that was applied to the Funds cap for Fiscal Year 2018-2019 is 3.56 Percent. Therefore, the cap for FY 2018-2019 is \$1,582,142. The estimated FY 2018-2019 ending balance for both Funds, including interest earnings, is \$1,828,427. These figures are presented in the Reserve Fund Information table that follows this section.

HMD Operating Reserve Fund

The HMD Operating Reserve Fund provides for operating expenses through January of the fiscal year or until such time as the City receives its apportionment of special assessments from Solano County, whichever is later. It is also a fund that can be accessed should the District experience unforeseen damages or emergencies to improvements. Based on City data regarding the District fund balance information, the estimated ending Operating Reserve Fund balance as of June 30, 2018 will be \$475,512. The target Operating Reserve Fund balance for June 30, 2019 is based on 50% of the total costs or \$472,512.

City of Vallejo, Hiddenbrooke Maintenance District	
Estimate of Cost	
Description	2018-19 Budget
Direct Costs	
<u>Landscape, Open Space & Infrastructure</u>	
<i>Fixed</i>	
Landscape Maintenance Contract	\$118,778
Salaries & Benefits	\$74,391
Services & Supplies	\$7,373
<i>District Upkeep</i>	
Capital Improvements	\$350,000
Landscape Rehabilitation / Vandalism	\$30,000
<i>Utility</i>	
Water	\$78,375
Electricity	\$13,000
Telephone	\$2,000
Total Landscape, Open Space & Infrastructure Costs	\$673,917
<u>Utility Corridor Maintenance</u>	\$0
Total Direct Costs	\$673,917
Indirect Costs	
<u>Agreement & Easement Responsibilities</u>	
Welcome Center	\$232,000
Napa County Roadway (Street System)	
VSFCD Storm Water Management	
Misc. Repairs to Welcome Center Interior / Exterior	
Professional Services	\$4,235
Administration & Overhead	\$29,558
County Administrative Services	\$7,974
General Fund Contribution (<i>Welcome Cntr, Napa Cnty Road, Trail</i>)	(\$2,660)
Total Indirect Costs	\$271,107
Total Annual Direct and Indirect Costs	\$945,024
Reserve Fund Collection	
<u>Operating / Rehabilitation Reserve Fund</u>	
Annual Collection/(Transfer)	(\$147,580)
<u>Developer Deposit Fund</u>	
Annual Collection/(Transfer)	
Total Reserve Fund Collection / (Transfer)	(\$147,580)
Total Balance to Levy	\$797,444
District Statistics	
Total Parcels	1,222
Total Parcels Levied	1,222
Total Equivalent Benefit Units	1,180.00
Proposed Levy per Benefit Unit	\$675.80
Maximum Levy per Benefit Unit	\$759.80
Total Assessment	\$797,444.00

City of Vallejo	
Hiddenbrooke Maintenance District, Reserve Fund Balances FY 2018-19	
Description	Total
Reserve Funds Information	
<u>HMD Developer Deposit Fund</u>	
Estimated HMD Developer Deposit Fund Balance as of June 30, 2018	\$867,548
Estimated Interest Earnings on Original Developer Deposit (FY18-19)	\$8,675
Estimated Developer Deposit Fund Collection/(Transfer) (FY18-19)	\$0
Estimated HMD Developer Deposit Fund Balance as of June 30, 2019	\$876,223
<u>HMD Rehabilitation Fund</u>	
Estimated HMD Rehabilitation Fund Balance as of June 30, 2018	\$1,086,850
Estimated Interest Earnings on Rehabilitation Fund (FY18-19)	\$15,594
General Fund Contribution (Welcome Center, Trail, Napa County Road)	\$2,660
Estimated Rehabilitation Fund Collection/(Transfer) (FY 18-19)	(\$152,900)
Estimated HMD Rehabilitation Fund Balance as of June 30, 2019	\$952,204
Estimated HMD Rehabilitation and Developer Deposit Fund Balance as of June 30, 2019	\$1,828,427
<u>HMD Operating Reserve Fund</u>	
Estimated HMD Operating Reserve Fund Balance as of July 1, 2018	\$472,512
Estimated Operating Reserve Transfer to Developer Deposit Fund (FY 18-19)	\$0
Estimated Operating Fund Collection/(Transfer) (FY 18-19)	\$0
Estimated HMD Operating Reserve Fund Balance as of June 30, 2019	\$472,512
<u>HMD Undesignated Reserve Fund</u>	
Estimated HMD Undesignated Reserve fund Balance as of July 1, 2018	\$0
Estimated Undesignated Reserve Collection/(Transfer)	
Estimated HMD Undesignated Reserve fund Balance as of June 30, 2010	\$0
Estimated Total HMD Reserve Fund Balance as of June 30, 2019	\$2,300,939

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

This section of the Engineer's Report explains the special and general benefits to be derived from the installation, maintenance and servicing of Improvements located throughout the District, and the methodology used to apportion the total assessment to properties within the District.

The District consists of all Assessor Parcels within the boundaries of Sky Valley Unit I, Sky Valley Unit II and Orchards development. The parcels include all privately or publicly owned parcels within said boundaries. The method used for apportioning the assessment is based upon the proportional special benefits to be derived by the properties in the District over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two-step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, which added Article XIID of the California Constitution, provides as follows:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Benefit categories have been established that represent the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing lighting and landscaping improvements to be provided with the assessment proceeds. These categories of special benefit are summarized as follows:

- A. PROXIMITY TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICTS.
- B. ACCESS TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICTS.
- C. IMPROVED VIEWS WITHIN THE ASSESSMENT DISTRICTS.
- D. EXTENSION OF A PROPERTY'S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS.
- E. CREATION OF INDIVIDUAL LOTS FOR RESIDENTIAL AND COMMERCIAL USE THAT, IN ABSENCE OF THE ASSESSMENTS, WOULD NOT HAVE BEEN CREATED.
- F. DRAINAGE OF WATER AND RUNOFF FROM PROPERTY IN THE DISTRICT.
- G. PROTECTION FROM FLOODING AND STANDING WATER DUE TO THE IMPROVED DRAINAGE SYSTEMS.

Case law interpreting Proposition 218 provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or improved access
- Views

This case law also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The case law also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).

Proximity, improved access and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

GENERAL VERSUS SPECIAL BENEFIT

In absence of the assessments, the Improvements in the District would not be provided, so the Improvements are "over and above" what otherwise would be provided. Many of the

parcels would not even exist if the assessments were not established because an assessment for the specific Improvements within the Districts was a condition of development approval.

All of the Assessment proceeds derived from the District will be utilized to fund the cost of providing a level of tangible "special benefits" in the form of landscaped parkways, landscaped medians, landscaped corridors, trail systems, drainage facilities, other Improvements and costs incidental to providing the Improvements and collecting the Assessments.

Although these Improvements may be available to the general public at large, the permanent public Improvements in the District were specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the District, and not the public at large. Other properties that are either outside the District or within the District and not assessed, do not enjoy the unique proximity, access, views and other special benefit factors described previously. Moreover, the homes in the District would not have been built if the Assessments were not established because an assessment for the Improvements was a condition of development approval.

BENEFIT FINDING

In summary, real property located within the boundaries of the District distinctly and directly benefits from closer proximity, access and views of Improvements funded by the Assessments, the creation of developable parcels and the extension of usable land area provided by the assessments. The Improvements are specifically designed to serve properties in the District, not other properties or the public at large. The District has been narrowly drawn to include those parcels that receive a direct advantage from the Improvements. The public at large and other properties outside the District receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the District in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

Without the Assessments, the public improvements within the District would not be maintained and would turn into brown, unmaintained and unusable public improvements and public lands. If this happened, it would create a significant and material negative impact on the desirability, utility and value of property in the District. Most importantly, without the Assessments, the developed properties would not exist, because the subdivisions and development proposals would not have been approved. The Improvements are, therefore, clearly above what otherwise would be provided and the Improvements uniquely and specially benefit parcels in the District in a way that is not enjoyed by the general public or other property. We therefore conclude that all the Improvements funded by the Assessment are of special benefit to the identified benefiting properties located within the District and that the value of the special benefits from such Improvements to property in the District reasonably exceeds the cost of the Assessments for every assessed parcel in the District. (In other words, as required by Proposition 218; the reasonable cost of the proportional

special benefit conferred on each parcel reasonably exceeds the cost of the assessments.) Any general benefits to surrounding properties outside of the District, if there were any, are collateral and conferred concomitantly.

The Hiddenbrooke development has a single access/egress from Interstate 80. All of the improvements to be maintained within the development (with the exception of regional trail facilities which is 50% special benefit) have been constructed specifically for the benefit of the properties within the development and the maintenance of these improvements is by definition of special benefit to these properties. The location of a property within the District and its relative benefits from District improvements is addressed in the following:

Utility Corridor – With exception of routine maintenance or repair of the water line or forced main sanitary sewer line by the Water Division or Vallejo Sanitation & Flood Control District, all other appurtenances within the Slope Grading, Maintenance and Drainage Easement enclosing the Corridor are the responsibility of the HMD. The Corridor is considered the emergency access out of the development should a catastrophic event make Hiddenbrooke Parkway impassible. Any slope monitoring, remedial earthwork for slide repairs, concrete ditch cleaning or repair, storm drains or drop inlets, weed control, erosion control, pavement and roadway maintenance or resurfacing, road settlement, gates or fencing, etc, as identified, within the Sky Valley Offsite Utilities Improvement Plans is the responsibility of the HMD. Amounts budgeted but not spent in any fiscal year will be added to the HMD Rehabilitation Fund balance.

Debris Basins – V.M.C. Chapter 12.40.010 for Excavating, Grading and Filling required the elimination of hazards such as mudflows, erosion, flooding, etc. The Basins are designated for the safety of the residents residing in prone areas, should a flow event occur. Basins minimize the loss of life and property to the Hiddenbrooke residents. The four (4) Basins are identified on the Sky Valley Phase 2 Record Drawing Grading Plans and are the responsibility of the HMD.

Storm Water Management - The monitoring of the lakes is of special benefit to all properties within the HMD. This special benefit is independent of parcel location because all of the properties drain to the lakes.

Napa County Street System Maintenance - The maintenance of approximately ½ mile of the Hiddenbrooke Parkway (entrance roadway) is of special benefit to properties within the HMD because it is the single access/egress to the development. No gas tax is appropriated to the City of Vallejo for this section of roadway and the agreement with Napa County provides that Napa County will not pay for the maintenance of this street. Therefore, the burden of maintaining this street falls upon the HMD. The benefit to the properties within the HMD is the satisfaction of this obligation. That portion of Hiddenbrooke Parkway that lies outside of the HMD boundaries and in Napa County is considered a general benefit. This general benefit is estimated to be 25% of the total maintenance costs and the City will make a contribution in the amount necessary to offset this general benefit cost. Amounts budgeted but not spent in any fiscal year will be added to the HMD Rehabilitation Fund balance.

Open Space Maintenance - The maintenance services to be performed on open space include fence repairs, fire access road repairs, erosion control, noxious weed control, sign repairs, fire breaks, ditch cleaning and associated staff costs. These services are of special benefit to the properties within the HMD in as much as they

provide for property safety, preserve the natural tranquility and beauty of the Hiddenbrooke environment and provide recreational opportunities such as hiking and walking for the benefit of the residents and employees in the community. Open space literally surrounds the Hiddenbrooke development and is equally accessible to all properties within the HMD. Whether a property faces or backs up to open space is a matter of personal preference. The benefits of owning property next to open space (views, serenity, direct access, etc.) are generally offset by the nuisance factors such as litter and increased foot traffic. Maintenance of firebreaks is of equal benefit to properties across the street as to those who back up to open space. The intense heat of wild fires causes them to jump streets as was seen in the Oakland Hills fire of 1991. Thus, the relative location of parcels within the HMD is seen not to impact the relative benefit received by the various properties.

Trail Maintenance - The trail system and trailhead are open and accessible to the general public as well as to the HMD property owners, but trail systems are predominately used by those who live near them and therefore provide special benefits to local property owners. However, based on discussions with East Bay Regional Parks personnel, it has been determined that these trails may be used by residents of HMD and outsiders in equal numbers. Therefore, at present only 50% of the cost of trail maintenance has been assessed to the properties within the HMD as special benefit. Cost estimates and allocation of special benefit may vary as the trail system and surrounding properties are developed. The reallocation of special benefit will be based on the location and extent of the trail system as it relates to the surrounding properties.

Landscape Maintenance - Parkway and neighborhood entrance maintenance services are of equal benefit to all properties within the HMD because all properties access the community via Hiddenbrooke Parkway. Landscaped areas and street trees are distributed throughout the development and provide equal environmental and aesthetic benefits to similar parcels. Although landscape improvements (by virtue of their location), may be visible to surrounding properties or to the public at large, any benefit to surrounding properties is incidental and cannot be considered a direct and special benefit to those properties. Therefore, it has been determined that the landscape improvements associated with the District and the ongoing operation and maintenance of those improvements are clearly a direct and special benefit to properties within the District and provide no measurable general benefit to properties outside the District or to the public at large.

Geotechnical Monitoring & Maintenance - This service is not related to parcel location because areas subject to slides are within the open space parcels. Funds will be accumulated and applied as needed if and when an event occurs. In this sense, the funds are “insurance” for the benefit of all properties independent of location.

Welcome Center - The location of a property within the HMD relative to the Welcome Center is not considered to be a factor in determining special benefit because the Hiddenbrooke development has a single access and egress to and from Interstate 80. The Welcome Center is strategically located at the entrance to the HMD. The Welcome Center is of equal benefit to all properties. The operation and maintenance of the Welcome Center will provide for a friendly point of access and departure to the HMD. A well-maintained center with a well-trained staff will be a significant asset to the HMD. The greeters and security personnel will provide directions to visitors and will keep a watch out for the safety of residents,

businesses and their respective visitors and guests. A well-trained staff will be available to provide reasonable assistance to property owners in times of emergency.

However, it is also recognized that the Welcome Center will be of benefit to those members of the public who use the trail system. No specific data regarding the use of the HMD trails by persons from outside the HMD is currently available, but it is reasonable to gauge the use of the trail system by the general public on the size of the staging area. Based on a staging area that will accommodate 25 vehicles an estimated 50 trips per day will be made by the general public. It is estimated that at build out there will be 1,200 EBUs within the HMD. Assuming an ADT (average daily traffic) of 9.55 trips per day per EBU, the development will generate 9,770 vehicle trips per day. Visitors passing through the Welcome Center will generate 50/9,700 or approximately 0.5% of the total ADT. It is reasonable to say that 0.5% of the overall benefit derived from the additional improvements is “General Benefit”. This benefit is not special to the owners of the HMD and may not be assessed. A contribution by the City in the amount of 0.5% of the total cost of maintaining the Welcome Center will be allocated as general benefit and not assessed to property owners within the HMD.

Passive Park - The location of property within the HMD is not considered to be of consequence in determining special benefit because the park is centrally located and easily accessible to all properties within the HMD. Moreover, the increased benefit of owning property near to the park is generally offset by the nuisance factors such as litter and increased foot traffic that the park generates. A well maintained park is esthetically pleasing. It approves property appearance and will enhance the HMD community image. If the park is not well maintained it will have the opposite effect. The park will provide passive recreational opportunities such as walking and outdoor reading for the enjoyment and benefit of all residents and employees of the HMD.

Waterfall Maintenance - Waterfall maintenance services are of equal benefit to all properties within the HMD because all properties access the community via Hiddenbrooke Parkway and have visible access to the waterfall. The waterfall amenity provides equal environmental and aesthetic benefits to all parcels within the HMD.

Although waterfall improvements may be visible to surrounding properties or to the public at large, any benefit to surrounding properties is incidental and cannot be considered a direct and special benefit to those properties. Therefore, it has been determined that the waterfall improvements associated with the District and the ongoing operation and maintenance of those improvements are clearly a direct and special benefit to properties within the District and provide no measurable general benefit to properties outside the District or to the public at large.

Incidental Expenses - The incidental expenses associated with the various maintenance services provided are distributed in proportion to the foregoing and are therefore unrelated to parcel location.

General benefit is identified as that benefit received by properties outside of the District. General benefit cannot be assessed to property within the District boundary. A summary of the general benefit contributions is illustrated in the following table.

Agency	Description	% of Budgeted Expenditures
City	Street System Maintenance	25.0%
GVRD	Trail System	50.0%
City	Welcome Center Cost	0.5%

The original determination of benefits to property and the method of special benefit apportionment to property were developed by Willdan Financial Services when the HMD was reconstructed in fiscal year 2002-2003. The description of benefits and the determination and apportionment of benefits to property in this Report are consistent with the original benefit determination and apportionment. The original method of apportionment of assessment and other relevant elements of the fiscal year 2002-2003 Engineer's Report for the HMD are hereby incorporated by reference.

The maintenance and servicing of these improvements is also partially funded, directly and indirectly from other sources including City of Vallejo, the County of Solano and the State of California. This funding comes in the form of grants, development fees, special programs, and general funds, as well as direct maintenance and servicing of facilities (e.g. transportation facilities, other infrastructure, etc.) Finally, this funding from other sources more than compensates for general benefits, if any, received by the properties within the assessments districts.

METHOD OF ASSESSMENT

The method of apportionment for the District calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the District. The net amount to be assessed upon parcels within the District is apportioned by a formula and method that fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each parcel from the improvements. Additionally, in compliance with Article XIIID Section 4 of the State Constitution each parcel's assessment does not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the District as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

EQUIVALENT BENEFIT UNITS

The special benefits received by each parcel within the District and each parcel's proportional annual assessment is calculated on the basis of a formula known as Equivalent Benefit Units. The Equivalent Benefit Unit (EBU) method of apportionment establishes a proportional benefit relationship between the various parcels within the District and the improvements provided by the District. The EBU assigned to each parcel utilizes a set formula and proportional weighting factors based on the land use, size and development status of each parcel within the District compared to other parcels within the District.

EQUIVALENT BENEFIT UNIT APPLICATION BY LAND USE

Developed Residential Land

In order to evaluate the special benefits received by the various types of land, it makes sense to look at the benefits received by residential land because this is by far the largest category. The benefit received by residential land does not vary significantly, if at all, in direct proportion to lot size. There is no direct correlation or readily available dwelling density data by residential lot size that illustrate that larger lots support an increased (or decreased, for that matter) number of persons per dwelling unit. Therefore, all developed single-family residential lots or parcels receive an equal amount of special benefit from the improvements financed through the HMD and are deemed to receive 1.00 EBU.

All developed multi-family residential parcels are deemed to receive 0.90 EBU per dwelling unit. This is because density per dwelling unit figures for multi-family units in the City of Vallejo are approximately ten percent (10%) less than density figures for single-family homes. According to the Census 2000 data for the City of Vallejo obtained from the Association of Bay Area Governments (ABAG), the average household size of an owner-occupied unit in Vallejo is 2.99 persons. The average household size of a renter-occupied unit is 2.76. Assuming that most owner-occupied units are single-family residential homes and most renter-occupied units are multi-family dwelling units, there is an eight percent (8%) difference in densities between single family and multi-family dwelling units. For ease of levy administration, the City has decided to round the percentage difference to ten percent (10%). Therefore, the EBU count for developed multi-family dwelling units is 0.90 EBU.

Developed Commercial Property

Commercial property, developed or undeveloped, does receive measurable special benefit from the improvements maintained through this District. Well-maintained improvements add aesthetic value to the property and enhance the desirability of the property, which may attract patrons and prospective buyers. For this District, a commercial or industrial parcel that has an improved commercial or industrial use structure receives 1.00 EBU of special benefit for every 3,000 square feet (or fraction thereof) of improved structure. For undeveloped commercial properties, the special benefit is identified as 0.60 EBU per 3,000 square feet (or fraction thereof) of planned improved structure.

Undeveloped Land

Public improvements within the HMD have been constructed throughout. The maintenance of these public improvements is of special benefit to all of the land in this planned community. Some land will be developed immediately, buildings will be constructed and families will move in. Other land may remain undeveloped, i.e. without buildings, for a number of years. There is a difference between special benefit received by developed and undeveloped land. When land is undeveloped or vacant, the special benefit received is less than that received by a developed parcel (one with a building). This is because only a minimum level of service is necessary in order to save the HMD improvements from degradation and destruction. For example, watering and weed control is necessary for plant survival along the Hiddenbrooke Parkway. Trails must be maintained or they will be lost. There will be geotechnical costs for slope monitoring with or without development. A minimal effort to maintain open space including trails will be necessary for marketing purposes. Firebreaks, on the other hand, are not necessary until structures are built. This minimum level of maintenance activity will be essential to property owners in order to market (sell) lots. The benefit for undeveloped residential land is considered to be 60 percent of developed single-family residential land. Therefore, undeveloped single-family residential land is considered to receive 0.60 EBU per planned lot. After buildings are constructed and occupied, increased maintenance services will be required, e.g. increased litter removal, fire protection, trail maintenance, pruning, watering and weed abatement.

However, for improvements such as the Welcome Center, the benefit to developed and undeveloped lots is the same.

Exempt Property

Public property, which is maintained for the benefit of the properties within the HMD, does not benefit from these services. For example, open space does not benefit from the maintenance of open space. Sanitary and water pumping stations are for the benefit of the HMD properties. These facilities exist only to service the HMD. If the property does not develop then the facilities will be abandoned. In summary, there are no public agency parcels in the HMD which are perceived to benefit from the improvements.

Public open space does not benefit from the services provided by the HMD and is therefore not assessed. Services performed on the land such as fire abatement are for the protection of the developed private parcels. Open space that is held in public trust may not be transferred or sold for profit and as such does not appreciate in value due to the HMD improvements. Open space maintenance services are performed because of the development. If there were no development, then minimal maintenance of open space would be required. Any revenue or in-kind services afforded to the open space by grazing leases will be credited to future open space budgets.

The Vallejo Sanitation and Flood Control District's sanitary sewer and storm drain facilities and the City's water system facilities are operated and maintained exclusively for the benefit of the Hiddenbrooke development. They exist only for the benefit of the Hiddenbrooke development and receive no special benefit from the HMD improvements.

The Golf Club Property was excluded from the HMD because they are responsible contractually for lake monitoring and cleaning, and for slide debris removal, resulting from slides within the open space onto the golf course. These services are to be performed by and at the sole discretion of the Golf Course Owners. The open space Golf Course properties do not benefit from the HMD improvements and consequently are not assessed. As such, the Golf Course properties and appurtenant facilities cannot benefit from District funds, maintenance and improvements until such time as they are brought within the District by assessing the properties for its appropriate share of District costs.

Public streets, public avenues, public utilities, public lanes, public roads, public drives, public courts, public alleys, all public easements and rights of way do not benefit and have not been assessed. Public parks, greenbelts and parkways and all public school property, other public property, and designated open space are assessed only to the extent that they benefit as discussed above. The benefit received by privately owned common areas is considered as included in the assessment for the various dwelling units. Common areas have therefore been assigned zero EBUs.

ASSESSMENT RANGE FORMULA

Any new or increase in assessments require certain noticing and meeting requirements by law. Prior to the passage of Proposition 218, legislative changes in the Brown Act defined the definition of "new or increased assessment" to exclude certain conditions. These conditions included "any assessment that does not exceed an assessment formula or range of assessments previously adopted by the agency or approved by the voters in the area where the assessment is imposed." This definition and conditions were later confirmed through SB919 (Proposition 218 implementing legislation).

The purpose of establishing an assessment range formula is to provide for reasonable increases and inflationary adjustment to annual assessments without requiring costly noticing and mailing procedures, which could add to the District costs and assessments. Property owner balloting for the proposed District assessment in Fiscal Year 2003-2004

and 2004-2005 for Annexation 1 included the approval of an assessment range formula. The assessment range formula shall be applied to all future assessments within the District.

Generally, if the proposed annual assessment (levy per unit or rate) for the current fiscal year is less than or equals the “Maximum Assessment” (“Adjusted Maximum Assessment”), then the proposed annual assessment is not considered an increased assessment. The Maximum Assessment is equal to the initial Assessment approved by property owners adjusted annually by the following criteria:

1. In the Report prepared for ballot proceedings conducted in July 2003, the maximum amount of assessment levied per EBU for Fiscal Year 2003-04 was established at \$532.22, with the exact amount to be levied in any given year to be determined by the budget for that year. Beginning in the second fiscal year (Fiscal Year 2004-2005) and each fiscal year thereafter, the Maximum Assessment will be recalculated annually to adjust for the property owner approved inflation adjustment factor.
2. The new adjusted Maximum Assessment for the year represents the prior year’s Maximum Assessment adjusted by the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco-Oakland-San Jose. The percentage increase will be from Feb 1 of the prior year to Feb 1 of the current year, or similar time period that is available when the Report is prepared.
3. The Maximum Assessment is adjusted each year independently from the annual assessment. While the actual amount assessed may fluctuate each year, the maximum will continue to be increased by CPI-U each year to establish the adjusted Maximum Assessment.

The Maximum Assessment is adjusted annually and is calculated independently of the District’s annual budget and proposed annual assessment. Any proposed annual assessment (rate per equivalent benefit unit) less than or equal to this Maximum Assessment is not considered an increased assessment, even if the proposed assessment is greater than the assessment applied in the prior fiscal year. The City Council may reduce or freeze the Maximum Assessment at any time by amending the Engineer’s Annual Report.

The Maximum Assessment adjustment is designed to establish a reasonable limit on District assessments. The Maximum Assessment calculated each year does not require or facilitate an increase to the annual assessment and neither does it restrict assessments to the adjustment maximum amount. If the budget and assessments for the fiscal year does not require an increase, or the increase is less than the adjusted Maximum Assessment, then the required budget and assessment may be applied without additional property owner balloting. If the budget and assessments calculated requires an increase greater than the adjusted Maximum Assessment then the assessment is considered an increased assessment. To impose an increased assessment, the City Council must comply with the provisions of Article XIII D Section 4(c) of the California Constitution, which requires a public hearing and certain protest procedures including mailed notice of the public hearing and property owner protest balloting. Property owners through the balloting process must approve the proposed assessment increase. If the proposed assessment is approved, then a new Maximum Assessment is established for the District. If the proposed assessment is not approved, the City Council may not levy an assessment greater than the adjusted Maximum Assessment previously established for the District.

ESTIMATED BENEFIT UNITS FOR FISCAL YEAR 2018-19

The following table summarizes the Equivalent Benefit Units for the various Land Use designations within HMD for Fiscal Year 2018-19.

EBUs per LAND USE DESIGNATION

Land Use Category	Land Use Designation	Number of Parcels	Dwelling Units (Current & Proposed)	Building Sq Ft	EBU Factor	Total EBU
Single Family Residential	SFR	1,113	1,113	N/A	1.00	1,113.00
Undeveloped Single Family Residential	SFV	108	108	N/A	0.60	64.80
Multi Family Residential	MFR	0.00	0.00	N/A	0.90	0.00
Undeveloped Multi Family Residential	MFV	0.00	0.00	N/A	0.60	0.00
Commercial Property	COM	0.00	0.00	0.00	1.00 EBU per 3,000 building sq ft	0.00
Undeveloped Commercial Property	CMV	0.00	0.00	0.00	0.50 EBU per acre	0.00
Developed Hotel Property	HOT	0.00	0.00	N/A	0.15 EBU per developed room and 0.12 EBU per undeveloped room	0.00
Special Designation Property	SPC	1	1	11,000	0.60 EBU per proposed lot plus 0.60 EBU per 3,000 building sq ft	2.20

DURATION OF ASSESSMENT

It is proposed that the Assessment be levied for fiscal year 1992-93 and continued every year thereafter, so long as the Improvements need to be improved and maintained and the City of Vallejo requires funding from the Assessments for its Improvements in the HMD. As noted previously, the Assessment can continue to be levied annually after the City of Vallejo City Council approves an annually updated Engineer's Report, budget for the Assessment, Improvements to be provided, and other specifics of the Assessment. In addition, the City Council must hold an annual public hearing to continue the Assessment.

APPEALS AND INTERPRETATION

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Director of Public Works or her or his designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Director of Public Works or his or her designee will promptly review the appeal and any information provided by the

property owner. If the Director of Public Works or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Director of Public Works or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner who disagrees with the decision of the Director of Public Works or her or his designee, may refer their appeal to the City Council of the City of Vallejo and the decision of the City Council of the City of Vallejo shall be final.

ASSESSMENT

WHEREAS, the City of Vallejo City Council directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the District and an assessment of the estimated costs of the improvements upon all assessable parcels within the District, to which Resolution and the description of the Improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under the Act and the order of the City Council of said City of Vallejo, hereby make the following assessment to cover the portion of the estimated cost of the improvements, and the costs and expenses incidental thereto to be paid by the District.

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said District. The distinctive number of each parcel or lot of land in the District is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion the net amount of the cost and expenses of the improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within the District, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is subject to an annual adjustment tied to the Consumer Price Index-U for the San Francisco Bay Area as of February 1 of each succeeding year (the "CPI"). The maximum authorized assessment rate is equal to the maximum assessment rate approved by property owners fiscal year 2003-2004 adjusted annually by the change in the CPI.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for fiscal year 2018-2019 is increased by 3.56% which equates to \$759.80 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$675.80, which is less than the maximum authorized assessment rate.

The assessment is made upon the parcels or lots of land within the District in proportion to the special benefits to be received by the parcels or lots of land, from the improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Solano for the fiscal year 2018-2019. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2018-2019 for each parcel or lot of land within the District.

Dated: April 10, 2018



Engineer of Work

A handwritten signature in blue ink, appearing to read "John W. Bliss", written over a horizontal line.

By _____
John W. Bliss, License No. C052091

APPENDIX A - 2018-2019 ASSESSMENT ROLL

An Assessment Roll (a listing of all parcels assessed within the District and the amount of the assessment) will be filed with the City Clerk and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.

APPENDIX B - ASSESSMENT DIAGRAM

The original Assessment Diagram and Annexation map of the Orchards development is on file with the City Clerk and, by reference, made part of this Report. The Assessment Diagrams are available for inspection at the Office of the City Clerk, during normal business hours. Reference is hereby made to such Diagrams, and they are incorporated herein by reference.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Terrance Davis, Public Works Director
SUBJECT: **1972 NORTHEAST QUADRANT LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS**

RECOMMENDATION

Adopt a Resolution preliminarily approving the Engineer's Report and declaring the intent to levy and collect assessments for the Northeast Quadrant Landscape Maintenance District (LMD) for FY 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.

REASONS FOR RECOMMENDATION

The City Council appointed SCI Consulting Group as the Engineer of Work and directed them to prepare the Engineer's Report for the LMD's. The Report identifies all assessable parcels within the LMD's and was prepared pursuant to the Landscape and Lighting Act of 1972 and in compliance with Article XIID of the California Constitution (Proposition 218). A Public Hearing is legally required to allow the City Council to receive input from the public on this item.

BACKGROUND AND DISCUSSION

The City of Vallejo has 27 Landscape Maintenance Districts (LMD), 13 of which were established in accordance with Division 15 Part 2 of the California Streets and Highways Code, the Landscape and Lighting Act of 1972 (1972 Act), and 14 of which were established in accordance with Division 7 of the California Streets and Highways Code, the Improvement Act of 1911 (1911 Act). These districts require annual determination of each district's costs, and allocation of these costs by means of annual assessment to the dwelling units within each district. The City Council will be considering the 1911 Act districts and the remaining twelve 1972 Act districts under separate Council action. Approval of this Resolution starts the process for establishing the FY 2018-19 assessments for the Northeast Quadrant LMD.

The attached Engineer's Report, prepared by SCI Consulting Group, provides the fiscal information for the 1972 Act LMD's. The Engineer's Report is prepared annually for the LMD and analyzes the district based on "equivalent benefit units" (EBU). One EBU is applied to a single-family residence. Proposed assessments for each parcel are based on the special benefit received by the parcels within the district. The proposed FY 2018-19 budget for the Northeast Quadrant LMD is included as part of the Engineer's Report.

The assessments are collected by the County of Solano and forwarded to the City for deposit into specific fund accounts for each LMD. All assessments are expended for landscape maintenance, repair of damage due to vandalism or natural occurrence, site rehabilitation or improvements, water and utilities, and City administration and inspection costs.

The annual assessment rates for the Northeast Quadrant LMD are proposed to increase. This district allows for inflationary adjustments, if necessary, to maintain the appropriate level of service. Consistent with Proposition 218, such increases are not considered increased assessments that require a notice and ballot be sent to property owners.

The following chart reflects both the approved FY 2017-18 levy per EBU and the proposed FY 2018-19 levy per EBU:

Zone	APPROVED FY 2017-18 Assessment	PROPOSED FY 2018-19 Assessment	% Change
Northeast Quadrant	\$278.87	\$287.24	3.00%
Northeast Quadrant Zone A	\$431.26	\$444.20	3.00%

The proposed assessments for the district comply with the provisions of Proposition 218. The total amount of funds to be assessed for this LMD in FY 2018-19 is \$863,086.

The FY 2018-19 Report for the LMD is included as an attachment to this staff report and is also on file in the City Clerk's Office (3rd Floor) and in the Department of Public Works (4th Floor), City Hall, 555 Santa Clara Street, Vallejo, CA 94590.

FISCAL IMPACT

LMD budgets are separate from the City's General Fund. The collected LMD assessments finance the maintenance of the districts. The Public Works Department costs for labor and materials associated with the LMD's are charged to the individual district's budgets. All City costs associated with maintaining and administering the Districts are covered by the annual assessments. There is no fiscal impact on the General Fund associated with the approval of this item.

The financial health of the Northeast Quadrant LMD has been described in the Engineer's Report. As noted in this report, the FY 2018-19 assessments are necessary to provide an appropriate level of maintenance for the Northeast Quadrant LMD.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Resolution - 2018 LMD 1972 NE Quadrant Setting Hearing Date
2.	ENGINEER REPORT 1972 Act FY 2018-19 Vallejo

CONTACT

Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097

Carmen.Cole@cityofvallejo.net

RESOLUTION NO. 18-_____ N.C.

**A RESOLUTION DECLARING INTENTION TO LEVY ASSESSMENTS
FOR FISCAL YEAR 2018-2019, PRELIMINARILY APPROVING
ENGINEER'S REPORT AND PROVIDING FOR NOTICE OF PUBLIC HEARING
FOR THE NORTHEAST QUADRANT LANDSCAPE MAINTENANCE DISTRICT**

WHEREAS, the City Council, by previous Resolutions, formed and levied annual assessments for the Northeast Quadrant Landscape Maintenance District (hereafter referred to as the "District" or "LMD"), pursuant to California Constitution Article XIII D, and the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof); and

WHEREAS, by Resolution, the City Council ordered the preparation of an Engineer's Report for the District for fiscal year (FY) 2018-2019; and

WHEREAS, the Engineer's Report was prepared by SCI Consulting Group, Engineer of Work, in accordance with California Constitution Article XIII D and California Streets and Highways Code Sections 22565, *et. seq.*; the Report has been made, filed with the City Clerk, duly considered by the City Council and is hereby deemed sufficient and preliminarily approved. The Report shall stand as the Engineer's Report for all subsequent proceedings. Reference is hereby made to the Report for a full and detailed description of the improvements, the boundaries of the Districts and the proposed assessments upon assessable lots and parcels of land within the Districts.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF VALLEJO AS FOLLOWS:

Section 1 That it is the intention of this Council to levy and collect assessments within the District for FY 2018-19. It is proposed that District undertake the following improvements including but not limited to: street lights, public lighting facilities, landscaping, sprinkler systems, statuary, fountains, other ornamental structures and facilities, landscape corridors, ground cover, shrubs and trees, street frontages, drainage systems, fencing, entry monuments, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, for property owned or maintained by the City of Vallejo. The Engineer's Report describes all of the improvements and any substantial changes in existing improvements.

Section 2 The District consists of the lots and parcels shown on the boundary maps of the District on file with the City, and reference is hereby made to such maps for further particulars.

Approved as to Form:

By: 
City Attorney

Section 3 The Maximum Assessment for Northeast Quadrant each fiscal year is increased by the percentage increase from April 1 of the prior year to April 1 of the current year by the Consumer Price Index of "All Urban Consumers" (CPI-U) for the San Francisco-Oakland-San Jose Area. If the April CPI-U is not available at the time the report is prepared, a similar time period may be used. However, the maximum assessment rate in any fiscal year (for the Non-Zone A properties) shall not exceed \$400 as adjusted by the

Date: May 22, 2018

Subject: ADOPT RESOLUTION INITIATING PROCEEDINGS FOR ASSESSMENTS ON PROPERTIES IN
THE NORTHEAST QUADRANT LANDSCAPE MAINTENANCE DISTRICT AND SETTING A PUBLIC
HEARING FOR JUNE 12, 2018

PAGE 2

CPI-U, unless approved by a majority vote of the property owners in the Northeast Quadrant LMD. The Zone A's assessment rate shall not be capped at a particular level in any fiscal year.

The change in the CPI-U from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Northeast Quadrant LMD fiscal year 2018-19 is increased by 3.56% which equates to \$475.92 per equivalent benefit unit for Zone A and \$307.75 per equivalent benefit unit for Non-Zone A. The estimate of cost and budget in the Engineer's Report proposes assessments for FY 2018-19 at the rate of \$444.20 per equivalent benefit unit for Zone A and \$287.24 per equivalent benefit unit for Non-Zone A, which is below the maximum authorized assessment rate.

Section 4 That a Public Hearing shall be held on June 12, 2018 at 7:00 p.m. to consider the ordering of the improvements and the levy of the proposed assessments at the City Council Chambers, located at 555 Santa Clara Street, Vallejo, California.

Section 5 The City Clerk shall cause a notice of the hearing to be given by publishing a copy of this Resolution once, at least ten 10 days prior to the date of the hearing above specified, in a newspaper circulated in the City of Vallejo.

May 22, 2018



CITY OF VALLEJO
LANDSCAPE MAINTENANCE DISTRICTS

ENGINEER'S REPORT

FISCAL YEAR 2018-2019

APRIL 2018

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972
AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:

SCIConsultingGroup
4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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INTRODUCTION

OVERVIEW

The City of Vallejo (the "City") annually levies and collects special assessments in order to maintain the improvements within the Landscape Maintenance Districts ("LMD" or "LMDs"). The LMDs have been formed pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the *California Streets and Highways Code* (the "1972 Act"). This document includes the Engineer's Reports (the "Reports") for twelve Landscape Maintenance Districts (hereafter referred to as "LMD" or "LMDs") designated as:

- Bordoni Ranch LMD
- Carriage Oaks LMD
- Garthe Ranch LMD (Zone A and Zone B)
- Glen Cove III LMD
- Glen Cove III 2015 LMD
- Hunter Ranch III LMD
- Marine World/Fairgrounds Drive LMD
- Marin View LMD
- Northeast Quadrant LMD (Including Zone A)
- Sandpiper Point LMD
- South Vallejo Business Park LMD
- Town and Country II through V LMD

In an effort to streamline the annual administrative process and expenses, the annual Reports required for each LMD, pursuant to the 1972 Act, are incorporated into this single Report. This comprehensive Report address the overall legislative authority, benefit rationale and method of apportionment for the LMDs listed above and provides separately a more detailed description of each LMD's boundaries, improvements, proposed budget and assessments for fiscal year 2018-2019 as required by Chapter 1, Article 4, beginning with Section 22565 of the 1972 Act.

ASSESSMENT PROCESS

This Report was prepared to establish the budgets for the continued capital improvement and services expenditures that would be funded by the proposed 2018-2019 assessments, determine the benefits received from the lighting and landscaping maintenance and improvements by property within the LMDs and the method of assessment apportionment to lots and parcels within the LMDS. This Report and the proposed assessments have been made pursuant to the provisions of the 1972 Act and Article XIID of the California Constitution (the "Article").

In each subsequent year for which the assessments will be continued, the Council must direct the preparation of an Engineer's Report, budgets and proposed assessments for the upcoming fiscal year. After the Engineer's Report is completed, the Council may preliminarily approve the Engineer's Report and proposed assessments and establish the

date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Council.

If the Council approves this Engineer's Report and the continuation of the assessments by resolution, a notice of assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 12, 2018. At this hearing, the Council would consider approval of a resolution confirming the continuation of the assessments for fiscal year 2018-2019. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2018-2019.

ENGINEER'S REPORT

SCI Consulting Group has been retained by the City as the Assessment Engineer for this Assessment since 2011-2012. Language taken from the previous Engineer's Report is shown in Times New Roman, 10 pt. Font.

ASSESSMENT HISTORY

After the passage of Proposition 218 in November 1996 (now Articles XIIC and XIID of the California Constitution), the City conducted a complete analysis of the proposition and its application to the LMDs and the assessments related thereto. Pursuant to the *Article XIID Section 5* of the Constitution, certain existing assessments are exempt from the substantive and procedural requirements of *Article XIID Section 4* and property owner balloting for the assessments is not required until such time that the assessments are increased. Specifically, the City determined that the improvements and the annual assessment for each of the then existing 1972 Act Districts were part of the conditions of property development and approved by the original property owner (developer). As such, pursuant to *Article XIID Section 5b* of the Constitution, the existing assessments were approved by all the property owners at the time the assessment was created (originally imposed pursuant to a 100% landowner petition) and therefore, the previously adopted assessments for each of those LMDs were exempt from the procedural requirements of the *Article XIID Section 4*.

With the exception of the Bordoni Ranch LMD, Marine World/Fairgrounds LMD, Northeast Quadrant LMD, South Vallejo Business Park LMD, the Highlands at Garthe Ranch LMD (Garthe Ranch LMD Zone B) and Glen Cove III 2015 LMD which were balloted for a new or increased assessment that included an inflationary adjustment, each of the LMDs contained within this Report currently have fixed maximum assessment rates with no adjustment for inflation. Although these assessment rates (with the exception of Marin View LMD) were established prior to the passage of Proposition 218 and have been identified as exempt assessments pursuant to Article XIID Section 5b of the Constitution, it has been determined that the current assessment revenues for most of these LMDs are no longer sufficient to cover the annual cost of providing the improvements.

Since the passage of Proposition 218, all new or increased assessments established for the LMDs and identified as the "Current Maximum Assessment Rate" in this Report have been submitted to the property owners of record and approved by such property owners pursuant to the provisions of the California Constitution Article XIII D Section 4. Specifically:

The Marin View LMD was formed in fiscal year 1999-2000. As part of that formation process, the City conducted a property owner protest ballot proceeding for the proposed maximum assessment. The results of that balloting indicated that majority protest did not exist and the "Current Maximum Assessment Rate" identified in this Report for that LMD was approved and confirmed by the City Council. Although the maximum assessment for this LMD was approved through a property owner protest ballot proceeding, the maximum assessment established did not include an inflationary adjustment.

Also in fiscal year 1999-2000, the City conducted property owner protest proceedings for a proposed assessment increase for the Northeast Quadrant LMD. The assessment increase (new maximum assessment) presented to the property owners in a property owner protest ballot proceeding and subsequently approved by those property owners, included an annual inflationary adjustment for the assessments.

In fiscal year 2007-2008 the City conducted proceedings for the formation of the Highlands at Garthe Ranch Maintenance District and concurrently annexed the properties within this LMD to the existing Garthe Ranch LMD as Zone B. As part of the formation/annexation process the City conducted a property owner protest ballot proceeding on the proposed new assessment for the associated improvements. The new maximum assessment presented to the property owners of record and subsequently approved also included an annual inflationary adjustment for the assessments.

In fiscal year 2008-2009 the City conducted property owner protest proceedings for a proposed assessment increase for eight of the LMDs outlined in this Report. These eight LMDs included:

- Carriage Oaks LMD
- Garthe Ranch LMD (Zone A only)
- Glen Cove III LMD
- Hunter Ranch III LMD
- Marine World/Fairgrounds Drive LMD
- Sandpiper Point LMD
- South Vallejo Business Park LMD
- Town and Country II through V LMD

In addition to the proposed assessment rate increases, the City proposed the implementation of an annual inflation adjustment for those new maximum assessment rates. In connection with the proposed assessment increases, pursuant to the provisions of the California Constitution, Article XIII D Section 4, the City conducted a property owner protest

ballot proceeding for the establishment of the proposed new maximum assessments and inflationary adjustment for each respective LMD prior to imposing such new assessments.

The tabulation of the ballots indicated that majority protest did not exist for the proposed new or increased assessment for the following two LMDs only:

- Marine World/Fairgrounds Drive LMD
- South Vallejo Business Park LMD

In fiscal year 2010-2011, the City conducted a property owner ballot proceeding for a proposed new assessment for the Bordoni Ranch LMD. The new assessment presented to the property owners in a ballot proceeding and subsequently approved by those property owners included an annual inflationary adjustment for the assessments.

In fiscal year 2015-2016, the City conducted a property owner ballot proceeding for a proposed new assessment in the Glen Cove III area, Glen Cove III 2015 LMD (Glen Cove III District 2). The new assessment presented to the property owners in a ballot proceeding and subsequently approved by those property owners included an annual inflationary adjustment for the assessments.

CHANGES TO THE LANDSCAPE MAINTENANCE DISTRICTS

Changes within the LMDs that affect the 2018-2019 levy of assessments are outlined below.

Annexations

No new annexations have occurred since the fiscal year 2017-2018 Engineer's Report was approved.

New Landscape Maintenance Districts

No new LMDs have been formed since the fiscal year 2017-2018 Engineer's Report was approved.

PLANS & SPECIFICATIONS

The LMDs provide maintenance of landscaping and lighting within the public right-of-way, dedicated landscape easements, parks, detention basins, and street lighting (the "Improvements") in the various LMDs throughout the City. Each LMD has differing costs and provides direct and special benefits to the parcels within these LMDs. All properties will be assessed only for the maintenance of improvements within their respective LMD.

Improvements within the LMDs include but are not limited to: installation, maintenance and servicing of public facilities, and incidental expenses, including but not limited to, street lights, public lighting facilities, landscaping, sprinkler systems, statuary, fountains, other ornamental structures and facilities, landscape corridors, ground cover, shrubs and trees, street frontages, drainage systems, fencing, entry monuments, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, for property owned or maintained by the City of Vallejo. Any plans and specifications for these improvements will be filed with the Public Works Director of the City of Vallejo and are incorporated herein by reference.

Installation means the construction of lighting and landscaping improvements, including, but not limited to: land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks and drainage and lights.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of electric current or energy for the operation or lighting of any improvements, and water for irrigation of any landscaping or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the LMDs plus Incidental expenses.

DESCRIPTION OF THE LANDSCAPE MAINTENANCE DISTRICTS

LANDSCAPE MAINTENANCE DISTRICT BOUNDARIES, SPECIFIC AREAS MAINTAINED AND FISCAL YEAR 2018-2019 ESTIMATE OF COST AND BUDGETS

A description of the boundaries, areas maintained, Improvements and FY 2018-19 Budgets are described in detail below for each LMD.

BORDONI RANCH LMD

This LMD is designated as Bordoni Ranch Landscape Maintenance District and may be referred to as Bordoni Ranch LMD. Bordoni Ranch LMD was formed in 2010. The LMD serves two Zones:

- Zone 1 is comprised of all parcels of land within the Bordoni Ranch subdivision, as well as the two parcels on the west side of Columbus Parkway that are the proposed site of the planned detention basin/wetlands;
- Zone 2 is comprised of the remaining three parcels of land on the west side of Columbus Parkway that are proposed to be future residential subdivisions, including the planned Tuscany subdivision.

BOUNDARIES

Zone 1 consists of all lots, parcels and subdivisions of land within the proposed residential subdivision known as Bordoni Ranch, generally located east of and adjacent to Columbus Parkway and south of Regents Park Drive and Brunswick Drive. Zone 1 also includes the two parcels that are the site of the proposed detention basin as well as vacant wetlands. These two parcels are generally located west of and adjacent to Columbus Parkway, and north of Benicia Road, and south of Greenmont Drive.

Zone 2 consists of all lots, parcels and subdivisions of land within the proposed residential subdivision known as Tuscany as well as vacant land and two parcels zoned for residential development (future single-family residential subdivisions). These properties are generally located west of and adjacent to Columbus Parkway; and north of Greenmont Drive, and south of Aragon Street.

IMPROVEMENTS

The LMD maintains landscape improvements, open space areas and park facilities. It has been determined that specific improvements to be maintained throughout the LMD are improvements that provide special benefits to each property within the LMD, the cost of which will be proportionately shared by properties in both Zone 1 and Zone 2 ("Shared Improvements"). Conversely, other improvements to be maintained throughout the LMD that are specifically the result of developing properties within the Bordoni Ranch residential subdivisions are improvements that provide special benefits to only those properties, and the cost of providing such improvements shall be proportionately shared by only the properties in Zone 1 ("Zone 1 Improvements"). Therefore, Zone 1 receives benefits from both the Zone 1 Improvements and the Shared Improvements while Zone 2 receives benefits

only from the Shared Improvements. The Improvements to be maintained throughout the LMD are generally described as:

ZONE 1 IMPROVEMENTS

- Irrigated parkways and slopes (streetscape) within the public right-of-ways on the perimeter of the Bordoni Ranch subdivision, including but not limited to:
 - Landscaped area located on the east side of Columbus Parkway, from Regents Park Drive southward to the southern end of the Bordoni Park subdivision;
 - Landscaped area and approximately 19 street trees located on the south side of Regents Park Drive, from Columbus Parkway eastward to approximately 50 feet west of Brunswick Drive;
 - Landscaped area, including approximately 54 street trees on both sides of Waterstone Parkway between Regents Park Drive and Abbey Drive.
- Irrigated open space areas and wetlands dispersed throughout the Bordoni Ranch subdivision that provide a transition from the streetscape landscaped areas to the non-irrigated open space areas, and/or are located adjacent to the residential units or common areas within the Bordoni Ranch subdivision.
- Detention basin serving the Bordoni Ranch development.

SHARED IMPROVEMENTS

- Landscaped median islands on Columbus Parkway, approximately between Regents Park Drive on the north and Benicia Road on the south.
- Designated parkland, located at the corner of Columbus Parkway and Regents Park Drive. The park includes, but is not limited to:
 - One basketball court;
 - Two bocce courts;
 - Toddler's play structure;
 - Older children's play structure;
 - Picnic areas with tables, barbeques, and benches;
 - A 21-stall parking lot.

GENERAL INFORMATION

Prior to the Bordoni Ranch development, there was a 6.74 acre park located on the south side of Regents Park Drive just east of Columbus Parkway. This park had very few amenities and consisted primarily of grass, trees and sidewalks. The park was maintained by the Greater Vallejo Recreation District (the "GVRD"). In anticipation of the increased demand to be placed on the park by the Developments, the previous park was demolished and a new park was completely reconstructed and enhanced as described above.

LMD BUDGETS

The following provides the budget and maximum assessment rates for each Zone for fiscal year 2018-19.

City of Vallejo			
Bordoni Ranch Landscape Maintenance District			
Fund Number (#177)			
Estimate of Cost			
Direct Costs	Zone 01	Zone 02	2018-19 Budget
Contract Maintenance Costs	\$42,664	\$960	\$43,624
Salaries & Benefits	\$28,279	\$636	\$28,915
Services & Supplies	\$2,803	\$63	\$2,866
Landscape Water	\$37,653	\$847	\$38,500
Utilities	\$1,956	\$44	\$2,000
Landscape Rehabilitation / Vandalism	\$9,780	\$220	\$10,000
Capital Projects	\$0	\$0	\$0
Total Direct Costs	\$123,135	\$2,770	\$125,905
Administration Costs			
Administration & Overhead	\$11,236	\$253	\$11,489
County Administration Fees	\$1,690	\$38	\$1,728
Professional Fees	\$897	\$20	\$917
Total Administration Costs	\$13,823	\$311	\$14,134
Collections / (Credits) Applied To Levy			
Total Direct and Administration Costs	\$136,958	\$3,081	\$140,039
Contribution to / (from) Reserve Fund	(\$0)	\$0	(\$0)
Contribution to / (from) Rehabilitation Fund	\$34,527	\$773	\$35,300
Contribution (from) General Fund / Other Revenue	(\$2,499)	(\$56)	(\$2,555)
Balance to Levy	\$168,986	\$3,798	\$172,784
District Statistics			
Total Parcels	259	3	262
Total Parcels Levied	244	3	247
Total Equivalent Benefit Units	430.00	14.05	444.05
Proposed Levy per Benefit Unit	\$392.99	\$270.33	
Maximum Levy per Benefit Unit	\$601.29	\$413.24	
Total Assessment Levy	\$168,985.70	\$3,798.14	\$172,783.84
Fund Balance Information			
Beginning Operating Reserve Fund Balance	\$68,478.99	\$1,540.43	\$70,019.42
Operating Reserve Fund Adjustments	(\$0.00)	\$0.00	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$68,478.99	\$1,540.43	\$70,019.42
Beginning Rehabilitation Reserve Fund Balance	\$181,445.99	\$4,081.61	\$185,527.60
Rehabilitation Reserve Fund Adjustments	\$34,526.51	\$773.49	\$35,300.00
Anticipated Rehabilitation Reserve Fund Balance	\$215,972.50	\$4,855.10	\$220,827.60
Anticipated Total Ending Fund Balance	\$284,451.49	\$6,395.53	\$290,847.02

CARRIAGE OAKS LMD

This LMD is designated as Carriage Oaks Landscape Maintenance District and may be referred to as Carriage Oaks LMD. Carriage Oaks LMD was formed in 1990. The LMD serves a residential neighborhood of 254 parcels located in northeast Vallejo.

BOUNDARIES

The LMD lies within the City of Vallejo, generally located within the area bounded by Interstate 80, State Route 37, the Country Club Crest Ranch and Cimarron Hills Subdivisions.

IMPROVEMENTS

The LMD maintains landscaped areas and weed control zones including approximately 1 acre of ornamental and native landscaping which includes ground cover, shrubbery and trees; and 10 acres of plantings and weed control described as follows:

- Remove & replace over-mature shrubs on Borges slopes
- Thin out over-mature vegetation at Griffin & Sousa
- The landscape areas from Cimarron Court to Souza
- The strip of weed height control along the Marine World Parkway sound wall and the open space below, to the west of Highway 80
- Weed height control for open space areas
- Prune trees in LMD easements
- Upgrade irrigation on slopes along Borges

GENERAL INFORMATION

Slope drainage from Highway 80 is highly erosive to the open space area and has significantly impacted the LMD costs over the last few years. Although repairs due to erosion cannot be predicted, it is essential that the LMD's Rehabilitation Fund be adequately funded for any unforeseen repairs or replacements.

The life expectancy of native shrubbery is five to fifteen years. The majority of the current landscape improvements (shrubbery) within the LMD will likely need replacement over the next several years.

A financial analysis of the LMD indicates that the current maximum assessment revenues do not generate adequate revenue to provide for the Improvements. The City conducted proceedings in fiscal year 2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009, which was not approved.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo	
Carriage Oaks Landscape Maintenance District	
Fund Number 7720 (#170)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$8,389
Salaries & Benefits	\$4,344
Services & Supplies	\$431
Landscape Water	\$2,500
Utilities	\$250
Landscape Rehabilitation / Vandalism	\$3,000
Capital Projects	\$0
Total Direct Costs	\$18,914
Administration Costs	
Administration & Overhead	\$1,726
County Administration Fees	\$149
Professional Fees	\$79
Total Administration Costs	\$1,954
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$20,868
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	(\$5,667)
Contribution (from) General Fund / Other Revenue	(\$337)
Balance to Levy	\$14,864
District Statistics	
Total Parcels	254
Total Parcels Levied	254
Total Equivalent Benefit Units	254.00
Proposed Levy per Benefit Unit	\$58.52
Maximum Levy per Benefit Unit	\$58.52
Total Assessment Levy	\$14,864.08
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$10,433.82
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$10,433.82
Beginning Rehabilitation Reserve Fund Balance	\$23,264.18
Rehabilitation Reserve Fund Adjustments	(\$5,666.56)
Anticipated Rehabilitation Reserve Fund Balance	\$17,597.62
Anticipated Total Ending Fund Balance	\$28,031.44

GARTHE RANCH LMD

This LMD is designated as Garthe Ranch Landscape Maintenance District and may be referred to as Garthe Ranch LMD. The LMD is comprised of two Zones:

- Zone A (the original Garthe Ranch LMD) was formed in 1987 and serves a residential neighborhood consisting of 1,145 parcels within thirteen developments located in southeast Vallejo; and
- Zone B (the Highlands) was formed and established in October 2006 and serves a residential development consisting of 105 parcels situated in the eastern portion of the City of Vallejo.

BOUNDARIES

Zone A of the LMD is generally located within the areas bounded by Columbus Parkway, Lake Herman Road, the Vallejo-Benicia city limits line, the Springtree/Fleming Hill LMD, Tennessee Street, Saint Catherine's Church, and the Summit I and Somerset Highlands III Landscape Maintenance Districts.

Zone B is generally located east of and adjacent to Columbus Parkway at Spring Road, south and west of Ascot Parkway, and north of Georgia Street.

IMPROVEMENTS

Zone A - The LMD maintains landscaped areas, weed control zones and trail systems for the special benefit of properties within Zone A including approximately 30 acres of native and ornamental ground cover, shrubbery and trees; 31 acres of plantings and weed control that are found in the following areas:

- The Ascot Parkway frontage which extends eastward to Newcastle Drive
- The Georgia Street frontage extending to Ascot Parkway
- Hilary Way between Columbus and Ascot Parkways
- The Columbus Parkway slopes below the Coventry Hills subdivision and Highland Apartments
- The frontages along Windsor, Westminster, Southport, and Ramsgate Ways

The open space areas behind the residences of Ascot Parkway, Britannia Drive, Hawkins Street, Southport Way, Georgia Street, Knights Circle, Devonshire and Joel Courts, Devonshire Avenue, Manor Court, Newcastle Drive, Newcastle Court, Windsor and Westminster Ways, Sandhurst Drive, Sandhurst Court, and Saxony Court.

Zone B - The LMD maintains landscaped areas, weed control zones and parkland for the special benefit of properties within Zone B including:

- Approximately one acre of irrigated parkways and slopes (streetscape) within the public right-of-ways along the interior streets of the Zone.
- Approximately half of an acre of irrigated open space areas that provide a transition from the streetscape landscaped areas to the non-irrigated open spaces areas,

and/or are located adjacent to the residential units or common areas within the Highlands subdivision.

- Approximately one and a half acres of irrigated parkways and slopes (streetscape) on the perimeter of the Zone.
- Approximately 25 acres of non-irrigated (natural) open space area located in the eastern half of the Zone behind the residential subdivision.

A half-acre park site is located in the center of the residential subdivision.

GENERAL INFORMATION

The life expectancy of native shrubbery is five to fifteen years. Although portions of the assessments for Zone A have been spent on rehabilitation in recent years, it is reasonable to assume that additional monies will be necessary in future years for either more rehabilitation of the improvements (particularly irrigation systems) or increased maintenance costs associated with very mature plant material.

LMD BUDGETS

Zone A Budget

A financial analysis of the LMD and the improvements indicates that the current maximum assessment rate does not generate sufficient revenues to adequately provide for the improvements. The City conducted proceedings in fiscal year 2008-09 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-09 which was not approved.

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo	
Garthe Ranch Landscape Maintenance District	
Fund Number 7716 (#180)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$87,365
Salaries & Benefits	\$39,557
Services & Supplies	\$3,921
Landscape Water	\$23,400
Utilities	\$3,000
Landscape Rehabilitation / Vandalism	\$15,000
Capital Projects	\$0
Total Direct Costs	\$172,243
Administration Costs	
Administration & Overhead	\$15,717
County Administration Fees	\$1,783
Professional Fees	\$947
Total Administration Costs	\$18,447
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$190,690
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	(\$9,366)
Contribution (from) General Fund / Other Revenue	(\$2,982)
Balance to Levy	\$178,342
District Statistics	
Total Parcels	1145
Total Parcels Levied	1138
Total Equivalent Benefit Units	1388.31
Proposed Levy per Benefit Unit	\$128.46
Maximum Levy per Benefit Unit	\$128.46
Total Assessment Levy	\$178,342.30
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$95,345.21
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$95,345.21
Beginning Rehabilitation Reserve Fund Balance	\$202,820.79
Rehabilitation Reserve Fund Adjustments	(\$9,366.12)
Anticipated Rehabilitation Reserve Fund Balance	\$193,454.67
Anticipated Total Ending Fund Balance	\$288,799.88

Zone B Budget

Zone B (Highlands) was formed and balloted for a new assessment in fiscal year 2006-07, which included an annual inflationary.

The following provides the proposed budget and assessment rate for fiscal year 2018-19 that is necessary to provide an appropriate level of maintenance for the Highlands (Zone B) of the LMD. The budget includes the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from this budget and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19.

City of Vallejo	
Garthe Ranch Highland (Zone B) Landscape Maintenance District	
Fund Number 7746 (#188)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$22,851
Salaries & Benefits	\$25,759
Services & Supplies	\$2,553
Landscape Water	\$46,800
Utilities	\$2,200
Landscape Rehabilitation / Vandalism	\$12,000
Capital Projects	\$0
Total Direct Costs	\$112,163
Administration Costs	
Administration & Overhead	\$10,235
County Administration Fees	\$2,179
Professional Fees	\$1,158
Total Administration Costs	\$13,572
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$125,735
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$102,933
Contribution (from) General Fund / Other Revenue	(\$10,749)
Balance to Levy	\$217,919
District Statistics	
Total Parcels	105
Total Parcels Levied	105
Total Equivalent Benefit Units	105.00
Proposed Levy per Benefit Unit	\$2,075.42
Maximum Levy per Benefit Unit	\$2,223.68
Total Assessment Levy	\$217,919.10
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$62,867.60
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$62,867.60
Beginning Rehabilitation Reserve Fund Balance	\$1,012,069.40
Rehabilitation Reserve Fund Adjustments	\$102,932.91
Anticipated Rehabilitation Reserve Fund Balance	\$1,115,002.31
Anticipated Total Ending Fund Balance	\$1,177,869.91

GLEN COVE III LMD'S

The Glen Cove III area has two Landscape Maintenance Districts, the first LMD is designated as Glen Cove III LMD or "LMD 1", was formed in 1987. LMD 1 serves an area consisting of 2,936 parcels from twenty-eight (28) developments located in southeast Vallejo.

The second Landscape Maintenance District was formed by property owner ballot proceeding fiscal year 2015-16 and is designated as Glen Cove III 2015 LMD or "LMD 2". LMD 2 serves the same area as LMD 1 and contains 3,219 parcels from twenty-eight (28) developments located in southeast Vallejo. LMD 2 contains slightly more parcels than LMD 1, due to its formation occurring after the implementation of Proposition 218, public agencies are subject to LMD 2 assessments.

LMD 2 was formed in order to provide additional funding for the maintenance and installation of landscape improvements throughout the Glen Cove III area. LMD 1 was formed in 1987 without an inflationary adjustment while costs have increased significantly. As a result, the assessment revenue from LMD 1 was no longer sufficient to fund annual maintenance and would have depleted the rehabilitation reserve fund.

The development of properties within both LMD's is not expected to change significantly.

BOUNDARIES

Both LMD's lies within the City of Vallejo, generally located within the area bounded by Interstate 80, Interstate 780, Robles Way and the Benicia State Recreation Area.

LMD 2 ZONES OF BENEFIT

As part of the engineering work for the formation of LMD 2, an analysis was conducted on the relationship (including proximity, transportation corridors, likely travel routes, etc.), between properties and the primary improvements located along Glen Cove Parkway. As a results three zones, A, B and C were created as shown on the assessment diagram for LMD 2. Parcels in Zone B are determined to receive 98% of the level of special benefit as those within Zone A and parcels in Zone C are determined to receive 94% of the level of special benefit as those within Zone A.

IMPROVEMENTS

The LMD's maintain landscaped areas; weed control zones; and trail systems including approximately 60 acres of ornamental and native landscaping which includes ground cover, shrubbery, and trees; and 62 acres of plantings and weed control that are found in the following areas:

- The boundaries of Robles to the straits and Navone/Palou/Old Glen Cove Road to the Benicia State Recreation Area fence-line and Glen Cove Parkway
- Mistral, Rivermouth, Brigantine, James River, New Bedford Court, Bear Cove Court, Pueblo Court, Duxbury Place, Sandy Neck Way, Sea Cliff Place, Saybrook Way, Antigua Way, and Chesapeake Drive

- Glen Cove Parkway beginning at the west corner of the Marina Complex landscape area fronting the parkway to the intersection of Glen Cove Parkway and Bayside Terrace
- The open space to the west and north of Waterview Terrace
- The slope of Clearview including the slope and trail along the strait to the entrance of the harbor
- South Regatta from the intersection of Glen Cove Parkway to the intersection of Whiteside and South Regatta
- The open space between Paddlewheel, Beston, Ancheta, Topsail, Yachtsman, and Seafarer
- Weed control adjacent to the Benicia State Park fence-line and the PG&E yard to the intersection of Flying Dutchman
- The open space above Weathermark, Leeward, and Windward Courts
- The open space slope of Flying Dutchman, Pirates' Cove, Sea Mist, Topsail, Helmsman, Anchor, Winter Harbor, Wellfleet, Cape Elizabeth, Fairhaven, and Silver Pine to the Benicia State Park fence
- The Hwy. 780 fence-line along the northeast boundary of the LMD
- The access pathway behind Topsail and the landscaping along each side of North Regatta to the intersection of Glen Cove Parkway and North Regatta
- The north side of Sunfish Court
- Outrigger near Sea Horse and the open space to the rear yard fences of Palou and Pueblo
- The open space above Del Sur in the cul-de-sac, above Clearpointe, and the open space above and below the Clearpointe Drive cul-de-sac

GENERAL INFORMATION

The life expectancy of native shrubbery is five to fifteen years. Fiscal Year 2018-2019 design of Phase 1 of the Glen Cove entryway improvements and Glen Cove parkway are planned for completion.

The City conducted proceedings in fiscal year 2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was not approved. The City conducted a second property owner ballot proceeding in fiscal year 2015-16 for a new assessment and an annual inflationary adjustment commencing in fiscal year 2015-16 which was approved. As noted previously the new LMD is designated as Glen Cove III 2015 LMD or "LMD 2".

Including the annual inflationary adjustment maximum assessment rates for LMD 2 for fiscal year 2018-19 are \$109.95 for properties in Zone A, \$107.76 for properties in Zone B, and \$103.35 for properties in Zone C.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo			
Glen Cove III Landscape Maintenance Districts			
Fund Number 7717 & 7748 (#185)			
Estimate of Cost			
	2018-19 Glen Cove III LMD 1	2018-19 Glen Cove III LMD 2 (2015)	2018-19 Glen Cove III Total Budget
Direct Costs			
Contract Maintenance Costs	\$191,947	\$112,200	\$304,147
Salaries & Benefits	\$82,174	\$48,034	\$130,208
Services & Supplies	\$8,145	\$4,761	\$12,906
Landscape Water	\$53,012	\$30,988	\$84,000
Utilities	\$3,597	\$2,103	\$5,700
Landscape Rehabilitation / Vandalism	\$18,933	\$11,067	\$30,000
Capital Projects	\$0	\$0	\$0
Total Direct Costs	\$357,809	\$209,152	\$566,961
Administration Costs			
Administration & Overhead	\$32,651	\$19,085	\$51,736
County Administration Fees	\$4,624	\$2,882	\$7,505
Professional Fees	\$2,515	\$1,470	\$3,985
Total Administration Costs	\$39,789	\$23,437	\$63,226
Collections / (Credits) Applied To Levy			
Total Direct and Administration Costs	\$397,598	\$232,589	\$630,187
Contribution to / (from) Reserve Fund	\$0	\$0	\$0
Contribution to / (from) Rehabilitation Fund	\$71,037	\$59,256	\$130,293
Contribution (from) General Fund / Other Revenue	(\$6,273)	(\$3,667)	(\$9,940)
Balance to Levy	\$462,362	\$288,178	\$750,540
District Statistics			
Total Parcels	2936	3219	
Total Parcels Levied	2936	3075	
Total Equivalent Benefit Units Zone A	2980.29	2168.09	
Total Equivalent Benefit Units Zone B		271.25	
Total Equivalent Benefit Units Zone C		199.00	
Proposed Levy per Benefit Unit Zone A	\$155.14	\$109.95	
Proposed Levy per Benefit Unit Zone B		\$107.76	
Proposed Levy per Benefit Unit Zone C		\$103.35	
Total Assessment Levy	\$462,362.19	\$288,178.05	\$750,540.24
Fund Balance Information			
Beginning Operating Reserve Fund Balance	\$198,799.12	\$116,294.58	\$315,093.70
Operating Reserve Fund Adjustments	\$0.00	\$0.00	\$0.00
Anticipated Operating Reserve Fund Balance	\$198,799.12	\$116,294.58	\$315,093.70
Beginning Rehabilitation Reserve Fund Balance	\$428,440.73	\$250,438.57	\$678,879.30
Rehabilitation Reserve Fund Adjustments	\$71,037.09	\$59,255.74	\$130,292.83
Anticipated Rehabilitation Reserve Fund Balance	\$499,477.82	\$309,694.31	\$809,172.13
Anticipated Total Ending Fund Balance	\$698,276.94	\$425,988.90	\$1,124,265.83

Hunter Ranch III LMD

This LMD is designated as Hunter Ranch III Landscape Maintenance District and may be referred to as Hunter Ranch III LMD.

- Hunter Ranch III LMD was formed in 1986
- The LMD serves a residential neighborhood of 190 parcels located in northeast Vallejo and the development of properties within the LMD is not expected to change significantly.

BOUNDARIES

The LMD lies within the City of Vallejo, generally located within the area bounded by Turner, Ascot and Redwood Parkways and the Hunter Ranch I subdivision.

IMPROVEMENTS

The LMD maintains landscaped areas totaling approximately 6 acres of ornamental and native landscaping which includes ground cover, shrubbery, trees, and weed control zones that are found in the following areas:

- The west side of lower Ascot Parkway beginning at the south end of the sound wall at Sterling and Ascot Parkways to the intersection of Redwood Parkway and Ascot Parkway
- The slope landscaping along the north side of Redwood Parkway extending to the Trotter intersection, including three median islands on Redwood Parkway

GENERAL INFORMATION

A FY 2008-2009 owner balloting to increase the assessment in the LMD to enable a full level of service failed and as a result the City reduced the Direct Costs of the LMD by re-negotiating the landscape maintenance contracts (reduced level of service) and less frequent water use in an attempt to bring the annual expenses in line with the assessment revenues.

A financial analysis of the LMD and the improvements indicates that the current maximum assessment rate does not generate sufficient revenues to adequately provide for the improvements.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo	
Hunter Ranch III Landscape Maintenance District	
Fund Number 7714 (#183)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$4,244
Salaries & Benefits	\$1,980
Services & Supplies	\$196
Landscape Water	\$2,200
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$0
Capital Projects	\$0
Total Direct Costs	\$8,620
Administration Costs	
Administration & Overhead	\$787
County Administration Fees	\$137
Professional Fees	\$73
Total Administration Costs	\$997
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$9,617
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$4,497
Contribution (from) General Fund / Other Revenue	(\$426)
Balance to Levy	\$13,688
District Statistics	
Total Parcels	190
Total Parcels Levied	190
Total Equivalent Benefit Units	190.00
Proposed Levy per Benefit Unit	\$72.04
Maximum Levy per Benefit Unit	\$72.04
Total Assessment Levy	\$13,687.60
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$4,808.44
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$4,808.44
Beginning Rehabilitation Reserve Fund Balance	\$37,781.56
Rehabilitation Reserve Fund Adjustments	\$4,496.72
Anticipated Rehabilitation Reserve Fund Balance	\$42,278.28
Anticipated Total Ending Fund Balance	\$47,086.72

MARINE WORLD/FAIRGROUNDS DRIVE LMD

This LMD is designated as Marine World/Fairgrounds Drive Landscape Maintenance District and may be referred to as Marine World/Fairgrounds Drive LMD or Marine World/Fairground LMD.

- Marine World/Fairgrounds Drive LMD was formed in 1989.
- The LMD serves 5 parcels that include a recreational theme park, fairgrounds, and motel/hotel complex (Holiday Inn) located in northeast Vallejo. Marine World/Fairgrounds Drive LMD is fully developed and the Equivalent Benefit Units (EBU) for the LMD is not expected to change.

BOUNDARIES

The LMD lies within the City of Vallejo, generally located within the area bounded by Interstate 80, Fairgrounds Drive, and the western boundary of Marine World and the southern boundary of Solano County.

IMPROVEMENTS

The LMD maintains the landscaped frontages and median plantings totaling approximately 3 acres of native and ornamental ground cover, shrubbery and trees; and 0.5 acre of weed control and new plantings. Fairgrounds Drive serves as the entrance to the Discovery Kingdom (Formerly Marine World) Six Flags Theme Park and Solano County Fairgrounds and the LMD improvements are generally located in the areas described below:

- Just beyond the entrance to the Fairgrounds parking lot to the south; and
- North beyond the overpass of Highway 37

GENERAL INFORMATION

The life expectancy of native shrubbery is five to fifteen years.

A past financial analysis of the LMD and the improvements indicated that the maximum assessment rate did not generate sufficient revenues to adequately provide for the improvements. The City conducted proceedings in FY2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was approved.

LMD BUDGET

A financial analysis of the LMD with the inflationary adjustments indicates that the maximum assessment rate does generate sufficient revenues to adequately provide for improvements. The budget includes the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from this budget and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19.

City of Vallejo	
Marine World / Fairgrounds Landscape Maintenance District	
Fund Number 7722 (#186)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$25,229
Salaries & Benefits	\$16,014
Services & Supplies	\$1,587
Landscape Water	\$15,600
Utilities	\$1,300
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$69,730
Administration Costs	
Administration & Overhead	\$6,363
County Administration Fees	\$1,060
Professional Fees	\$562
Total Administration Costs	\$7,985
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$77,715
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$31,660
Contribution (from) General Fund / Other Revenue	(\$3,423)
Balance to Levy	\$105,951
District Statistics	
Total Parcels	4
Total Parcels Levied	4
Total Equivalent Benefit Units	845.85
Proposed Levy per Benefit Unit	\$125.26
Maximum Levy per Benefit Unit	\$134.20
Total Assessment Levy	\$105,951.17
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$38,857.26
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$38,857.26
Beginning Rehabilitation Reserve Fund Balance	\$303,433.74
Rehabilitation Reserve Fund Adjustments	\$31,659.66
Anticipated Rehabilitation Reserve Fund Balance	\$335,093.40
Anticipated Total Ending Fund Balance	\$373,950.66

Marin View LMD

This LMD is designated as Marin View Landscape Maintenance District and may be referred to as Marin View LMD.

- Marin View LMD was formed July 13, 1999.
- The LMD serves a residential neighborhood of 10 parcels located in north Vallejo and is fully developed.

BOUNDARIES

The LMD lies within the City of Vallejo, generally located at the northern end of Pecan Court and bounded by Hickory and Pecan Streets.

IMPROVEMENTS

The LMD maintains landscaped areas and weed control zones found in the following areas:

- The ornamental and native landscaping within the median island at the end of Pecan Court including ground cover, shrubbery, and trees
- Weed control in open space areas in the northwest corner and in the western portion of the LMD that assists in fire protection.

GENERAL INFORMATION

The property owners within the LMD approved the current assessment rate in Fiscal Year 1999-2000, but the assessment did not include an inflationary adjustment.

Although previous financial analysis of the LMD suggested that assessment revenues may not be adequate to fund the improvements, this funding issue resulted largely from one-time rehabilitation expense and district formation expense that were required due to the lack of maintenance in the area previously, which has generally been resolved over time.

A financial analysis of the LMD in fiscal year 2008-2009 indicated that the assessment revenues were sufficient to fund the maintenance of the improvements and did not require an assessment increase at that time. However, the revenues generated at the maximum assessment rate, limited possible funding for future rehabilitation or unforeseen expenses and without an annual inflationary adjustment, an assessment increase may be required in the near future.

LMD BUDGET

The following provides the proposed budget and assessment rate for fiscal year 2018-19 that is necessary to provide an appropriate level of maintenance for the LMD. The budget includes the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from this budget and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19. The assessment rate derived

from this budget is less than or equal to the previously approved maximum assessment rate for the LMD.

City of Vallejo	
Marin View Landscape Maintenance District	
Fund Number 7715 (#187)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$1,050
Salaries & Benefits	\$323
Services & Supplies	\$32
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$0
Capital Projects	\$0
Total Direct Costs	\$1,405
Administration Costs	
Administration & Overhead	\$128
County Administration Fees	\$64
Professional Fees	\$34
Total Administration Costs	\$226
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$1,631
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$5,052
Contribution (from) General Fund / Other Revenue	(\$323)
Balance to Levy	\$6,360
District Statistics	
Total Parcels	10
Total Parcels Levied	10
Total Equivalent Benefit Units	10.00
Proposed Levy per Benefit Unit	\$636.00
Maximum Levy per Benefit Unit	\$636.00
Total Assessment Levy	\$6,360.00
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$815.30
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$815.30
Beginning Rehabilitation Reserve Fund Balance	\$31,482.70
Rehabilitation Reserve Fund Adjustments	\$5,052.40
Anticipated Rehabilitation Reserve Fund Balance	\$36,535.10
Anticipated Total Ending Fund Balance	\$37,350.40

NORTHEAST QUADRANT LMD

This LMD is designated as Northeast Quadrant Landscape Maintenance District and may be referred to as Northeast Quadrant LMD.

- Northeast Quadrant LMD was formed in 1984.
- The LMD currently serves approximately 1,867 parcels that include business, residential, and school land uses located in northeast Vallejo.
- The LMD is not fully developed and is currently comprised of 1,848 parcels that include business, residential, and school land uses located in northeast Vallejo.
- The LMD includes 159 parcels (140 assessable parcels) that are identified as Zone A. In addition to the overall improvements provided within the LMD, these parcels receive special benefits from additional local landscape improvements for which they are assessed.

BOUNDARIES

The LMD is located within the area generally bounded by Highway 80, Hunter Ranch II and Hunter Ranch III subdivisions, Sulphur Springs Mountain, Blue Rock Springs Golf Course, Summit Landscaping District and Woodridge Landscape Maintenance District. Within this LMD, parcels adjacent to Admiral Callaghan Lane and Columbus Parkway to the north, Plaza Drive to the west, parcels adjacent to Turner Parkway to the south and parcels adjacent to Ascot Parkway to the east are identified and designated as Zone A.

IMPROVEMENTS

Situated in the Blue Rock area of the City, the LMD is diverse with landscaped parkways, medians and large open spaces. The overall LMD maintains landscaped areas, weed control zones and trail systems that include approximately 23 acres of native and ornamental ground cover, shrubbery and trees; and 9 acres of weed control and plantings that are described below:

- The median of Admiral Callaghan Lane from Columbus Parkway to Turner Parkway
- Remove & replace irrigation & landscaping in median on Ascot between Redwood & Hawkesbury
- Hydro seed bare fire break areas for grass stands
- Remove & replace irrigation & plants on 4 corner medians at Redwood & Ascot
- The median islands at the Columbus Parkway and Admiral Callaghan Lane intersection
- Fill in median shrubs along Ascot between Turner & Redwood Parkway
- The median and landscaped areas on the south side of Turner Parkway
- Replace landscaping along Turner Parkway between Admiral Callaghan Way & Ascot
- The median on Ascot Parkway from Redwood Parkway to the other side of the bridge just before Hawksbury
- Remove & replace irrigation & plants on Lake Herman Rd between Columbus to end
- Maintain wrought iron fences located on public property or easements on Picasso, Topley, Rodin & Glenview Circle

- North side of West bound lane on Columbus Pkwy from Blue Rock Springs Park to St. John's Mine Rd. Irrigate & landscape
- The slope over the creek and the slope below Torrey Pine Court
- The slope below Picasso, Topley, Archer and Rodin Courts
- The slope landscaping to the north behind Glenview Circle and above Redwood Parkway
- The slope surrounding Matthew Court
- Ascot Parkway beyond the Blue Rock Springs Golf Course/Greater Vallejo Recreation District Park
- Solano Bike Trail along the west boundary of the urban open space

Zone A's improvements are extra landscape maintenance related to tree care, additional litter pickup, and related utilities; and maintenance of entry monument and kiosk signs.

General Information

In fiscal Year 1999-2000, to ensure a high level of service for the LMD, the property owners through protest ballot proceeding approved an assessment increase and annual inflationary adjustment.

In fiscal year 2004-2005, formation of benefit Zone A was approved by property owners through a ballot proceeding. This ballot proceeding approved an assessment increase and annual inflationary adjustment applicable to those properties only.

It has been determined that the current maximum assessment rates for the LMD are sufficient to fund the annual maintenance of the LMD improvements. Based on the budget for fiscal year 2018-19 the proposed assessments are less than the authorized maximum assessment rates. Future capital projects planned for FY 2019-20 include design of landscape and irrigation improvements in the west bound lane of Columbus Parkway from Blue Rock Springs Park to Interstate 80 Freeway on-ramp.

LMD BUDGET

The following provides the proposed budgets and assessment rates for fiscal year 2018-19 that are necessary to provide an appropriate level of maintenance for the LMD. The budgets include the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from these budgets and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19. The assessment rates derived from these budgets are less than or equal to the previously approved maximum assessment rate for both Zone A and the Non-Zone A parcels in the LMD.

City of Vallejo			
Northeast Quadrant Landscape Maintenance District			
Fund Number 7711 (#178)			
Estimate of Cost			
	2018-19 Zone	2018-19	2018-19
Direct Costs	A	Non-Zone A	Budget Total
Contract Maintenance Costs	\$41,161	\$180,610	\$221,771
Salaries & Benefits	\$14,107	\$114,142	\$128,249
Services & Supplies	\$1,398	\$11,314	\$12,712
Landscape Water	\$30,884	\$135,516	\$166,400
Utilities	\$798	\$3,502	\$4,300
Public Signs (Zone A)	\$0	\$0	\$0
Landscape Rehabilitation / Vandalism	\$4,640	\$20,360	\$25,000
Capital Projects	\$0	\$0	\$0
Total Direct Costs	\$92,988	\$465,444	\$558,432
Administration Costs			
Administration & Overhead	\$5,605	\$45,352	\$50,957
County Administration Fees	\$1,602	\$7,029	\$8,631
Professional Fees	\$850	\$3,732	\$4,582
Total Administration Costs	\$8,057	\$56,113	\$64,170
Collections / (Credits) Applied To Levy			
Total Direct and Administration Costs	\$101,045	\$521,557	\$622,602
Contribution to / (from) Reserve Fund	(\$0)	(\$0)	(\$0)
Contribution to / (from) Rehabilitation Fund	\$64,263	\$206,434	\$270,697
Contribution (from) General Fund / Other Revenue	(\$5,607)	(\$24,605)	(\$30,212)
Balance to Levy	\$159,701	\$703,386	\$863,086
District Statistics			
Total Parcels	336	2165	2501
Total Parcels Levied	291	2043	2334
Total Equivalent Benefit Units	359.52	2448.77	2808.30
Proposed Levy per Benefit Unit	\$444.20	\$287.24	
Maximum Levy per Benefit Unit	\$475.92	\$307.75	
Total Assessment Levy	\$159,700.56	\$703,385.84	\$863,086.40
Fund Balance Information			
Beginning Operating Reserve Fund Balance	\$50,522	\$260,778	\$311,301
Operating Reserve Fund Adjustments	(\$0)	(\$0)	(\$0)
Anticipated Operating Reserve Fund Balance	\$50,522	\$260,778	\$311,301
Beginning Rehabilitation Reserve Fund Balance	\$503,773	\$2,206,142	\$2,709,915
Rehabilitation Reserve Fund Adjustments	\$64,263	\$206,434	\$270,697
Anticipated Rehabilitation Reserve Fund Balance	\$568,036	\$2,412,575	\$2,980,612
Anticipated Total Ending Fund Balance	\$618,559	\$2,673,354	\$3,291,913

SANDPIPER POINT LMD

This LMD is designated as Sandpiper Point Landscape Maintenance District and may be referred to as Sandpiper Point LMD.

- Sandpiper Point LMD was formed in 1981
- The LMD serves a residential neighborhood of 385 parcels located in northwest Vallejo and is fully developed.

BOUNDARIES

The LMD is generally located within the area bounded by Meadows Drive, Catalina Way and the Napa County line.

IMPROVEMENTS

The LMD maintains landscaped areas and weed control zones including approximately 4.5 acres of native and ornamental ground cover, shrubbery and trees; and 2.3 acres of weed controlled open space that are found in the following areas:

- The landscaped strips and medians found within the boundaries of Meadows Drive wetlands on the west, Mini Drive median landscapes on the east and the Catalina Circle Wetlands on the northwest
- Along Meadows Drive, Catalina Circle and Catalina Way
- The median islands of Mini Drive

GENERAL INFORMATION

In fiscal year 1999-2000 the landscape improvement areas to be maintained for this LMD were expanded, resulting in a significant increase to the LMD's overall maintenance costs. Although these new areas of maintenance had a significant negative impact on the financial health of the LMD, initially the additional expenses were offset by use of available reserve funds. Although the LMD still has some reserve funds available to offset these costs, they are no longer sufficient to cover the full annual expenditures for the LMD.

Therefore, it was determined that the maximum assessment rate did not generate sufficient revenues to adequately provide for the improvements. The City conducted proceedings in FY2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was not approved.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo	
Sandpiper Point Landscape Maintenance District	
Fund Number 7713 (#163)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$18,505
Salaries & Benefits	\$9,725
Services & Supplies	\$964
Landscape Water	\$10,400
Utilities	\$250
Landscape Rehabilitation / Vandalism	\$2,500
Capital Projects	\$0
Total Direct Costs	\$42,344
Administration Costs	
Administration & Overhead	\$3,864
County Administration Fees	\$540
Professional Fees	\$287
Total Administration Costs	\$4,691
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$47,035
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$7,744
Contribution (from) General Fund / Other Revenue	(\$769)
Balance to Levy	\$54,011
District Statistics	
Total Parcels	381
Total Parcels Levied	381
Total Equivalent Benefit Units	381.00
Proposed Levy per Benefit Unit	\$141.76
Maximum Levy per Benefit Unit	\$141.76
Total Assessment Levy	\$54,010.56
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$26,272.55
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$26,272.55
Beginning Rehabilitation Reserve Fund Balance	\$50,625.45
Rehabilitation Reserve Fund Adjustments	\$7,744.45
Anticipated Rehabilitation Reserve Fund Balance	\$58,369.90
Anticipated Total Ending Fund Balance	\$84,642.45

SOUTH VALLEJO BUSINESS PARK LMD

This LMD is designated as South Vallejo Business Park Landscape Maintenance District and may be referred to as South Vallejo Business Park LMD.

- South Vallejo Business Park LMD was formed in 1981
- The LMD is a light industry park that serves nine light industry parcels located in southwest Vallejo with eight of the nine parcels being fully developed

BOUNDARIES

The LMD is generally located within the area bounded by Solano Avenue, Fifth Street Avenue, Sonoma Boulevard, and the railroad tracks in the area.

IMPROVEMENTS

The LMD maintains parkway landscape areas adjacent to the properties within the LMD totaling approximately 2 acres of grass area with trees; and 0.5 acre of ornamental ground cover and shrubbery with trees.

GENERAL INFORMATION

In recent years, property owners within the LMD contacted the City regarding ways to reduce maintenance costs including reductions in irrigation. The City agreed to assist with this reduction by providing for water conservation practices in the maintenance contract. However, it has been determined that further reductions could only be achieved by:

- Eliminating the grassy mounding areas and/or removing trees from the turf planting areas and restricted them to stand-alone landscape plots; or
- Removing the landscaped areas from Corporate Place to Sonoma Boulevard at the time the empty lot along Sonoma Boulevard is developed.

A financial analysis of the LMD and the improvements indicated that the maximum assessment rate did not generate sufficient revenues to adequately provide for the improvements. The City conducted proceedings in FY2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was approved.

LMD BUDGET

The following provides the proposed budget and increased maximum assessment rate for fiscal year 2018-19 that is necessary to provide an appropriate level of maintenance for the LMD. The budget includes the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from this budget and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19.

City of Vallejo	
South Vallejo Business Park Landscape Maintenance District	
Fund Number 7710 (#162)	
Estimate of Cost	
Maintenance Costs	2018-19 Budget
Contract Maintenance Costs	\$13,898
Salaries & Benefits	\$20,481
Services & Supplies	\$2,030
Landscape Water	\$41,600
Utilities	\$1,170
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$89,179
Administration Costs	
Administration & Overhead	\$8,138
County Administration Fees	\$1,230
Professional Fees	\$653
Total Administration Costs	\$10,021
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$99,200
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$26,664
Contribution (from) General Fund / Other Revenue	(\$2,834)
Balance to Levy	\$123,031
District Statistics	
Total Parcels	9
Total Parcels Levied	9
Total Equivalent Benefit Units	37.43
Proposed Levy per Benefit Unit	\$3,286.60
Maximum Levy per Benefit Unit	\$3,627.01
Total Assessment Levy	\$123,030.58
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$49,600.15
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$49,600.15
Beginning Rehabilitation Reserve Fund Balance	\$233,800.85
Rehabilitation Reserve Fund Adjustments	\$26,664.28
Anticipated Rehabilitation Reserve Fund Balance	\$260,465.13
Anticipated Total Ending Fund Balance	\$310,065.28

TOWN AND COUNTRY II THROUGH V LMD

This LMD is designated as Town & Country II-V Landscape Maintenance District and may be referred to as Town & Country II-V LMD.

- Town & Country II-V LMD was formed in 1986
- The LMD serves a residential neighborhood of 336 parcels located in northeast Vallejo and is fully developed with no expected change in Equivalent Benefit Units (EBU)

BOUNDARIES

The LMD is generally located within the area bounded by State Highway 37, Whitney Avenue, Serpentine Drive and Opal Drive.

IMPROVEMENTS

The LMD maintains landscaped areas and weed control zones that include approximately 3 acres of native and ornamental ground cover, shrubbery and trees on the various slopes within the LMD including:

- The slopes between the residences of Whitney Avenue and Basalt Drive
- The slope behind residences of College Avenue and Olympic Drive including the access area from Quartz Drive

GENERAL INFORMATION

A financial analysis of the LMD and the improvements indicates that the current maximum assessment rate does not generate sufficient revenues to adequately provide for the improvements. The City conducted a proceeding in FY2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was not approved.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-2019.

City of Vallejo	
Town and Country II-V Landscape Maintenance District	
Fund Number 7712 (#184)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$5,311
Salaries & Benefits	\$2,553
Services & Supplies	\$253
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$3,000
Capital Projects	\$0
Total Direct Costs	\$11,117
Administration Costs	
Administration & Overhead	\$1,014
County Administration Fees	\$233
Professional Fees	\$124
Total Administration Costs	\$1,371
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$12,488
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$11,681
Contribution (from) General Fund / Other Revenue	(\$840)
Balance to Levy	\$23,329
District Statistics	
Total Parcels	336
Total Parcels Levied	331
Total Equivalent Benefit Units	331.00
Proposed Levy per Benefit Unit	\$70.48
Maximum Levy per Benefit Unit	\$70.48
Total Assessment Levy	\$23,328.88
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$6,244.14
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$6,244.14
Beginning Rehabilitation Reserve Fund Balance	\$77,755.86
Rehabilitation Reserve Fund Adjustments	\$11,680.59
Anticipated Rehabilitation Reserve Fund Balance	\$89,436.45
Anticipated Total Ending Fund Balance	\$95,680.59

Budget Definitions

The following provides a summary of the services and costs that are included in the LMD Budgets:

DIRECT COST:

Contract Maintenance Costs — Includes all contracted labor, material and equipment required to properly maintain the landscaping, irrigation systems, drainage systems, trail systems, fencing, natural drainage areas, open spaces, and related facilities within the LMD.

Salaries & Benefits — Staff time devoted to managing and inspecting Districts. The Public Works LMD reimbursement is proportionally spread amongst twenty-seven (27) Districts based on each District's budgeted direct and maintenance expense, inspections as a percentage of total costs in these categories for all Districts. Inspection costs are budgeted directly to the District as Field Inspection based on the historical and projected time spent in the inspection efforts.

Services & Supplies - Vehicles, supplies and services devoted to managing and inspecting Districts.

Landscape Water — Includes the cost of the furnishing of water required for the maintenance of the landscaping.

Utilities — Includes the cost of the furnishing of electricity required for the irrigation systems and hardwire telephone connections at upgraded irrigation controllers, monitored by City Staff.

Landscape Rehabilitation / Vandalism — Includes repairs to the improvements in the LMD that are not normally included in the yearly Landscape Maintenance costs. This may include repairs or replacement of damaged improvements or facilities that may be the result of vandalism, storms, frost, natural occurrences, etc., including graffiti abatement.

Landscape Rehabilitation includes annual funding for planned landscape projects, which will significantly benefit and upgrade a specific LMD and are considered above normal routine landscape maintenance work.

Capital Projects – This item includes major repairs or capital improvement projects.

ADMINISTRATION EXPENSES:

Administration & Overhead — The cost allocation of all particular departments and staff of the City, for providing general support, services and operations related to the various districts, enterprises and accounts of the City.

County Administration Fee — This is the estimated cost to the LMD for the County to collect LMD assessments on the property tax bills. This charge is based on a flat rate per fund number plus a charge per assessment levied.

Professional Fees — This is the estimated cost to the District for the Assessment Engineer to prepare this report and to calculate and submit the assessments to the Solano County Auditor's office.

COLLECTIONS/ (CREDITS) APPLIED:

Fund Balance Collection — The 1972 Act provides for a LMD to fund an Operating Reserve Fund as well as the collection of funds in installments for specific projects. This budget item identifies funds collected or transferred from these two LMD Fund Balances:

- Operating Reserve Fund provides for the collection of funds to operate the LMD from the time period of July 1 (beginning of the Fiscal Year) through December 10 or when the County provides the City with the first installment of assessments collected from the property tax bills (typically January or February).
- Rehabilitation Funds may be collected to cover the cost of repairs that are outlined in either a defined project plan or periodic maintenance costs not normally included in the yearly maintenance contract costs, including the costs associated with upgrades, repairs, replacements or refurbishing of the improvements. These amounts may be budgeted and spent each fiscal year, or collected in installments and held in the Rehabilitation Reserve Fund for a large improvement projects.

Other Revenues/General Fund (Contributions) — This item includes additional funds designated for the LMD that are not annual assessments. These funds are added to the LMD account to reduce assessments (contributions are shown as a negative amount), and may be from non-LMD or LMD sources including City General Fund Contributions for general benefit costs and/or interest earnings. This item may also include the repayment of funds previously loaned to the LMD from other sources (a positive amount) to be collected as part of the annual assessments.

BALANCE TO LEVY:

The Balance to Levy — The total amount to be collected for the current fiscal year through assessments (for special benefits). The Balance to Levy represents the sum of Total Direct Cost Budget, Administration Budget; and Collections (Credits) Applied. Only those costs related to the improvements identified as special benefits are levied and collected on the tax roll. This amount divided by the "Total Equivalent Benefit Units" for the LMD determines the proposed assessment rate for the fiscal year.

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

This section of the Engineer's Report explains the special and general benefits to be derived from the installation, maintenance and servicing of Improvements located throughout the LMDs, and the methodology used to apportion the total assessment to properties within the LMDs.

The LMDs consists of Assessor Parcels within the boundaries of the City of Vallejo as defined by the County of Solano tax code areas. The parcels include all privately or publicly owned parcels within said boundaries. The method used for apportioning the assessments is based upon the proportional special benefits to be derived by the properties in the LMDs over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two-step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, which added Article XIID of the California Constitution, provides as follows:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Benefit categories have been established that represent the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing lighting and landscaping improvements to be provided with the assessment proceeds. These categories of special benefit are summarized as follows:

A. PROXIMITY TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE LANDSCAPE MAINTENANCE DISTRICTS.

B. ACCESS TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE LANDSCAPE MAINTENANCE DISTRICTS.

C. IMPROVED VIEWS WITHIN THE LANDSCAPE MAINTENANCE DISTRICTS.

D. EXTENSION OF A PROPERTY'S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS.

E. CREATION OF INDIVIDUAL LOTS FOR RESIDENTIAL AND COMMERCIAL USE THAT, IN ABSENCE OF THE ASSESSMENTS, WOULD NOT HAVE BEEN CREATED.

Case law interpreting Proposition 218 provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or improved access
- Views

This case law also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The case law also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).

Proximity, improved access and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

Special Benefits from the Original Engineer's Report

The improvements provided within the various LMDs may include, but is not limited to landscaped medians, parkways, entryways, slopes, parks, open-space areas and appurtenant facilities. The annual assessments outlined in this Report are based on the estimated costs to provide all necessary service, operation, administration, and maintenance required each year to keep these improvements in a healthy, vigorous, and satisfactory condition and benefit the properties. The special benefits associated with the landscape improvements and facilities are specifically:

- Enhanced desirability of properties through association with the improvements.

- Improved aesthetic appeal of properties within the LMDs providing a positive representation of the area.
- Environmental enhancement through improved erosion resistance, and dust and debris control.
- Increased sense of pride in ownership of property within the LMD resulting from well-maintained improvements associated with the properties.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the LMD through well-maintained surroundings and amenities including abatement of graffiti and vandalism.
- Enhanced environmental quality of the parcels within the LMDs by moderating temperatures, providing oxygenation and attenuating noise.
- An enhanced sense of pride within the neighborhoods and communities and increased business opportunities as a result of enhanced surroundings and community pride.
- Enhanced adaptation of the urban environment within the natural environment and improved aesthetic value of the neighborhood and properties within the LMDs by establishing green space and recreational areas for increased social opportunities and activities that help to strengthen family value and reduce ethnic and social tensions.
- Enhanced quality of life through well-maintained green space and landscaped areas.

In addition to many of the special benefits associated with landscape amenities, local parkland and recreational facilities provide the further benefits of:

- Increased neighborhood involvement and interaction.
- Health, social and self-improvement benefits derived from utilizing the facilities.
- Promotes a positive atmosphere and recreational opportunities for the youth in the neighborhood that encourages physical activity, group participation and character building.
- Increased social opportunities and active involvement for senior citizens.
- Family and group activities that help to strengthen family value and reduce ethnic and social tensions.
- The esthetic value of green space and recreational areas within the urban environment.

The preceding special benefits contribute to the overall aesthetic value, security and desirability of each of the assessed parcels and thereby provide a special enhancement to those properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the improvements would likely have a direct negative impact on those properties.

GENERAL VERSUS SPECIAL BENEFIT

In absence of the assessments, the Improvements in the LMDs would not be provided, so the Improvements are “over and above” what otherwise would be provided. Many of the parcels would not even exist if the assessments were not established because an assessment for the specific Improvements within the LMDs was a condition of development approval.

All of the Assessment proceeds derived from the LMDs will be utilized to fund the cost of providing a level of tangible “special benefits” in the form of landscaped parkways, landscaped medians, landscaped corridors, trail systems, park facilities, other Improvements and costs incidental to providing the Improvements and collecting the Assessments.

Although these Improvements may be available to the general public at large, the permanent public Improvements in the LMDs were specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the LMDs, and not the public at large. Other properties that are either outside the LMDs or within the LMDs and not assessed, do not enjoy the unique proximity, access, views and other special benefit factors described previously. Moreover, the homes in the LMDs would not have been built if the Assessments were not established because an assessment for the Improvements was a condition of development approval.

BENEFIT FINDING

In summary, real property located within the boundaries of the LMDs distinctly and directly benefits from closer proximity, access and views of Improvements funded by the Assessments, the creation of developable parcels and the extension of usable land area provided by the assessments. The Improvements are specifically designed to serve properties in the LMDs, not other properties or the public at large. The LMDs have been narrowly drawn to include those parcels that receive a direct advantage from the Improvements. The public at large and other properties outside the LMDs receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the LMDs in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

Without the Assessments, the public improvements within the LMDs would not be maintained and would turn into brown, unmaintained and unusable public improvements and public lands. If this happened, it would create a significant and material negative impact on the desirability, utility and value of property in the LMDs. Most importantly, without the Assessments, the developed properties would not exist, because the subdivisions and development proposals would not have been approved. The Improvements are, therefore, clearly above what otherwise would be provided and the Improvements uniquely and specially benefit parcels in the LMDs in a way that is not enjoyed by the general public or other property. We therefore conclude that all the Improvements funded by the Assessment

are of special benefit to the identified benefiting properties located within the LMDs and that the value of the special benefits from such Improvements to property in the LMDs reasonably exceeds the cost of the Assessments for every assessed parcel in the LMDs. (In other words, as required by Proposition 218; the reasonable cost of the proportional special benefit conferred on each parcel reasonably exceeds the cost of the assessments.) Any general benefits to surrounding properties outside of the LMDs, if there were any, are collateral and conferred concomitantly.

General benefit is identified as that benefit received by properties outside of the LMD. General benefit cannot be assessed to property within the LMD boundary.

Prior to the Bordoni Ranch development, there was a 6.74 acre park located on the south side of Regents Park Drive just east of Columbus Parkway. This park had very few amenities and consisted primarily of grass, trees and sidewalks and was maintained by the GVRD. In anticipation of the increased demand to be placed on the park by the new developments, the previous park was demolished and is going to be completely reconstructed and enhanced.

Once the enhanced park is completed, the City and the GVRD will continue to provide applicable maintenance services as agreed upon, which will contribute approximately 50% of the cost for the maintenance of the park, in proportion to the estimated general benefit that the park provides to the neighboring communities at large. It is reasonable to assume that the park maintenance costs above the contribution made by the City and the GVRD approximately represent the special benefit to the properties within the LMD. This assignment of special benefit to the properties within the LMD is reasonable given that the reconstruction and enhancement of the park was desired and needed due to the anticipated development of properties within the LMD.

When the Northeast Quadrant LMD was established, it was determined that a portion of the Columbus Parkway improvements within the LMD is considered general benefit. The City will contribute each year towards the landscape maintenance costs, water costs and associated administrative expenses for this particular improvement area. In compliance with the California Constitution Article XIIIID the annual budget includes a contribution identified as "Other Revenues/General Fund (Contribution)", which represents the costs identified as general benefit.

The original determination of benefits to property and the method of special benefit apportionment to property were developed by Willdan Financial Services when the LMDs were originally approved by property owners as noted in the Description of LMDs section of this Report. The description of benefits and the determination and apportionment of benefits to property in this Report are consistent with the original benefit determination and apportionment. The original method of apportionment of assessment and other relevant elements of the original Engineer's Reports for the LMDs are hereby incorporated by reference.

Quantification of General Benefit

Although the analysis used to support these assessments concludes that the benefits are solely special, as described above, consideration is made for the suggestion that a portion of the benefits are general. General benefits cannot be funded by these assessments - the funding must come from other sources.

The maintenance and servicing of these improvements is also partially funded, directly and indirectly from other sources including the City of Vallejo, Solano County and the State of California. This funding comes in the form of grants, development fees, special programs, and general funds, as well as direct maintenance and servicing of facilities (e.g. curbs, gutters and streets, etc.) This funding from other sources more than compensates for general benefits, if any, received by the properties within the assessments district.

The General Benefits from these Assessments may be quantified as illustrated in the following table.

Benefit Factor	Relative Weight	General Benefit Contribution	Relative General Benefit
Creation of parcels	90	0%	0
Extension of recreation area	2.5	10%	0.25
Proximity to improved parks and landscaped areas	2.5	10%	0.25
Access to improved parks, open space and landscaped areas	2.5	10%	0.25
Improved views	2.5	10%	0.25
	100		1
Total Calculated General Benefit =			1.0%

As a result, City of Vallejo will contribute at least 1% of the total budget from sources other than the assessment. This contribution offsets any general benefits from the assessment services.

This general benefit contribution is the sum of the following components:

The City of Vallejo owns, maintains, rehabilitates and replaces curb and gutter along the border of the Districts improvements. This curb and gutter serves to support, contain, retain, manage irrigation flow and growth, and provide a boundary for the improvements. The contribution from the City of Vallejo towards general benefit from the maintenance, rehabilitation and replacement of the curb and gutter is conservatively estimated to be 1%.

The City of Vallejo owns and maintains local public streets along the border of the Districts improvements. These public streets provide access to the improvements for its enjoyment as well as efficient maintenance. The contribution from the City of Vallejo towards general benefit from the maintenance of local public streets is conservatively estimated to be 1%.

The value of the construction of the improvements can be quantified and monetized as an annuity. Since this construction was performed and paid for by non-assessment funds, this

“annuity” can be used to offset general benefit costs, and is conservatively estimated to contribute 25%, with the exception of Glen Cove III 2015 LMD which was calculated to contribute 5%.

Therefore, the total General Benefit is conservatively quantified at 1% which is more than offset by the total non-assessment contribution towards general benefit of 27%, with the exception of Glen Cove III 2015 LMD which is offset by the total non-assessment contribution towards general benefit of 7%.

METHOD OF ASSESSMENT

The method of apportionment for the LMDs calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the LMDs. The net amount to be assessed upon parcels within the LMDs is apportioned by a formula and method that fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each parcel from the improvements. Additionally, in compliance with Article XIID Section 4 of the State Constitution each parcel’s assessment does not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the LMDs as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

EQUIVALENT BENEFIT UNITS

The special benefits received by each parcel within the LMDs and each parcel’s proportional annual assessment is calculated on the basis of a formula known as Equivalent Benefit Units. The Equivalent Benefit Unit (EBU) method of apportionment establishes a proportional benefit relationship between the various parcels within the LMDs and the improvements provided by the LMDs. The EBU assigned to each parcel utilizes a set formula and proportional weighting factors based on the land use, size and development status of each parcel within the LMDs compared to other parcels within the LMDs.

EQUIVALENT BENEFIT UNIT APPLICATION BY LAND USE

LAND USE DESIGNATION	EBU APPLICATION
Single Family Residence	One (1.0) Benefit Unit per Unit
Vacant Residential Zoned	Four-Tenths (0.4) Benefit Unit per Acre
Multi Family Residence	Seven-Tenths (0.7) Benefit Unit per Unit

EQUIVALENT BENEFIT UNIT APPLICATION BY LAND USE (CONTINUED)

LAND USE DESIGNATION	EBU APPLICATION
Planned-Residential Development <i>(Has received tentative or final map approval)</i>	One (1.0) Benefit Unit per Planned Single-Family Unit, Seven-Tenths (0.7) Benefit Unit per Multi-Family Unit
Commercial Use	Three (3.0) Benefit Units per Acre

Vacant Commercial Zoned	Four-Tenths (0.4) Benefit Unit per Acre
Industrial Use	Three (3.0) Benefit Units per Acre
Vacant Industrial Zoned	Four-Tenths (0.4) Benefit Unit per Acre
Exempt Properties	Zero (0.0) Benefit Units per Parcel

While all the land use designations shown above are not necessarily applicable in each LMD, each LMD is comprised of one or more of these land uses, and the proportional relationship between those various land uses is still applicable. The benefit formula applied to parcels within each LMD is based on the preceding EBU application. Each parcel's EBU correlates the parcel's special benefit received as compared to the other parcels benefiting from the improvements within that LMD.

EXCEPTIONS

Bordoni Ranch LMD was formed with the following special conditions:

Planned-Residential Development — This land use is defined as any property for which a tentative map has been filed but for which a final tract map has not yet been approved. Properties designated as Planned-Residential Development shall be assessed at 2.0 EBU per acre, but a minimum of 1.00 EBU (parcels less than one acre are assigned 1.0 EBU).

Vacant Residential Zoned — This land use is defined as property that is zoned or planned for residential development, but a development map (tentative or final map) for the property has not yet been approved. Properties designated as Vacant Land shall be assessed at 1.0 EBU per acre, but a minimum of 1.00 EBU (parcels less than one acre are assigned 1.0 EBU).

The following formula is used to calculate each parcel's proportional benefit:

$$\text{Property Type EBU} \times (\text{Acreage/Units/Parcel}) = \text{Parcel's calculated EBU}$$

An assessment amount per EBU ("Rate") for the LMD improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBUs for parcels benefiting from such improvements.

$$\text{Total Balance to Levy} / \text{Total EBUs} = \text{Levy per EBU ("Rate")}$$

This amount is then applied back to each parcel's individual EBU to determine each parcel's proportionate benefit and assessment obligation.

$$\text{Rate} \times \text{Parcel's EBU} = \text{Parcel's Levy Amount}$$

Glen Cove III 2015 LMD was formed with the following equivalent benefit units for different property types:

LAND USE DESIGNATION	EBU APPLICATION
Single Family Residential	1.0 Benefit Units per Unit
Condominium	0.39 Benefit Units per Unit
Duplex, Triplex, Fourplex	0.45 Benefit Units per Unit

Multi-Family Residential (5+ Units)	0.27 Benefit Units per Unit
Mobile Home on Separate Lot	0.22 Benefit Units per Unit
Commercial and Industrial	0.50 Benefit Units per fifth acre for the first 5 acres 0.50 Benefit Units per each additional acre over 5 acres
Office	1.42 Benefit Units per fifth acre for the first 5 acres 1.42 Benefit Units per each additional acre over 5 acres
Self-Storage of Parking Lot	0.05 Benefit Units per fifth acre for the first 5 acres 0.05 Benefit Units per each additional acre over 5 acres
Golf Course	0.063 Benefit Units per fifth acre for the first 5 acres 0.063 Benefit Units per each additional acre over 5 acres
Vacant / Undeveloped	0.25 Benefit Units per parcel

APPEALS AND INTERPRETATION

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Director of Public Works or her or his designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Director of Public Works or his or her designee will promptly review the appeal and any information provided by the property owner. If the Director of Public Works or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Director of Public Works or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner who disagrees with the decision of the Director of Public Works or her or his designee, may refer their appeal to the City Council of the City of Vallejo and the decision of the City Council of the City of Vallejo shall be final.

INFLATIONARY ADJUSTMENT

BORDONI RANCH LMD

As noted previously, the property owners within the Bordoni Ranch LMD approved an inflationary adjustment in fiscal year 2010-2011 through a ballot proceeding when the LMD was formed. The following paragraph describes the approved inflationary adjustment:

The Maximum Assessment Rate is equal to the (Initial) Zone Maximum Assessment Rate established for fiscal year 2010-2011 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of “All Urban Consumers” for the San Francisco-Oakland-San Jose Area.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Bordini Ranch LMD fiscal year 2018-2019 is increased by 3.56% which equates to \$601.29 per equivalent benefit unit for Zone 1 and \$413.24 per equivalent benefit unit for Zone 2. The estimate of cost and budget in the Engineer’s Report proposes assessments for fiscal year 2018-2019 at the rate of \$392.99 per equivalent benefit unit for Zone 1 and \$270.33 per equivalent benefit unit for Zone 2, which is the less than the maximum authorized assessment rate.

GLEN COVE III 2015 LMD (LMD 2)

As noted previously, the property owners within the Glen Cove III area approved an inflationary adjustment in fiscal year 2015-2016 through a ballot proceeding when the Glen Cove III LMD 2 was established. The authorized maximum assessment rate is subject to an annual adjustment tied to the Consumer Price Index-U for the San Francisco Bay Area as of December of each succeeding year (the “CPI”). As the amount of the annual increase in the CPI from December 2016 to December 2017 is 2.94%, the maximum authorized assessment rates for fiscal year 2018-19 are 2.94% above the maximum authorized assessment rate for fiscal year 2017-18. Including the authorized annual adjustment, the maximum authorized assessment rates for fiscal year 2018-19 are \$109.95 for properties in Zone A, \$107.76 for properties in Zone B, and \$103.35 for properties in Zone C.

HIGHLANDS – GARTHE RANCH LMD (ZONE B)

As noted previously, the property owners within the Highlands of Garthe Ranch LMD (Zone B) approved an inflationary adjustment in fiscal year 2007-2008 through a ballot proceeding when the LMD / Zone B was established. The following paragraph describes the approved inflationary adjustment:

The Maximum Assessment Rate is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index for

All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Garth Ranch LMD Zone B fiscal year 2018-2019 is increased by 3.56% which equates to \$2,223.68 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$2,075.42, which is less than the maximum authorized assessment rate.

NORTHEAST QUADRANT LMD

As noted previously, the property owners within the Northeast Quadrant LMD approved an inflationary adjustment in fiscal year 1999-2000 through a ballot proceeding. The following paragraph describes the approved inflationary adjustment:

The maximum assessment for each fiscal year is increased by the percentage increase from April 1 of the prior year to April 1 of the current year by the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco-Oakland-San Jose. If the April CPI-U is not available at the time the report is prepared, a similar time period may be used. However, the maximum assessment rate in any fiscal year (for the Non-Zone A properties) shall not exceed \$400 as adjusted by the CPI-U, unless approved by a majority vote of the property owners in the Northeast Quadrant LMD. The Zone A's assessment rate shall not be capped at a particular level in any fiscal year.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Northeast Quadrant LMD fiscal year 2018-2019 is increased by 3.56% which equates to \$475.92 per equivalent benefit unit for Zone A and \$307.75 per equivalent benefit unit for Non-Zone A. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$444.20 per equivalent benefit unit for Zone A and \$287.24 per equivalent benefit unit for Non-Zone A, which is less than the maximum authorized assessment rate.

MARINE WORLD / FAIRGROUNDS LMD

The Maximum Assessment Rate is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Marine World / Fairgrounds LMD fiscal year 2018-2019 is increased by 3.56% which equates to \$134.20 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$125.26, which is less than the maximum authorized assessment rate.

SOUTH VALLEJO BUSINESS PARK LMD

The Maximum Assessment Rate is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the South Vallejo Business Park LMD fiscal year 2018-2019 is increased by 3.56% which equates to \$3,627.01 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$3,286.60, which is less than the maximum authorized assessment rate.

ASSESSMENT

WHEREAS, the City of Vallejo City Council directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the LMDs and an assessment of the estimated costs of the improvements upon all assessable parcels within the LMDs, to which Resolution and the description of the Improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the City Council of said City of Vallejo, hereby make the following assessment to cover the portion of the estimated cost of the improvements, and the costs and expenses incidental thereto to be paid by the LMDs.

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said LMDs. The distinctive number of each parcel or lot of land in the LMDs is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion the net amount of the cost and expenses of the improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within the LMDs, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is made upon the parcels or lots of land within the LMDs in proportion to the special benefits to be received by the parcels or lots of land, from the improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Solano for the fiscal year 2018-2019. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2018-2019 for each parcel or lot of land within the LMDs.

Dated: April 10, 2018



Engineer of Work

A handwritten signature in blue ink that reads "John W. Bliss". The signature is written in a cursive style and is positioned above a horizontal line.

By _____
John W. Bliss, License No. C052091

APPENDIX A - 2018-2019 ASSESSMENT ROLL

An Assessment Roll (a listing of all parcels assessed within the LMDs and the amount of the assessment) will be filed with the City Clerk and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.

APPENDIX B - ASSESSMENT DIAGRAM

Assessment Diagrams for the LMDs have been prepared and are on file with the City. Reference is hereby made to such Diagrams, and they are incorporated herein by reference.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Terrance Davis, Public Works Director
SUBJECT: 1911 GLEN COVE I / II LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS

RECOMMENDATION

Adopt a Resolution declaring the intent to levy and collect assessments for the Glen Cove I / II Landscape Maintenance District (LMD) for FY 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.

REASONS FOR RECOMMENDATION

The City Council directed SCI Consulting Group to prepare an Overview Report containing fiscal information for the Glen Cove I / II LMD regulated by the Improvement Act of 1911. The City Council is required to have a public hearing to take public comments regarding FY 2018-19 assessments within the LMD. The 1911 Act requires annual determination of district's costs and allocation of those costs by means of annual assessments to the Parcels within the district.

BACKGROUND AND DISCUSSION

The City of Vallejo has 27 Landscape Maintenance Districts (LMD), 13 of which were established in accordance with Division 15 Part 2 of the California Streets and Highways Code, the Landscape and Lighting Act of 1972 (1972 Act), and 14 of which were established in accordance with Division 7 of the California Streets and Highways Code, the Improvement Act of 1911 (1911 Act). These districts require annual determination of each district's costs, and allocation of these costs by means of annual assessment to the dwelling units within each district.

The City Council will be considering 13 of the 1911 Act Districts and the 1972 Act Districts under separate Council actions. Approval of this Resolution formally starts the process for establishing the FY 2018-19 assessments for the Glen Cove I/II LMD.

Previous City Council actions formed the 1911 Act LMDs and set a maximum annual assessment rate as determined by the City. The creation of the Glen Cove I/II LMD was approved by a majority of the parcel owners at the time of the LMD's formation. The City has not exceeded the authorized maximum assessment rate for the LMD. The LMD is exempt from the procedures and approval process of Proposition 218 until such time that it is necessary to exceed the maximum approved rate.

The attached Overview Report, prepared by SCI Consulting Group, provides the fiscal information for the Glen Cove I/II LMD. Assessments for the Glen Cove I/II LMD are determined by applying the established assessment rate to each \$100.00 of assessed value of each parcel.

The assessments are collected by the County of Solano and forwarded to the City for deposit into specific fund accounts for each LMD. All assessments are expended for landscape maintenance, repair of damage due to vandalism or natural occurrence, site rehabilitation or improvements, water and utilities, and City administration and inspection costs.

The approved FY 2017-2018 and the proposed FY 2018-2019 assessment rates are being provided in the following listing:

DISTRICT	MAX RATE / \$100	APPROVED FY 2017-2018 ASSESSMENT	PROPOSED FY 2018-2019 ASSESSMENT
Glen Cove I/II	\$ 1.50	\$ 0.190	\$ 0.190

The LMD assessment rate is proposed to remain the same as FY 2017-2018. The rehabilitation reserve fund is adequately funded. The overall assessed value of the properties within the LMD has increased by 3.50% since last year's determination. The current assessed value for these properties is \$76,913,269.

Rehabilitation projects will focus in areas such as:

- Improving landscape services
- Reducing water costs
- Street tree maintenance
- Additional rehabilitation of ornamental landscape and plant replacement.
- Reducing graffiti and other common area blight
- Extension of the grass cutting providing a wider fire-defensive perimeter away from the residential structures.

All of the costs associated with the LMD are paid by the assessments levied upon the parcels within the district. The amount of funds projected to be assessed for the Glen Cove I/II LMD in FY 2018-19 is \$146,135.

The FY 2018-19 Overview Report for the 1911 Act LMDs is included as an attachment to this staff report and is also on file in the City Clerk's Office (3rd floor) and in the Department of Public Works (4th Floor), City Hall, 555 Santa Clara Street, Vallejo, CA 94590.

FISCAL IMPACT

LMD budgets are separate from the City's General Fund. The collected LMD assessments finance the maintenance of the districts. The Public Works Department costs for labor and materials associated with the LMD's are charged to the individual district's budgets. All City costs associated with maintaining and administering the Districts are covered by the annual assessments. There is no fiscal impact to the General Fund associated with the approval of this item.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Resolution - 2018 LMD 1911 Glen Cove I and II Setting Hearing Date
2.	ENGINEER REPORT 1911 Act FY 2018-19 Vallejo

CONTACT

Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097

Carmen.Cole@cityofvallejo.net

RESOLUTION NO. 18-_____ N.C.

A RESOLUTION SETTING A PUBLIC HEARING DATE FOR ESTABLISHING AD VALOREM ASSESSMENTS FOR FISCAL YEAR 2018-2019 FOR GLEN COVE I/II LANDSCAPE MAINTENANCE DISTRICT

WHEREAS, the City Council, by previous Resolutions, formed and levied annual assessments for the Glen Cove I/II Landscape Maintenance District (hereafter referred to as the "District"), pursuant to the provisions of the Improvement Act of 1911 (California Streets and Highways Code section 5000 et seq.) (hereafter referred to as the "Act"); and

WHEREAS, the Act provides the City Council with the authority to annually levy and collect assessments for the District on the Solano County tax roll on behalf of the City of Vallejo to pay the maintenance and services of all improvements and facilities related thereto, and

WHEREAS, SCI Consulting Group has provided an Overview Report, which documents the District costs and the allocation of those costs; and

WHEREAS, the City Council is required to conduct a public hearing to take public comments regarding Fiscal Year 2018-2019 assessments within the District.

NOW, THEREFORE, BE IT RESOLVED that a Public Hearing on these matters is hereby set for, June 12, 2018 at 7:00 p.m., at the City Council Chambers, located at 555 Santa Clara Street, Vallejo, California. The City Clerk shall cause a notice of the hearing to be given by publishing a copy of this Resolution once, at least 10 days prior to the date of the hearing above specified, in a newspaper circulated in the City of Vallejo.

Approved as to Form:

By: 
City Attorney



CITY OF VALLEJO
LANDSCAPE MAINTENANCE DISTRICTS

OVERVIEW REPORT

FISCAL YEAR 2018-2019

APRIL 2018

PURSUANT TO THE IMPROVEMENT ACT OF 1911

PREPARED BY:

SCI Consulting Group
4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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INTRODUCTION

OVERVIEW

The City of Vallejo (the “City”) annually levies and collects special assessments in order to provide and maintain the improvements within the fourteen (14) separate landscape maintenance districts (“District” or “Districts”). The Districts have been formed between the years 1977 and 1981 pursuant to the Improvement Act of 1911, Part 3 of Division 7 of the California Streets and Highways Code (the “1911 Act”). The Districts are as follows:

- Cimarron Hills/Madigan Ranch
- College Hills
- Seaview (Costa del Rio)
- Glen Cove I/II
- Greenmont-Seaport Hills
- Hunter Ranch I/II
- Monica Place
- Ridegecrest
- Somerset I/II
- Somerset III
- Springtree
- Summit II
- Town & Country I
- Woodridge

This Overview Report (the “Report”) describes the Districts, any changes to the Districts, and the proposed assessments for Fiscal Year 2018-2019. The proposed assessments are based on the estimated cost to maintain the improvements within each District. The Report also details each District’s landscaped improvements, financial information, budget and boundaries.

The Report contains a section for recommendations and analysis based on the financial information presented for each District.

The various improvements provided and assessed within each District may include local street lighting, local landscaping improvements and special services. All local landscaping improvements maintained by the Districts and associated with each District were either installed as a condition of development for properties within the District or were installed for the benefit of the properties within the Districts. The landscaping improvements associated with each District may include parkways, perimeters, entryways, medians, slopes, retention and detention basin areas, internal landscaped amenities, neighborhood parks, open space areas and other easements and public right-of-ways within the Districts.

Improvements within each District may also include turf, ground cover, shrubs and trees, irrigation systems, lighting, water features, entry monuments, drainage systems and associated appurtenances. Special services provided include tree trimming, graffiti removal,

weed abatement and landscape maintenance of flood control areas, operations, administration and all services and maintenance required to keep the improvements in a healthy, vigorous, and satisfactory condition.

Similar to landscape improvements, street lighting improvements funded through District assessments were installed for the benefit of properties within each of the Districts. The assessments in each District provide for the maintenance, operation and energy costs related to their specific street light improvements.

ASSESSMENT PROCESS

This Report was prepared to establish the budgets for the continued maintenance and services expenditures that would be funded by the proposed 2018-2019 assessments. This Report and the proposed assessments have been made pursuant to the provisions of the 1911 Act.

In each subsequent year for which the assessments will be continued, the City must determine the budgets and costs for the upcoming year and allocate these costs to parcels within each District. This Report includes this information. After the Report is completed, the Council may approve the proposed assessments and establish the date for a public hearing on the continuation of the assessments. If the Council approves the proposed assessments by resolution, a notice of public hearing must be published in a local paper.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 12, 2018. At this hearing, the Council would consider approval of a resolution ordering the levy of assessments for fiscal year 2018-2019. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2018-2019.

OVERVIEW REPORT

Beginning in 2011-12, SCI Consulting Group became the Assessment Engineer for these Assessments. To maintain an accurate reference and legally defensible record of the Assessments, pertinent language used in the previous Overview Reports has been retained herein, and the fundamental methodology has been maintained, essentially verbatim. (In most cases, language taken from the previous Overview Report is shown in Times New Roman, 10 pt. Font.)

LEGAL REQUIREMENTS

All assessments described in this Report and approved by the City Council are prepared in accordance with the 1911 Act and are in compliance with the provisions of the California Constitution Article XIID (Proposition 218).

The 1911 Act provides that assessments be determined by applying the established assessment rate to each one hundred dollars of assessed value of each parcel.

On November 5, 1996, California voters approved Proposition 218, which subsequently became a California Constitutional Amendment (Articles XIIC and XIID). Proposition 218 established additional requirements with respect to taxes, fees and assessments levied by California agencies. All new and existing assessments (with some exceptions) are required to comply with the substantive and procedural requirements of Article XIIC & XIID.

Pursuant to the California Constitution Article XIID Section 5, certain existing assessments are exempt from the substantive and procedural requirements of Article XIID Section 4 and property owner balloting for the assessments is not required until such time that the assessments are increased. Specifically, the City determined that all improvements and the annual assessments originally established for the District were part of the conditions of property development and approved by the original property owner (developer). As such, pursuant to Article XIID Section 5(b), all the property owners approved the existing District assessments at the time the assessments were created (originally imposed pursuant to a 100% landowner petition). Therefore, the existing assessment amount (the maximum assessment rate for each District identified in this Report) is exempt from the procedural requirements Article XIID Section 4.

The current maximum assessment rates per each one hundred dollars of assessed value of each parcel were originally approved by the property owners. Accordingly, any assessment amount equal to or below the maximum amount is considered an exempt assessment pursuant to Article XIID Section 5(b). The annual assessments for this fiscal year 2018-2019 are significantly less than the maximum assessment allowed. The proposed assessment for any fiscal year may be increased over the previous fiscal year provided the assessment rate does not exceed the maximum assessment rate for each District. Any proposed new or increased assessment that exceeds the current maximum assessment shall comply with all provisions of Article XIID Section 4 including a property owner protest proceeding (property owner assessment balloting).

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

Assessments for the 1911 Act landscape maintenance districts of the City of Vallejo are determined by applying the established assessment rate to each one hundred dollars (\$100) of assessed value of each parcel. The word “parcel” refers to an individual property assigned its own Assessor Parcel Number by the Solano County Assessor’s Office. The Solano County Auditor/Controller uses Assessor Parcel Numbers and specific Fund Numbers to identify assessed properties on the tax roll. The annual assessments outlined in this Report are proposed to cover the estimated costs to provide all necessary service, operation, administration, and maintenance required each year to keep these improvements in a healthy, vigorous, and satisfactory condition.

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits.

Proposition 218, which added Article XIID of the California Constitution, provides as follows:

“No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

Benefit categories have been established that represent the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing lighting and landscaping improvements to be provided with the assessment proceeds. These categories of special benefit are summarized as follows:

- A. PROXIMITY TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICTS.
- B. ACCESS TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE ASSESSMENT DISTRICTS.
- C. IMPROVED VIEWS WITHIN THE ASSESSMENT DISTRICTS.
- D. EXTENSION OF A PROPERTY’S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS.
- E. CREATION OF INDIVIDUAL LOTS FOR RESIDENTIAL AND COMMERCIAL USE THAT, IN ABSENCE OF THE ASSESSMENTS, WOULD NOT HAVE BEEN CREATED.

Case law interpreting Proposition 218 provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or improved access
- Views

This case law also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The case law also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

the characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).

Proximity, improved access and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

GENERAL VERSUS SPECIAL BENEFIT

In absence of the assessments, the Improvements in the Districts would not be provided, so the Improvements are “over and above” what otherwise would be provided. Many of the parcels would not even exist if the assessments were not established because an assessment for the specific Improvements within the Districts was a condition of development approval.

All of the Assessment proceeds derived from the Districts will be utilized to fund the cost of providing a level of tangible “special benefits” in the form of landscaped parkways, landscaped medians, landscaped corridors, open space areas and other Improvements and costs incidental to providing the Improvements and collecting the Assessments.

Although these Improvements may be available to the general public at large, the permanent public Improvements in the Districts were specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the Districts, and not the public at large. Other properties that are either outside the Districts or within the Districts and not assessed, do not enjoy the unique proximity, access, views and other special benefit factors described previously. Moreover, the homes in the Districts would not have been built if the Assessments were not established because an assessment for the Improvements was a condition of development approval.

BENEFIT FINDING

In summary, real property located within the boundaries of the Districts distinctly and directly benefits from closer proximity, access and views of Improvements funded by the Assessments, the creation of developable parcels and from the extension of usable land area provided by the assessments. The Improvements are specifically designed to serve properties in the Districts, not other properties or the public at large. The Districts have been

narrowly drawn to include those parcels that receive a direct advantage from the Improvements. The public at large and other properties outside the Districts receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the Districts in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

Without the Assessments, the public improvements within the Districts would not be maintained and would turn into brown, unmaintained and unusable public improvements and public lands. If this happened, it would create a significant and material negative impact on the desirability, utility and value of property in the Districts. Most importantly, without the Assessments, the developed properties would not exist, because the subdivisions and development proposals would not have been approved. The Improvements are, therefore, clearly above what otherwise would be provided and the Improvements uniquely and specially benefit parcels in the Districts in a way that is not enjoyed by the general public or other property. We therefore conclude that all the Improvements funded by the Assessment are of special benefit to the identified benefiting properties located within the Districts and that the value of the special benefits from such Improvements to property in the Districts reasonably exceeds the cost of the Assessments for every assessed parcel in the Districts. (In other words, as required by Proposition 218; the reasonable cost of the proportional special benefit conferred on each parcel reasonably exceeds the cost of the assessments.) Any general benefits to surrounding properties outside of the Districts, if there were any, are collateral and conferred concomitantly.

The original determination of benefits to property and the method of special benefit apportionment to property were developed by Willdan Financial Services when the Districts were originally approved by property owners as noted in the Description of Districts section of this Report. The description of benefits and the determination and apportionment of benefits to property in this Report are consistent with the original benefit determination and apportionment. The original method of apportionment of assessment and other relevant elements of the original Reports for the Districts are hereby incorporated by reference.

Quantification of General Benefit

Although the analysis used to support these assessments concludes that the benefits are solely special, as described above, consideration is made for the suggestion that a portion of the benefits are general. General benefits cannot be funded by these assessments - the funding must come from other sources.

The maintenance and servicing of these improvements is also partially funded, directly and indirectly from other sources including the City of Vallejo, Solano County and the State of California. This funding comes in the form of grants, development fees, special programs, and general funds, as well as direct maintenance and servicing of facilities (e.g. curbs, gutters and streets, etc.) This funding from other sources more than compensates for general benefits, if any, received by the properties within the assessments district.

The General Benefits from these Assessments may be quantified as illustrated in the following table.

Benefit Factor	Relative Weight	General Benefit Contribution	Relative General Benefit
Creation of parcels	90	0%	0
Proximity and access to open space and landscape areas	5	10%	0.5
Improved views	5	10%	0.5
	100		1
Total Calculated General Benefit =			1.0%

As a result, City of Vallejo will contribute at least 1% of the total budget from sources other than the assessment. This contribution offsets any general benefits from the assessment services.

This general benefit contribution is the sum of the following components:

The City of Vallejo owns, maintains, rehabilitates and replaces curb and gutter along the border of the Districts improvements. This curb and gutter serves to support, contain, retain, manage irrigation flow and growth, and provide a boundary for the improvements. The contribution from the City of Vallejo towards general benefit from the maintenance, rehabilitation and replacement of the curb and gutter is conservatively estimated to be 1%.

The City of Vallejo owns and maintains local public streets along the border of the Districts improvements. These public streets provide access to the improvements for its enjoyment as well as efficient maintenance. The contribution from the City of Vallejo towards general benefit from the maintenance of local public streets is conservatively estimated to be 1%.

The value of the construction of the improvements can be quantified and monetized as an annuity. Since this construction was performed and paid for by non-assessment funds, this "annuity" can be used to offset general benefit costs, and is conservatively estimated to contribute 25%.

Therefore, the total General Benefit is conservatively quantified at 1.0% which is more than offset by the total non-assessment contribution towards general benefit of 27%.

BUDGET DEFINITIONS

The following provides a summary of the services and costs that are included in the District Budgets:

DIRECT COSTS:

Contract Maintenance Costs — Includes all contracted labor, material and equipment required to properly maintain the landscaping, irrigation systems, drainage systems, fencing, and entry monuments within the District. All improvements within the District are maintained and serviced on a regular basis.

Salaries & Benefits — Staff time devoted to managing and inspecting Districts. The Public Works LMD reimbursement is proportionally spread amongst twenty-seven (27) Districts based on each District's budgeted direct and maintenance expense, inspections as a percentage of total costs in these categories for all Districts. Inspection costs are budgeted directly to the District as Field Inspection based on the historical and projected time spent in the inspection efforts.

Services & Supplies - Vehicles, supplies and services devoted to managing and inspecting Districts.

Landscape Water — Utility costs for water required to irrigate landscaped areas.

Utilities — Includes the cost of the furnishing of electricity required for the irrigation systems and hardwire telephone connections at upgraded irrigation controllers, monitored by City Staff.

Landscape Rehabilitation & Vandalism — Landscape projects, which significantly benefit and upgrade a specific Landscape Maintenance District. These costs reflect only a proportional share of the entire cost of the project and are noted because the amount of design, planning, coordination and execution. This budget item represents a cost to the individual Landscape Maintenance District, which is representative and has been identified by the city as above normal routine landscape maintenance inspection.

Vandalism includes repairs and rehabilitation that are generally unforeseen and not normally included in the yearly maintenance contract costs. This may include repair of damaged amenities due to vandalism, storms, frost, etc. These upgrades could include replacing plant materials and/or renovation of irrigation or lighting systems.

Capital Projects – This item includes major repairs or capital improvement projects.

ADMINISTRATION COSTS:

Administration & Overhead — The cost allocation of all particular departments and staff of the City, for providing general support, services and operations related to the various districts, enterprises and accounts of the City.

County Administration Fee — This is the estimated cost to the District for the County to collect District assessments on the property tax bills. This charge is based on a flat rate per fund number plus a charge per assessment levied.

Professional Services — This is the estimated cost to the District for the Assessment Engineer to prepare this report and to calculate and submit the assessments to the Solano County Auditor's office.

LEVY BREAKDOWN:

Operating Reserve Collection/(Transfer) — This budget item is provided to illustrate collection by the District of funds to operate the District from the time period of July 1 (beginning of the Fiscal Year) through January or when the County provides the City with the first installment of assessments collected from the property tax bills. Transfer amounts (Negative amounts) shown for this budget item represent transfers from the reserve fund that reduces the Balance to Levy. Maintaining an adequately funded reserve fund eliminates the need for the City to transfer funds from non-District accounts to pay for operational expenses during the first half of the fiscal year and also provides the District with sufficient funds to address any unforeseen or unusual expenditures that may occur during the year.

Rehabilitation Fund Collection/(Transfer) — This budget item is provided to illustrate collection by the District of funds to cover costs of repairs, landscape maintenance that may be unforeseen and are not normally included in the yearly maintenance contract costs or for planned capital improvement projects. These amounts are held in or paid from the refurbishment/rehabilitation fund. Negative amounts shown for this budget item are transfers from the refurbishment/rehabilitation fund to be used to reduce the Balance to Levy. Transfer amounts (Negative amounts) will only occur after the planned projects have been completed and excess funds are being credited back to the District's regular accounts. The refurbishment/rehabilitation fund eliminates the need for the City to transfer funds from non-District accounts. The Rehabilitation fund can be utilized to cover operating costs should the revenue and reserve fund be insufficient.

Other Revenue Source — This item includes additional funds designated for the District that are not annual assessments. These funds are applied to reduce assessments, and may be from non-District or District sources including City General Fund Contributions and/or interest earnings. Any funds indicated on this line will be shown as a negative number indicating a reduction in the amount to be levied and represent funds that do not have to be repaid.

Balance to Levy — This is the total amount to be collected for the current fiscal year through assessments. The Balance to Levy represents the sum of Total Direct and Administration Costs, Reserve collections or transfers, Rehabilitation collections or transfers, contributions from other sources and contribution repayments. Only those costs related to the improvements identified as special benefits are levied and collected on the tax roll.

DISTRICTS STATISTICS:

Total Parcels Levied — The total number of parcels levied within the District boundary.

Anticipated Total Assessed Values/\$100 — The sum of all the assessed values of all parcels within the District as established by the Solano County Assessor's Office divided by \$100.

Rate per \$100 of AV — The established assessment rate to each one hundred dollars (\$100) of assessed value of each parcel.

Minimum Cost Recovery Rate per \$100 of AV — The estimated assessment rate to each one hundred dollars (\$100) of assessed value of each parcel to recover sufficient revenue for the District Direct, Administration and Rehabilitation costs.

FUND BALANCE INFORMATION:

Beginning Operating Reserve Fund Balance — The projected reserve fund balance as provided by the City of Vallejo.

Operating Reserve Fund Adjustments — Positive amounts shown for this budget item represent additions to the reserve fund from levy revenue exceeding the total of all Direct, District Administration and Rehabilitation Costs. Surplus levy revenue is allocated to the reserve fund until the balance is equivalent to six months of levy revenue. The reserve fund negative amounts shown for this budget item represent transfers from the reserve fund to be used to reduce the Balance to Levy as a result of total Direct and District Administration Costs exceeding total levy revenue. Additionally, negative amounts shown for this budget item may represent a reduction of the reserve fund balance in excess of six months of levy revenue; excess balances may be used to increase the refurbishment/rehabilitation fund.

Anticipated Operating Reserve Balance — The projected ending balance in the reserve fund as based on activity provided by the City of Vallejo. A negative Operating Reserve Fund balance represents cumulative contributions from the General Fund.

Beginning Rehabilitation Reserve Fund Balance — The projected rehabilitation fund balance as provided by the City of Vallejo.

Rehabilitation Reserve Fund Adjustments — Positive amounts shown for this budget item represents additions to the rehabilitation fund from levy revenue. The rehabilitation fund negative amounts shown for this budget item represent transfers from the rehabilitation fund to be used to reduce the Balance to Levy as a result of excess funds on project completion.

Anticipated Rehabilitation Reserve Balance — The projected ending balance in the rehabilitation fund as based on activity provided by the City of Vallejo. A negative Rehabilitation Reserve Fund balance represents cumulative contributions from the General Fund.

DESCRIPTION OF THE DISTRICTS AND BUDGETS

CIMARRON HILLS – MADIGAN RANCH

The Cimarron Hills – Madigan Ranch Landscape Maintenance District serves a residential neighborhood of ten developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1979.
- The District has 12 acres of native and ornamental ground cover, shrubbery and trees.
- The District has 13 acres of weed control and plantings.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.162, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Fairgrounds Drive, Napa County line, Borges Lane, and Griffin Drive including open space below Highway 80.

IMPROVEMENTS

The District maintains landscaping and weed control on the following areas:

- Along Fairgrounds Drive near the intersection of Taper to the Napa County Line.
- Borges Lane to Griffin Drive.
- Open space below Highway 80 including the water tank site.

FINANCIAL INFORMATION

The Direct Costs of the District have decreased from fiscal year 2017-2018 to fiscal year 2018-2019 due to completion of landscape rehabilitation projects. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will

often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Cimarron Hills / Madigan Ranch Landscape Maintenance District	
Fund Number 0189 (#171)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$45,323
Salaries & Benefits	\$26,642
Services & Supplies	\$2,641
Landscape Water	\$25,000
Utilities	\$1,400
Landscape Rehabilitation / Vandalism	\$15,000
Capital Projects	\$0
Total Direct Costs	\$116,006
Administration Costs	
Administration & Overhead	\$10,586
County Administration Fees	\$2,938
Professional Fees	\$1,559
Total Administration Costs	\$15,083
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$131,089
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$169,657
Contribution (from) General Fund / Other Revenue	(\$6,955)
Balance to Levy	\$293,791
District Statistics	
Total Parcels	811
Total Parcels Levied	811
Anticipated Total Assessed Value / \$100	\$1,813,524.88
Proposed Rate per \$100 of Assessed Value	\$0.162
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$293,791.03
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$65,544.46
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$65,544.46
Beginning Rehabilitation Reserve Fund Balance	\$629,935.54
Rehabilitation Reserve Fund Adjustments	\$169,657.12
Anticipated Rehabilitation Reserve Fund Balance	\$799,592.66
Anticipated Total Ending Fund Balance	\$865,137.12

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded. The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Although a portion of the projected Reserve Fund balance could be used for District expenses thereby reducing or subsidizing the annual assessments over the next few years, use of the Reserve Fund for anything other than unforeseen expenses could have a negative effect on the long-term financial health of the District.

COLLEGE HILLS

The College Hills Landscape Maintenance District (District) is a residential neighborhood consisting of two developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1977.
- The District has 2 acres of ornamental and native ground cover, shrubbery, and trees.
- The District has 0.5 acre of weed control and plantings.
- Weed control in open space areas assists in fire protection.
- Concrete walkway and sound wall.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.100, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the city of Vallejo, generally located within the area bounded by Fairgrounds Drive, Whitney Avenue, and Olympic Drive.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Slope along the west side of Fairgrounds Drive, including the concrete walkway and sound wall.
- North side of Whitney Avenue, between Fairgrounds Drive and Pembroke Drive.
- Easement behind Chapman and above Frodham Circle up to the access walkway.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
College Hills Landscape Maintenance District	
Fund Number 0119 (#175)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$9,616
Salaries & Benefits	\$5,347
Services & Supplies	\$530
Landscape Water	\$1,000
Utilities	\$790
Landscape Rehabilitation / Vandalism	\$6,000
Capital Projects	\$0
Total Direct Costs	\$23,283
Administration Costs	
Administration & Overhead	\$2,125
County Administration Fees	\$381
Professional Fees	\$202
Total Administration Costs	\$2,708
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$25,991
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$13,948
Contribution (from) General Fund / Other Revenue	(\$1,872)
Balance to Levy	\$38,066
District Statistics	
Total Parcels	213
Total Parcels Levied	213
Anticipated Total Assessed Value / \$100	\$380,664.19
Proposed Rate per \$100 of Assessed Value	\$0.100
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$38,066.42
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$12,995.33
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$12,995.33
Beginning Rehabilitation Reserve Fund Balance	\$174,180.67
Rehabilitation Reserve Fund Adjustments	\$13,947.75
Anticipated Rehabilitation Reserve Fund Balance	\$188,128.42
Anticipated Total Ending Fund Balance	\$201,123.75

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded. The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider decreasing the assessment rate if direct costs are anticipated to remain at the current level.

SEA VIEW (COSTA DEL RIO)

The District lies within the City of Vallejo, generally located within the area bounded by Seaport Drive, Seawind Drive, Moonraker Drive, Sea Crest, and Schooner Way.

SPECIAL DISTRICT FEATURES

The District was formed in 1980.

The District has 5 acres of native and ornamental ground cover, shrubbery and trees.

The District has 1.5 acre of weed control and plantings.

Weed control in open space areas assists in fire protection.

Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.287, Maximum Rate: \$4.00.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Seaport Drive, Seawind Drive, Moonraker Drive, Sea Crest, and Schooner Way.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Landscaping and irrigation along Seaport Drive, Seawind Drive, Moonraker Drive, the upper most north facing slope of Sea Crest and Schooner Way.
- Open space weed control at the point on Seawind Drive.
- Street lights
- Sidewalks including curbs, gutters and striping
- Retaining walls
- Street signs
- Street maintenance

There are currently several rehabilitation projects in the District needed i.e. street paving, curb, gutter and sidewalk replacements, irrigation upgrades and vegetation replacement.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. As noted above there are several rehabilitation projects pending that the rehabilitation reserve fund is currently not adequate to fund. The assessment was increased fiscal year 2017-2018 in order to accumulate enough funds to complete these projects in the future. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIIIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Seaview (Costa Del Rio) Landscape Maintenance District	
Fund Number 0121 (#166)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$26,762
Salaries & Benefits	\$18,298
Services & Supplies	\$1,814
Landscape Water	\$25,000
Utilities	\$300
Landscape Rehabilitation / Vandalism / Street Sweeping	\$12,000
Capital Projects	\$0
Total Direct Costs	\$84,174
Administration Costs	
Administration & Overhead	\$7,270
County Administration Fees	\$1,004
Professional Fees	\$533
Total Administration Costs	\$8,807
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$92,981
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$10,122
Contribution (from) General Fund / Other Revenue	(\$2,692)
Balance to Levy	\$100,411
District Statistics	
Total Parcels	125
Total Parcels Levied	125
Anticipated Total Assessed Value / \$100	\$349,863.98
Proposed Rate per \$100 of Assessed Value	\$0.287
Maximum Rate per \$100 of Assessed Value	\$4.00
Total Assessment Levy	\$100,410.96
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$46,490.55
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$46,490.55
Beginning Rehabilitation Reserve Fund Balance	\$222,682.45
Rehabilitation Reserve Fund Adjustments	\$10,121.85
Anticipated Rehabilitation Reserve Fund Balance	\$232,804.30
Anticipated Total Ending Fund Balance	\$279,294.85

RECOMMENDATIONS

The Reserve Fund balance for the District is not adequately funded due to pending rehabilitation projects in the District.

The following are recommendations to the City:

- Ensure the District Reserve Fund adequately funded.
- Increase the assessment in the future in order to provide adequate funding of capital improvement and rehabilitation projects.

GLEN COVE I & II

The Glen Cove One and Two Landscape Maintenance District (District) serves a residential neighborhood located in southeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1978 with three annexations occurring in 1979 and 1980.
- The District has 3 acre of ornamental and native landscaping which includes ground cover, shrubbery and trees.
- The District has 7 acres of weed control and plantings.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.19, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Honeydew Drive, Highway 780, Peppercorn & Wildberry Court, Wildflower Drive, Shady Lane and Silktree Lane.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- South side of the street just across from the entrance to the shopping center and east to the rear fence line of lot 60 on Honeydew Drive.
- Stonewood Court cul-de-sac along the east side of the Highway 780 fence line and along the rear yard fences of Peppercorn and Wildberry Court.
- East and west sides of Shady Lane to Wildflower Drive including the v-ditches and fence line of Highway 780.
- Downhill slope side of Wildflower Drive including the v-ditches and the out fall structures as well as the siltation basin on Wildflower Drive.
- The east and west sides of Silktree up to the fence lines on each side.

- The median island on Bluebell Place and the landscaped slopes of Wildflower, Ironwood, Buckeye, Applenut, and Dogwood Lane.

FINANCIAL INFORMATION

The Direct Costs of the District have not significantly changed from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Glen Cove I & II Landscape Maintenance District	
Fund Number 0191 (#182)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$33,052
Salaries & Benefits	\$16,759
Services & Supplies	\$1,661
Landscape Water	\$10,000
Utilities	\$1,500
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$72,972
Administration Costs	
Administration & Overhead	\$6,659
County Administration Fees	\$1,461
Professional Fees	\$775
Total Administration Costs	\$8,895
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$81,867
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$71,467
Contribution (from) General Fund / Other Revenue	(\$7,199)
Balance to Levy	\$146,135
District Statistics	
Total Parcels	239
Total Parcels Levied	239
Anticipated Total Assessed Value / \$100	\$769,132.69
Proposed Rate per \$100 of Assessed Value	\$0.190
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$146,135.21
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$40,933.68
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$40,933.68
Beginning Rehabilitation Reserve Fund Balance	\$678,954.00
Rehabilitation Reserve Fund Adjustments	\$71,466.86
Anticipated Rehabilitation Reserve Fund Balance	\$750,420.86
Anticipated Total Ending Fund Balance	\$791,354.54

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund continues to be adequately funded.
- Decrease the assessment rate if direct costs are anticipated to remain at the current level in order to decrease the contribution to the Reserve Fund.

GREENMONT – SEAPORT HILLS

The Greenmont – Seaport Hills Landscape Maintenance District (District) serves a residential area of 4 developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

The District was formed in 1978 with one annexation in 1979.

The District has 10 acres of ornamental and native landscaping which includes wild flowers and native grasses acting as ground cover, shrubbery and trees.

The entire District is treated as a weed control District for purposes of fire protection when fire season is declared each year in May.

Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.032, Maximum Rate: \$1.25.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Columbus Parkway, Greenmont Drive, and Devlin Drive.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Slopes surrounding the residential neighborhood primarily overlooking Columbus Parkway and Greenmont Drive as well as Devlin Drive.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIIIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Greenmont Seaport Hills Landscape Maintenance District	
Fund Number 0187 (#168)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$13,442
Salaries & Benefits	\$7,201
Services & Supplies	\$714
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$31,357
Administration Costs	
Administration & Overhead	\$2,861
County Administration Fees	\$325
Professional Fees	\$173
Total Administration Costs	\$3,359
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$34,716
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	(\$175)
Contribution (from) General Fund / Other Revenue	(\$2,000)
Balance to Levy	\$32,541
District Statistics	
Total Parcels	407
Total Parcels Levied	407
Anticipated Total Assessed Value / \$100	\$1,016,909.22
Proposed Rate per \$100 of Assessed Value	\$0.032
Maximum Rate per \$100 of Assessed Value	\$1.25
Total Assessment Levy	\$32,541.10
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$17,358.21
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$17,358.21
Beginning Rehabilitation Reserve Fund Balance	\$182,650.79
Rehabilitation Reserve Fund Adjustments	(\$175.32)
Anticipated Rehabilitation Reserve Fund Balance	\$182,475.47
Anticipated Total Ending Fund Balance	\$199,833.68

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider increasing the assessment in the future if direct costs are anticipated to remain at the current level.

HUNTER RANCH I/II

The Hunter Ranch I/II Landscape Maintenance District serves a residential neighborhood of two developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was initially formed in 1981.
- The District has 2 acres of native and ornamental ground cover, shrubbery and trees.
- The District has 6 acres of plantings and weed control.
- Weed control in open areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.100, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the areas bounded by Foothill Drive, Sterling Drive, Redwood Parkway, and Doncaster.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- South side of Sterling from the sound wall at Ascot Drive to the curve at Legend Drive.
- North and south sides of each crossing at Clydesdale, Pacer, and Dapples Drives including the open spaces between each street crossing to Redwood Parkway behind the fence line.
- Landscaping strip on the east and west side of the intersection of Doncaster and Redwood Parkway.

Planned capital improvement projects include remove and replace landscape and irrigation to keep up with current standards.

FINANCIAL INFORMATION

The Direct Costs of the District have reduced from fiscal year 2017-2018 to fiscal year 2018-2019 due to completion of landscape rehabilitation projects. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Hunter Ranch I & II Landscape Maintenance District	
Fund Number 0172 (#181)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$16,359
Salaries & Benefits	\$13,520
Services & Supplies	\$1,340
Landscape Water	\$15,000
Utilities	\$150
Landscape Rehabilitation / Vandalism	\$12,500
Capital Projects	\$0
Total Direct Costs	\$58,869
Administration Costs	
Administration & Overhead	\$5,372
County Administration Fees	\$927
Professional Fees	\$492
Total Administration Costs	\$6,791
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$65,660
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$32,182
Contribution (from) General Fund / Other Revenue	(\$5,162)
Balance to Levy	\$92,679
District Statistics	
Total Parcels	377
Total Parcels Levied	377
Anticipated Total Assessed Value / \$100	\$926,793.95
Proposed Rate per \$100 of Assessed Value	\$0.100
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$92,679.40
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$32,829.90
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$32,829.90
Beginning Rehabilitation Reserve Fund Balance	\$483,399.10
Rehabilitation Reserve Fund Adjustments	\$32,181.60
Anticipated Rehabilitation Reserve Fund Balance	\$515,580.70
Anticipated Total Ending Fund Balance	\$548,410.60

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Decrease the assessment rate provided the current level of service is unchanged and there are no unforeseen expenditures in order to decrease the contribution to the Reserve Fund.

MONICA PLACE

The Monica Place Landscape Maintenance District (District) serves a residential neighborhood located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1976.
- The District has 1,000 square feet of weed control and plantings.
- Landscape is ornamental ground cover.
- Weed control areas along Monica Place assist in fire protection and protection of the asphalt.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.187, Maximum Rate: \$1.25.

BOUNDARIES

The District lies within the City of Vallejo, generally located along the roadside of Monica Place.

IMPROVEMENTS

The District maintains weed control easements found along the edge of the asphalt and behind the sidewalk along Monica Place.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation

Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Monica Place Road Landscape Maintenance District	
Fund Number 0163 (#167)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$0
Salaries & Benefits	\$0
Services & Supplies	\$0
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$0
Capital Projects	\$0
Total Direct Costs	\$0
Administration Costs	
Administration & Overhead	\$0
County Administration Fees	\$27
Professional Fees	\$17
Total Administration Costs	\$44
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$44
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$2,894
Contribution (from) General Fund / Other Revenue	(\$241)
Balance to Levy	\$2,697
District Statistics	
Total Parcels	5
Total Parcels Levied	5
Anticipated Total Assessed Value / \$100	\$14,420.91
Proposed Rate per \$100 of Assessed Value	\$0.187
Maximum Rate per \$100 of Assessed Value	\$1.25
Total Assessment Levy	\$2,696.71
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$21.98
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$21.98
Beginning Rehabilitation Reserve Fund Balance	\$24,107.02
Rehabilitation Reserve Fund Adjustments	\$2,893.74
Anticipated Rehabilitation Reserve Fund Balance	\$27,000.76
Anticipated Total Ending Fund Balance	\$27,022.74

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider decreasing the assessment in the future provided the current level of service is unchanged and there are no unforeseen expenditures.

RIDGECREST

The Ridgcrest Point Landscape Maintenance District (District) serves a residential neighborhood located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1978.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$0.115, Maximum Rate: \$1.50.
- The District levy is collected by the City and passed on to the homeowner's association that manages all aspects of District maintenance. Levy revenue in excess of District costs is retained by the City as payment on a prior agreement between the City and the District.
- The District is composed of six Pacific Gas & Electric easements and one area of ornamental plantings. The PG&E easements are composed of four with ornamental plants and two with weed height control and native/drought resistant plants.
- Weed control assists in fire protection.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the Woodvale Court cul-de-sac and the area bounded by Sylvia Court, Hale Street, Delgado Street, Clatyon Court, Elna Drive, Henry Street, and Woodvale Court.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- The PG&E easements found within chain-link fence enclosures on each side of Woodvale Street crossing extending north to and crossing Skyline Drive and along the south side of Goheen Circle
- Rear yard fence lines.

FINANCIAL INFORMATION

The Direct Costs of the District have increased from fiscal year 2017-2018 to fiscal year 2018-2019 due to increased maintenance costs. This proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIID Section 5(b). The amount budgeted is shown in the Contract Maintenance Costs line item as the homeowner's association manages all aspects of District maintenance.

City of Vallejo	
Ridgecrest Landscape Maintenance District	
Fund Number 0193 (#169)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$53,464
Salaries & Benefits	\$0
Services & Supplies	\$0
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$0
Capital Projects	\$0
Total Direct Costs	\$53,464
Administration Costs	
Administration & Overhead	\$0
County Administration Fees	\$543
Professional Fees	\$288
Total Administration Costs	\$831
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$54,295
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$0
Contribution (from) General Fund / Other Revenue	\$0
Balance to Levy	\$54,295
District Statistics	
Total Parcels	171
Total Parcels Levied	171
Anticipated Total Assessed Value / \$100	\$472,130.12
Proposed Rate per \$100 of Assessed Value	\$0.115
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$54,294.96
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$8,069.00
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$8,069.00
Beginning Rehabilitation Reserve Fund Balance	\$0.00
Rehabilitation Reserve Fund Adjustments	\$0.00
Anticipated Rehabilitation Reserve Fund Balance	\$0.00
Anticipated Total Ending Fund Balance	\$8,069.00

RECOMMENDATIONS

The Reserve Fund balance for the District is not adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund is adequately funded.
- Consider increasing the assessment rate if direct costs are anticipated to remain at the current level.

SOMERSET HIGHLANDS (I/II)

The District lies within the City of Vallejo, generally located within the area bounded by Columbus Parkway, Georgia Street, and Regents Parkway.

SPECIAL DISTRICT FEATURES

- The District was originally formed in 1975.
- The District has 2 acres of native and ornamental ground cover, shrubbery and trees.
- The District has 5 acres of weed control.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.06, Maximum Rate: \$1.25.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Columbus Parkway, Georgia Street, and Regents Parkway.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Slope along Columbus Parkway from Georgia Street north to the rail fence and south to Regents Parkway.
- Open space along Regents Parkway to Brunswick.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Somerset Highlands I & II Landscape Maintenance District	
Fund Number 0109 (#173)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$41,667
Salaries & Benefits	\$17,178
Services & Supplies	\$1,703
Landscape Water	\$4,000
Utilities	\$250
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$74,798
Administration Costs	
Administration & Overhead	\$6,825
County Administration Fees	\$827
Professional Fees	\$439
Total Administration Costs	\$8,091
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$82,889
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$2,701
Contribution (from) General Fund / Other Revenue	(\$2,888)
Balance to Levy	\$82,702
District Statistics	
Total Parcels	533
Total Parcels Levied	533
Anticipated Total Assessed Value / \$100	\$1,378,359.68
Proposed Rate per \$100 of Assessed Value	\$0.060
Maximum Rate per \$100 of Assessed Value	\$1.25
Total Assessment Levy	\$82,701.58
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$41,444.51
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$41,444.51
Beginning Rehabilitation Reserve Fund Balance	\$247,349.49
Rehabilitation Reserve Fund Adjustments	\$2,700.56
Anticipated Rehabilitation Reserve Fund Balance	\$250,050.05
Anticipated Total Ending Fund Balance	\$291,494.56

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Increase the assessment rate in order to ensure the Reserve Fund is not depleted in the near future.

SOMERSET HIGHLANDS III

The Somerset Highlands Three Landscape Maintenance District (District) serves a residential neighborhood located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

The District was formed in 1981.

The District has 7 acres of native and ornamental ground cover, shrubbery and trees.

The District has 4 acres of weed control.

Weed control in open space areas assists in fire protection.

Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.144, Maximum Rate: \$1.50.

Boundaries

The District lies within the City of Vallejo, generally located within the area bounded by Locust Drive, Ascot Parkway, Columbus Parkway, and Rock Springs Golf Course.

IMPROVEMENTS

The District maintains landscaped areas and weed control in the following areas:

- Landscape slope along the east and west side of Ascot Parkway.
- Medians from just south of Hawksbury Drive to the intersection of Columbus Parkway to the end of the sound wall along the north side of Columbus Parkway.
- Strip of landscaping running along two hundred feet east of the intersection of Columbus and Ascot Parkways at the sound wall to the back of the curb.
- Interior slope beneath the power lines and slope overlooking the Blue Rock Springs Golf Course.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019. The assessment rate is proposed to increase in order to adequately fund the Rehabilitation Reserve Fund. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Somerset Highlands III Landscape Maintenance District	
Fund Number 0171 (#176)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$42,998
Salaries & Benefits	\$18,171
Services & Supplies	\$1,801
Landscape Water	\$11,000
Utilities	\$150
Landscape Rehabilitation / Vandalism	\$5,000
Capital Projects	\$0
Total Direct Costs	\$79,120
Administration Costs	
Administration & Overhead	\$7,220
County Administration Fees	\$987
Professional Fees	\$415
Total Administration Costs	\$8,622
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$87,742
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$11,479
Contribution (from) General Fund / Other Revenue	(\$553)
Balance to Levy	\$98,668
District Statistics	
Total Parcels	233
Total Parcels Levied	233
Anticipated Total Assessed Value / \$100	\$685,191.25
Proposed Rate per \$100 of Assessed Value	\$0.144
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$98,667.54
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$43,768.05
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$43,768.05
Beginning Rehabilitation Reserve Fund Balance	\$11,508.95
Rehabilitation Reserve Fund Adjustments	\$11,478.86
Anticipated Rehabilitation Reserve Fund Balance	\$22,987.81
Anticipated Total Ending Fund Balance	\$66,755.86

RECOMMENDATIONS

The Reserve Fund balance for the District is not adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund is adequately funded.
- Increase the assessment if direct costs are anticipated to remain at the current level in order to adequately fund the Reserve Fund.

SPRINGTREE

The Springtree Landscape Maintenance District (District) serves a residential neighborhood consisting of four developments located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1978 with one annexation in 1979.
- The District has 1 acre of native and ornamental ground cover, shrubbery and trees
- The District has 10 acres of weed control.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.195, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Tuolumne Street, Guava Court, Platt and Wake Court, Parkview Terrace, Phoenix Circle and the water treatment fence line.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Landscaping along Tuolumne Street starting from Parkview Terrace, Public LMD behind lot 7, ending at the intersection of Phoenix Circle.
- South side of Tuolumne Street beginning at Ridgeview Drive and ending at the rear of lot 8 at Guava Court.
- Behind the residences along the south side of Mitchell Court and Riverview Drive.
- Open space bounded by Platt and Wake Court and Parkview Terrace and the water treatment plant fence line.
- Public LMD on the north side of Amber Avenue, south side adjoining the park.
- Public LMD situated below Phoenix Circle from lots 27-42 and behind the homes on Pepper Avenue.

Capital projects include remove and replace landscape and irrigation to keep up with current standards.

FINANCIAL INFORMATION

The Direct Costs of the District have not changed significantly from fiscal year 2017-2018 to fiscal year 2018-2019 due to landscape rehabilitation projects. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Springtree Landscape Maintenance District	
Fund Number 0192 (#172)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$29,561
Salaries & Benefits	\$16,454
Services & Supplies	\$1,631
Landscape Water	\$8,000
Utilities	\$1,000
Landscape Rehabilitation / Vandalism	\$15,000
Capital Projects	\$0
Total Direct Costs	\$71,646
Administration Costs	
Administration & Overhead	\$6,538
County Administration Fees	\$1,237
Professional Fees	\$657
Total Administration Costs	\$8,432
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$80,078
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$50,245
Contribution (from) General Fund / Other Revenue	(\$6,629)
Balance to Levy	\$123,694
District Statistics	
Total Parcels	297
Total Parcels Levied	297
Anticipated Total Assessed Value / \$100	\$634,328.00
Proposed Rate per \$100 of Assessed Value	\$0.195
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$123,693.96
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$40,038.97
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$40,038.97
Beginning Rehabilitation Reserve Fund Balance	\$622,876.03
Rehabilitation Reserve Fund Adjustments	\$50,245.02
Anticipated Rehabilitation Reserve Fund Balance	\$673,121.05
Anticipated Total Ending Fund Balance	\$713,160.02

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider decreasing the assessment in the future provided the current level of service is unchanged and there are no unforeseen expenditures.

SUMMIT II

The Summit Two Landscape Maintenance District (District) serves a residential neighborhood made from two subdivisions located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1978 with one annexation in 1979.
- The District has 3.5 acres of weed control.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.095, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Hillview Drive, Sunrise Way and the P.G. & E. towers.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

Remove the hazardous tree conditions behind the homes on Hillview and Sunrise Drive.
Improve the fire protection grass control under the PGE power lines

FINANCIAL INFORMATION

The Direct Costs of the District have decreased from fiscal year 2017-2018 to fiscal year 2018-2019. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIII D Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds

are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Summit II Landscape Maintenance District	
Fund Number 0188 (#164)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$4,989
Salaries & Benefits	\$2,761
Services & Supplies	\$274
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$4,000
Capital Projects	\$0
Total Direct Costs	\$12,024
Administration Costs	
Administration & Overhead	\$1,097
County Administration Fees	\$402
Professional Fees	\$213
Total Administration Costs	\$1,712
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$13,736
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$28,486
Contribution (from) General Fund / Other Revenue	(\$2,015)
Balance to Levy	\$40,207
District Statistics	
Total Parcels	171
Total Parcels Levied	171
Anticipated Total Assessed Value / \$100	\$423,228.56
Proposed Rate per \$100 of Assessed Value	\$0.095
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$40,206.71
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$6,868.03
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$6,868.03
Beginning Rehabilitation Reserve Fund Balance	\$194,624.97
Rehabilitation Reserve Fund Adjustments	\$28,485.65
Anticipated Rehabilitation Reserve Fund Balance	\$223,110.62
Anticipated Total Ending Fund Balance	\$229,978.65

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.
- Consider decreasing the assessment in the future provided the current level of service is unchanged and there are no unforeseen expenditures.

TOWN & COUNTRY

The Town & Country One Landscape Maintenance District (District) serves a residential neighborhood located in northwest Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1980.
- The District has 1.5 acres of ornamental shrubbery and trees.
- Weed control assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.150, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, generally located within the area bounded by Fairgrounds Drive, Marine World Parkway fence, and the North Vallejo Community Park Ball Field.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Slope on Fairgrounds Drive from Marine World Parkway fence to the North Vallejo Community Park Ball Field.
- Walkway from Basalt down to the North Vallejo Community Park Ball Field.

FINANCIAL INFORMATION

The Direct Costs of the District have slightly increased from fiscal year 2017-2018 to fiscal year 2018-2019. The assessment rate is proposed to increase in order to ensure the Rehabilitation Reserve is not depleted in the future. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Town & Country 1 Landscape Maintenance District	
Fund Number 0122 (#165)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$12,328
Salaries & Benefits	\$5,170
Services & Supplies	\$512
Landscape Water	\$2,000
Utilities	\$400
Landscape Rehabilitation / Vandalism	\$2,100
Capital Projects	\$0
Total Direct Costs	\$22,510
Administration Costs	
Administration & Overhead	\$2,054
County Administration Fees	\$371
Professional Fees	\$197
Total Administration Costs	\$2,622
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$25,132
Contribution to / (from) Reserve Fund	\$1,398
Contribution to / (from) Rehabilitation Fund	\$10,673
Contribution (from) General Fund / Other Revenue	(\$112)
Balance to Levy	\$37,091
District Statistics	
Total Parcels	124
Total Parcels Levied	124
Anticipated Total Assessed Value / \$100	\$247,275.25
Proposed Rate per \$100 of Assessed Value	\$0.150
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$37,091.29
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$11,168.00
Operating Reserve Fund Adjustments	\$1,397.95
Anticipated Operating Reserve Fund Balance	\$12,565.95
Beginning Rehabilitation Reserve Fund Balance	\$0.00
Rehabilitation Reserve Fund Adjustments	\$10,673.42
Anticipated Rehabilitation Reserve Fund Balance	\$10,673.42
Anticipated Total Ending Fund Balance	\$23,239.37

RECOMMENDATIONS

The Reserve Fund balance for the District is not adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund is adequately funded.
- Consider increasing the assessment in the future if direct costs are anticipated to remain at the current level.

WOODRIDGE

The Woodridge Landscape Maintenance District (District) serves a residential neighborhood located in northeast Vallejo. The District is fully developed.

SPECIAL DISTRICT FEATURES

- The District was formed in 1977.
- The District has 6 acres of native and ornamental ground cover, shrubbery and trees.
- The District has 11 acres of weed control.
- Weed control in open space areas assists in fire protection.
- Ad Valorem rate per \$100 of assessed valuation: Current Rate: \$.071, Maximum Rate: \$1.50.

BOUNDARIES

The District lies within the City of Vallejo, made up of several islands as generally located within the area bounded by Tennessee Street and Oakwood; Masonic Drive and Oakwood; Evergreen, Parhaven Court and Temple; Woodson Way, Blue Bird, Robin Courts, Skyline Drive and Blue Rock Springs Corridor.

IMPROVEMENTS

The District maintains landscaping and weed control in the following areas:

- Landscaped slope along the north side of Tennessee Street behind Lain Court.
- Island at the corner of Tennessee and Oakwood, the easement directly west of the island and behind the homes of Bridge Court.
- Easement off Evergreen Way on the south side bounded by the rear yard fences of Curtis and Springbrook.
- Easement open space up slope of Evergreen and behind Park Haven Court and down slope of Temple.
- Open space between Masonic Drive and Oakwood just south of Justin Court.

- Open space above Woodson Way and below Blue Bid and Robin Courts.
- The rear slope of Wood Court, Skyline Drive, and Masonic Court above Blue Rock Springs Corridor including the eucalyptus grove to within one hundred feet of the creek at high stage.
- Slope behind Creekview, Glenview, and the open space entrance to the rear slope and frontage along the creek behind the private frontage road along Redwood.
- The islands of Redwood and the frontage landscaping from just west of Foothill to Doncaster on the north side and 500 feet west of Topley on the south side.

FINANCIAL INFORMATION

The Direct Costs of the District have decreased significantly from fiscal year 2017-2018 to fiscal year 2018-2019 due to decreased Landscape Water costs. The proposed assessment is below the maximum rate and is considered an exempt assessment pursuant to Californian Constitution Article XIID Section 5(b).

The amounts identified as "Landscape Rehabilitation" or "Capital Projects" may be budgeted and spent each fiscal year as shown, or collected and held for the future in the Rehabilitation Fund. The program can also draw from the Operating Reserve Fund as necessary if funds are in excess of six months of levy revenue. Replacement, rehabilitation or refurbishment of the improvements is an essential part of maintenance, but these projects and expenses will often impact the long-term financial stability of the District. Prior to the implementation of any rehabilitation plan, the City should closely evaluate the merits of the project.

City of Vallejo	
Woodridge Landscape Maintenance District	
Fund Number 0118 (#174)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$25,529
Salaries & Benefits	\$15,707
Services & Supplies	\$1,557
Landscape Water	\$10,400
Utilities	\$200
Landscape Rehabilitation / Vandalism	\$15,000
Capital Projects	\$0
Total Direct Costs	\$68,393
Administration Costs	
Administration & Overhead	\$6,241
County Administration Fees	\$762
Professional Fees	\$404
Total Administration Costs	\$7,407
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$75,800
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$2,279
Contribution (from) General Fund / Other Revenue	(\$1,898)
Balance to Levy	\$76,181
District Statistics	
Total Parcels	449
Total Parcels Levied	449
Anticipated Total Assessed Value / \$100	\$1,072,967.36
Proposed Rate per \$100 of Assessed Value	\$0.071
Maximum Rate per \$100 of Assessed Value	\$1.50
Total Assessment Levy	\$76,180.68
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$37,899.90
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$37,899.90
Beginning Rehabilitation Reserve Fund Balance	\$151,871.10
Rehabilitation Reserve Fund Adjustments	\$2,278.88
Anticipated Rehabilitation Reserve Fund Balance	\$154,149.98
Anticipated Total Ending Fund Balance	\$192,049.88

RECOMMENDATIONS

The Reserve Fund balance for the District is adequately funded.

The following are recommendations to the City:

- Ensure the District Reserve Fund remains adequately funded.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Terrance Davis, Public Works Director
SUBJECT: **1972 ACT LANDSCAPE MAINTENANCE DISTRICT ASSESSMENTS**

RECOMMENDATION

Adopt a Resolution preliminarily approving the Engineer's Report and declaring the intent to levy and collect assessments for 11 Landscape Maintenance Districts (LMDS) for FY 2018-19 and setting a Public Hearing on this matter for June 12, 2018 at 7:00 p.m.

REASONS FOR RECOMMENDATION

The City Council appointed SCI Consulting Group as the Engineer of Work and directed them to prepare the Engineer's Report for each LMD regulated by the Landscape and Lighting Act of 1972 (1972 Act), except for Hiddenbrooke District and the Northeast Quadrant District, which will be considered in a separate report.

Pursuant to the 1972 Act, the Engineer's Report has been prepared which identifies all assessable parcels in each LMD in order to comply with the provisions of the California Constitution Article XIID (Proposition 218). The City Council is required to have a public hearing to take public comments regarding FY 2018-19 assessments within the following 11 Landscape Maintenance Districts, formed pursuant to the Landscape and Lighting Act of 1972: 1) Bordoni Ranch, 2) Carriage Oaks, 3) Garthe Ranch, 4) Glen Cove III, 5) Glen Cove III 2015, 6) Hunter Ranch III, 7) Marine World/Fairgrounds, 8) Marin View, 9) Sandpiper Point, 10) South Vallejo Business Park, and 11) Town and Country II-V.

BACKGROUND AND DISCUSSION

The City of Vallejo has 27 Landscape Maintenance Districts (LMD), 13 of which were established in accordance with Division 15 Part 2 of the California Streets and Highways Code, the Landscape and Lighting Act of 1972 (1972 Act), and 14 of which were established in accordance with Division 7 of the California Streets and Highways Code, the Improvement Act of 1911 (1911 Act). These districts require annual determination of each district's costs, and allocation of these costs by means of annual assessment to the dwelling units within each district.

The City Council will be considering the 1911 Act districts, the Hiddenbrooke District, and the Northeast Quadrant District under separate Council action. Approval of this Resolution formally starts the process for establishing the FY 2018-19 assessments for the following 11 LMDs: 1) Bordoni Ranch, 2) Carriage Oaks, 3) Garthe Ranch, 4) Glen Cove III, 5) Glen Cove III 2015, 6) Hunter Ranch III, 7) Marine World/Fairgrounds, 8) Marin View, 9) Sandpiper Point, 10) South Vallejo Business Park, and 11) Town and Country II-V. Several of the districts are broken further into different operational areas, and may have assessments that vary from other operational areas.

The attached Engineer's Report, prepared by SCI Consulting Group, provides the fiscal information for the LMD's. The Engineer's Report is prepared annually for the LMD's and analyzes the district based on "equivalent benefit units" (EBU). One EBU is applied to a single-family residence. Proposed assessments for each parcel are based on the special benefit received by the parcels within the district. The proposed FY 2018-19 budget for the LMD's is included as part of the Engineer's Report.

The assessments are collected by the County of Solano and forwarded to the City for deposit into specific fund accounts for each LMD. All assessments are expended for landscape maintenance, repair of damage due to vandalism or natural occurrence, site rehabilitation or improvements, water and utilities, and City administration and inspection costs.

The annual costs and expenses to provide and maintain the improvements in each district are assessed proportionately to those parcels within each district that receive special benefits from the improvements. With the exception of 2 districts, South Vallejo Business Park and Marine World/ Fairgrounds, single-family residences make up the majority of parcels within the LMD's discussed in this report. The assessments are based on one EBU. Many of these districts were formed in the 1970's at which time they did not allow for any inflationary adjustment to their levies. This has resulted in a continued deterioration of the level of service that the City has been able to provide with the available funding in some of these districts.

Balloting was conducted, in accordance with Proposition 218, in FY 2007-08, at which time, all parcel owners within 8 of these districts (Carriage Oaks, Garthe Ranch, (does not include Garthe Ranch B), Glen Cove III, Hunter Ranch III, Marine World/ Fairgrounds, Sandpiper Point, South Vallejo Business Park, and Town and Country II-V) were afforded the opportunity to increase the assessments in order to provide a higher level of service. All of these districts, with the exception of Marine World/ Fairgrounds and South Vallejo Business Park, rejected the proposed increases. This has resulted in a continued reduction in the level of service that can be provided and will continue to occur until an increase to their assessment rates is approved by the properties within the districts. In 2015, balloting was conducted again, and, in accordance with Proposition 218, formation of Glen Cove III was approved by property owners there.

Examples of reduced services in FY 2018-19 are:

- The elimination of tree trimming and view enhancement
- The elimination of fencing repairs
- Reduced irrigation service
- Reduction in the frequency of maintenance services
- Postponement of capital improvement projects

As reflected by the chart below many of the districts are proposed to be levied at the same rate as they were during FY 2017-18. The annual assessment rated for Bordoni Ranch, Glen Cove III 2015, Marine World/Fairgrounds and Garthe Ranch B are proposed to increase as these districts allow for an inflationary adjustment, to improve the level of service and set aside funds for future capital improvements. Consistent with Proposition 218, such increases are not considered increased assessments that require notice and ballot be sent to property owners.

The following chart reflects both the approved FY 2017-18 levy per EBU and the proposed FY 2018-19 levy

per EBU:

DISTRICT	APPROVED FY 2017-18 ASSESSMENT	PROPOSED FY 2018-19 ASSESSMENT	% CHANGE
Bordoni Ranch Zone 1	\$381.54	\$392.99	3.00%
Bordoni Ranch Zone 2	\$262.46	\$270.33	3.00%
Carriage Oaks	\$58.52	\$58.52	0%
Garthe Ranch	\$128.46	\$128.46	0%
Garthe Ranch "B" (Highlands)	\$2,014.98	\$2,075.42	3.00%
Glen Cove III	\$155.14	\$155.14	0%
Hunter Ranch III	\$72.04	\$72.04	0%
Marine World/Fairgrounds	\$121.61	\$125.26	3.00%
Marin View	\$636.00	\$636.00	0%
Sandpiper Point	\$141.76	\$141.76	0%
South Vallejo Business Park	\$3,286.60	\$3,286.60	0%
Town & Country II- V	\$70.48	\$70.48	0%
Glen Cove III 2015 Zone A	\$106.81	\$109.95	2.94%
Glen Cove III 2015 Zone B	\$104.68	\$107.76	2.94%
Glen Cove III 2015 Zone C	\$100.40	\$103.35	2.94%

The proposed assessments for all Districts comply with the provisions of Proposition 218. The total amount of funds to be assessed for these 11 1972 Act LMDs in FY 2018-19 is \$1,660,818.35.

The FY 2018-19 Report for the HMD is included as an attachment to this staff report and is also on file in the City Clerk's Office (3rd Floor) and in the Department of Public Works (4th Floor), City Hall, 555 Santa Clara Street, Vallejo, CA 94590.

FISCAL IMPACT

LMD budgets are separate from the City's General Fund. The collected LMD assessments finance the maintenance of the districts. The Public Works Department costs for labor and materials associated with the LMD's are charged to the individual district's budgets. All City costs associated with maintaining and administering the Districts are covered by the annual assessments. There is no fiscal impact on the General Fund associated with the approval of this item.

The financial health of the previously identified districts have been described in the Engineer's Report. As

noted in this report, required operating reserves will continue to be compromised and service levels reduced in those districts that have not had an increase to their assessment since their origination in the 1970's. FY 2018-19 funding in the remaining districts is adequate to maintain the current minimal service levels and to sustain the required operating reserves.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Resolution - 2018 LMD 1972 x11 Districts Setting Hearing Date
2.	ENGINEER REPORT 1972 Act FY 2018-19 Vallejo

CONTACT

Carmen Cole, Public Works Engineering Administrative Analyst I (707) 648-4097

Carmen.Cole@cityofvallejo.net

**A RESOLUTION DECLARING INTENTION TO LEVY ASSESSMENTS
FOR FISCAL YEAR 2018-2019, PRELIMINARILY APPROVING
ENGINEER'S REPORT AND PROVIDING FOR NOTICE OF PUBLIC HEARING
FOR THE 11 LANDSCAPE MAINTENANCE DISTRICTS: BORDONI RANCH, CARRIAGE OAKS, GARTHE RANCH,
GLEN COVE III, GLEN COVE III 2015, HUNTER RANCH III, MARINE WORLD/FAIRGROUNDS, MARIN VIEW,
SANDPIPER POINT, SOUTH VALLEJO BUSINESS PARK, AND THE TOWN AND COUNTRY II-V**

WHEREAS, the City Council, by previous Resolutions, formed and levied annual assessments for the 11 Landscape Maintenance Districts (hereafter referred to as the "Districts" or "LMD"), pursuant to California Constitution Article XIID, and the Landscaping and Lighting Act of 1972 (the "Act"), Part 2 of Division 15 of the California Streets and Highways Code (commencing with Section 22500 thereof); and

WHEREAS, the 11 Districts are Bordoni Ranch; Carriage Oaks; Garthe Ranch; Glen Cove III; Glen Cove III 2015; Hunter Ranch III; Marine World/Fairgrounds; Marin View; Sandpiper Point; South Vallejo Business Park; Town and Country II-V; and

WHEREAS, by Resolution, the City Council ordered the preparation of an Engineer's Report for the Districts for fiscal year (FY) 2018-2019; and

WHEREAS, the Engineer's Report was prepared by SCI Consulting Group, Engineer of Work, in accordance with California Constitution Article XIID and California Streets and Highways Code Sections 22565, *et. seq.*; the Report has been made, filed with the City Clerk, duly considered by the City Council and is hereby deemed sufficient and preliminarily approved. The Report shall stand as the Engineer's Report for all subsequent proceedings. Reference is hereby made to the Report for a full and detailed description of the improvements, the boundaries of the Districts and the proposed assessments upon assessable lots and parcels of land within the Districts.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED BY THE CITY COUNCIL OF THE CITY OF VALLEJO AS FOLLOWS:

Section 1 That it is the intention of this Council to levy and collect assessments within the Districts for FY 2018-19. It is proposed that Districts undertake the following improvements including but not limited to: turf, ground cover, shrubs, trees, drainage systems, irrigation systems, hardscape, and associated appurtenances within the public parcels, easements and right-of-ways. The Engineer's Report describes all of the improvements and any substantial changes in existing improvements.

Section 2 The Districts consist of the lots and parcels shown on the boundary maps of the Districts on file with the City, and reference is hereby made to such maps for further particulars.

Approved as to Form:

By: 
City Attorney

Section 3 The FY 2018-19, except for Bordoni Ranch, Garthe Ranch Zone B (Highlands), Glen Cove III 2015, and Marine World/Fairgrounds represents no change from the assessments applied in FY 2017-2018.

The Maximum Assessment Rate for Bordoni Ranch is equal to the (Initial) Zone Maximum Assessment Rate established for FY 2010-11 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index of "All Urban Consumers" (CPI-U) for the San Francisco-Oakland-San Jose Area.

The change in the CPI-U from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Bordoni Ranch LMD FY 2018-19 is increased by 3.56% which equates to \$601.29 per equivalent benefit unit for Zone 1 and \$413.24 per equivalent benefit unit for Zone 2. The estimate of cost and budget in the Engineer's Report proposes assessments for FY 2018-19 at the rate of \$392.99 per equivalent benefit unit for Zone 1 and \$270.33 per equivalent benefit unit for Zone 2, which is below the maximum authorized assessment rate.

The Maximum Assessment Rate for Garthe Ranch Zone B (Highlands) is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area.

The change in the CPI-U from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Garthe Ranch LMD Zone B FY 2018-19 is increased by 3.56% which equates to \$2,223.68 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for FY 2018-19 at the rate of \$2,075.42, which is below the maximum authorized assessment rate.

The Maximum Assessment Rate for Glen Cove III 2015 is subject to an annual adjustment tied to the CPI-U for the San Francisco Bay Area as of December of each succeeding year. As the amount of the annual increase in the CPI-U from December 2016 to December 2017 is 2.94%, the maximum authorized assessment rates for FY 2018-19 is 2.94% above the maximum authorized assessment rate for FY 2017-18. Including the authorized annual adjustment, the maximum authorized assessment rates for FY 2018-19 are \$109.95 for properties in Zone A, \$107.76 for properties in Zone B, and \$103.35 for properties in Zone C. The estimate of cost and budget in the Engineer's Report proposes assessments for FY 2018-19 at the rate of \$109.95 for properties in Zone A, \$107.76 for properties in Zone B, and \$103.35 for properties in Zone C, which is the maximum authorized assessment rate.

The Maximum Assessment Rate for Marine World/Fairgrounds is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the annual percentage change in the CPI-U, as distributed by the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area.

The change in the CPI-U from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Marine World / Fairgrounds LMD FY 2018-19 is increased by 3.56% which equates to \$134.20 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for FY 2018-19 at the rate of \$125.26, which is below the maximum authorized assessment rate.

Section 4 That a Public Hearing shall be held on June 12, 2018 at 7:00 p.m. to consider the ordering of the improvements and the levy of the proposed assessments at the City Council Chambers, located at 555 Santa Clara Street, Vallejo, California.

Section 5 The City Clerk shall cause a notice of the hearing to be given by publishing a copy of this Resolution once, at least 10 days prior to the date of the hearing above specified, in a newspaper circulated in the City of Vallejo.

May 22, 2018



CITY OF VALLEJO
LANDSCAPE MAINTENANCE DISTRICTS

ENGINEER'S REPORT

FISCAL YEAR 2018-2019

APRIL 2018

PURSUANT TO THE LANDSCAPING AND LIGHTING ACT OF 1972
AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION

ENGINEER OF WORK:

SCIConsultingGroup
4745 MANGELS BOULEVARD
FAIRFIELD, CALIFORNIA 94534
PHONE 707.430.4300
FAX 707.430.4319
www.sci-cg.com

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INTRODUCTION

OVERVIEW

The City of Vallejo (the "City") annually levies and collects special assessments in order to maintain the improvements within the Landscape Maintenance Districts ("LMD" or "LMDs"). The LMDs have been formed pursuant to the Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the *California Streets and Highways Code* (the "1972 Act"). This document includes the Engineer's Reports (the "Reports") for twelve Landscape Maintenance Districts (hereafter referred to as "LMD" or "LMDs") designated as:

- Bordoni Ranch LMD
- Carriage Oaks LMD
- Garthe Ranch LMD (Zone A and Zone B)
- Glen Cove III LMD
- Glen Cove III 2015 LMD
- Hunter Ranch III LMD
- Marine World/Fairgrounds Drive LMD
- Marin View LMD
- Northeast Quadrant LMD (Including Zone A)
- Sandpiper Point LMD
- South Vallejo Business Park LMD
- Town and Country II through V LMD

In an effort to streamline the annual administrative process and expenses, the annual Reports required for each LMD, pursuant to the 1972 Act, are incorporated into this single Report. This comprehensive Report address the overall legislative authority, benefit rationale and method of apportionment for the LMDs listed above and provides separately a more detailed description of each LMD's boundaries, improvements, proposed budget and assessments for fiscal year 2018-2019 as required by Chapter 1, Article 4, beginning with Section 22565 of the 1972 Act.

ASSESSMENT PROCESS

This Report was prepared to establish the budgets for the continued capital improvement and services expenditures that would be funded by the proposed 2018-2019 assessments, determine the benefits received from the lighting and landscaping maintenance and improvements by property within the LMDs and the method of assessment apportionment to lots and parcels within the LMDS. This Report and the proposed assessments have been made pursuant to the provisions of the 1972 Act and Article XIID of the California Constitution (the "Article").

In each subsequent year for which the assessments will be continued, the Council must direct the preparation of an Engineer's Report, budgets and proposed assessments for the upcoming fiscal year. After the Engineer's Report is completed, the Council may preliminarily approve the Engineer's Report and proposed assessments and establish the

date for a public hearing on the continuation of the assessments. This Report was prepared pursuant to the direction of the Council.

If the Council approves this Engineer's Report and the continuation of the assessments by resolution, a notice of assessment levies must be published in a local paper at least 10 days prior to the date of the public hearing. The resolution preliminarily approving the Engineer's Report and establishing the date for a public hearing is used for this notice.

Following the minimum 10-day time period after publishing the notice, a public hearing is held for the purpose of allowing public testimony about the proposed continuation of the assessments. This hearing is currently scheduled for June 12, 2018. At this hearing, the Council would consider approval of a resolution confirming the continuation of the assessments for fiscal year 2018-2019. If so confirmed and approved, the assessments would be submitted to the County Auditor/Controller for inclusion on the property tax rolls for Fiscal Year 2018-2019.

ENGINEER'S REPORT

SCI Consulting Group has been retained by the City as the Assessment Engineer for this Assessment since 2011-2012. Language taken from the previous Engineer's Report is shown in Times New Roman, 10 pt. Font.

ASSESSMENT HISTORY

After the passage of Proposition 218 in November 1996 (now Articles XIIC and XIID of the California Constitution), the City conducted a complete analysis of the proposition and its application to the LMDs and the assessments related thereto. Pursuant to the *Article XIID Section 5* of the Constitution, certain existing assessments are exempt from the substantive and procedural requirements of *Article XIID Section 4* and property owner balloting for the assessments is not required until such time that the assessments are increased. Specifically, the City determined that the improvements and the annual assessment for each of the then existing 1972 Act Districts were part of the conditions of property development and approved by the original property owner (developer). As such, pursuant to *Article XIID Section 5b* of the Constitution, the existing assessments were approved by all the property owners at the time the assessment was created (originally imposed pursuant to a 100% landowner petition) and therefore, the previously adopted assessments for each of those LMDs were exempt from the procedural requirements of the *Article XIID Section 4*.

With the exception of the Bordoni Ranch LMD, Marine World/Fairgrounds LMD, Northeast Quadrant LMD, South Vallejo Business Park LMD, the Highlands at Garthe Ranch LMD (Garthe Ranch LMD Zone B) and Glen Cove III 2015 LMD which were balloted for a new or increased assessment that included an inflationary adjustment, each of the LMDs contained within this Report currently have fixed maximum assessment rates with no adjustment for inflation. Although these assessment rates (with the exception of Marin View LMD) were established prior to the passage of Proposition 218 and have been identified as exempt assessments pursuant to Article XIID Section 5b of the Constitution, it has been determined that the current assessment revenues for most of these LMDs are no longer sufficient to cover the annual cost of providing the improvements.

Since the passage of Proposition 218, all new or increased assessments established for the LMDs and identified as the "Current Maximum Assessment Rate" in this Report have been submitted to the property owners of record and approved by such property owners pursuant to the provisions of the California Constitution Article XIII D Section 4. Specifically:

The Marin View LMD was formed in fiscal year 1999-2000. As part of that formation process, the City conducted a property owner protest ballot proceeding for the proposed maximum assessment. The results of that balloting indicated that majority protest did not exist and the "Current Maximum Assessment Rate" identified in this Report for that LMD was approved and confirmed by the City Council. Although the maximum assessment for this LMD was approved through a property owner protest ballot proceeding, the maximum assessment established did not include an inflationary adjustment.

Also in fiscal year 1999-2000, the City conducted property owner protest proceedings for a proposed assessment increase for the Northeast Quadrant LMD. The assessment increase (new maximum assessment) presented to the property owners in a property owner protest ballot proceeding and subsequently approved by those property owners, included an annual inflationary adjustment for the assessments.

In fiscal year 2007-2008 the City conducted proceedings for the formation of the Highlands at Garthe Ranch Maintenance District and concurrently annexed the properties within this LMD to the existing Garthe Ranch LMD as Zone B. As part of the formation/annexation process the City conducted a property owner protest ballot proceeding on the proposed new assessment for the associated improvements. The new maximum assessment presented to the property owners of record and subsequently approved also included an annual inflationary adjustment for the assessments.

In fiscal year 2008-2009 the City conducted property owner protest proceedings for a proposed assessment increase for eight of the LMDs outlined in this Report. These eight LMDs included:

- Carriage Oaks LMD
- Garthe Ranch LMD (Zone A only)
- Glen Cove III LMD
- Hunter Ranch III LMD
- Marine World/Fairgrounds Drive LMD
- Sandpiper Point LMD
- South Vallejo Business Park LMD
- Town and Country II through V LMD

In addition to the proposed assessment rate increases, the City proposed the implementation of an annual inflation adjustment for those new maximum assessment rates. In connection with the proposed assessment increases, pursuant to the provisions of the California Constitution, Article XIII D Section 4, the City conducted a property owner protest

ballot proceeding for the establishment of the proposed new maximum assessments and inflationary adjustment for each respective LMD prior to imposing such new assessments.

The tabulation of the ballots indicated that majority protest did not exist for the proposed new or increased assessment for the following two LMDs only:

- Marine World/Fairgrounds Drive LMD
- South Vallejo Business Park LMD

In fiscal year 2010-2011, the City conducted a property owner ballot proceeding for a proposed new assessment for the Bordoni Ranch LMD. The new assessment presented to the property owners in a ballot proceeding and subsequently approved by those property owners included an annual inflationary adjustment for the assessments.

In fiscal year 2015-2016, the City conducted a property owner ballot proceeding for a proposed new assessment in the Glen Cove III area, Glen Cove III 2015 LMD (Glen Cove III District 2). The new assessment presented to the property owners in a ballot proceeding and subsequently approved by those property owners included an annual inflationary adjustment for the assessments.

CHANGES TO THE LANDSCAPE MAINTENANCE DISTRICTS

Changes within the LMDs that affect the 2018-2019 levy of assessments are outlined below.

Annexations

No new annexations have occurred since the fiscal year 2017-2018 Engineer's Report was approved.

New Landscape Maintenance Districts

No new LMDs have been formed since the fiscal year 2017-2018 Engineer's Report was approved.

PLANS & SPECIFICATIONS

The LMDs provide maintenance of landscaping and lighting within the public right-of-way, dedicated landscape easements, parks, detention basins, and street lighting (the "Improvements") in the various LMDs throughout the City. Each LMD has differing costs and provides direct and special benefits to the parcels within these LMDs. All properties will be assessed only for the maintenance of improvements within their respective LMD.

Improvements within the LMDs include but are not limited to: installation, maintenance and servicing of public facilities, and incidental expenses, including but not limited to, street lights, public lighting facilities, landscaping, sprinkler systems, statuary, fountains, other ornamental structures and facilities, landscape corridors, ground cover, shrubs and trees, street frontages, drainage systems, fencing, entry monuments, graffiti removal and repainting, and labor, materials, supplies, utilities and equipment, as applicable, for property owned or maintained by the City of Vallejo. Any plans and specifications for these improvements will be filed with the Public Works Director of the City of Vallejo and are incorporated herein by reference.

Installation means the construction of lighting and landscaping improvements, including, but not limited to: land preparation, such as grading, leveling, cutting and filling, sod, landscaping, irrigation systems, sidewalks and drainage and lights.

Maintenance means the furnishing of services and materials for the ordinary and usual maintenance, operation and servicing of any improvement, including repair, removal or replacement of all or any part of any improvement; providing for the life, growth, health, and beauty of landscaping, including cultivation, irrigation, trimming, spraying, fertilizing, or treating for disease or injury; the removal of trimmings, rubbish, debris, and other solid waste, and the cleaning, sandblasting, and painting of walls and other improvements to remove or cover graffiti.

Servicing means the furnishing of electric current or energy for the operation or lighting of any improvements, and water for irrigation of any landscaping or the maintenance of any other improvements.

Incidental expenses include all of the following: (a) The costs of preparation of the report, including plans, specifications, estimates, diagram, and assessment; (b) the costs of printing, advertising, and the giving of published, posted, and mailed notices; (c) compensation payable to the County for collection of assessments; (d) compensation of any engineer or attorney employed to render services in proceedings pursuant to this part; (e) any other expenses incidental to the construction, installation, or maintenance and servicing of the Improvements; (f) any expenses incidental to the issuance of bonds or notes pursuant to Streets & Highways Code Section 22662.5; and (g) costs associated with any elections held for the approval of a new or increased assessment. (Streets & Highways Code §22526).

The assessment proceeds will be exclusively used for Improvements within the LMDs plus Incidental expenses.

DESCRIPTION OF THE LANDSCAPE MAINTENANCE DISTRICTS

LANDSCAPE MAINTENANCE DISTRICT BOUNDARIES, SPECIFIC AREAS MAINTAINED AND FISCAL YEAR 2018-2019 ESTIMATE OF COST AND BUDGETS

A description of the boundaries, areas maintained, Improvements and FY 2018-19 Budgets are described in detail below for each LMD.

BORDONI RANCH LMD

This LMD is designated as Bordoni Ranch Landscape Maintenance District and may be referred to as Bordoni Ranch LMD. Bordoni Ranch LMD was formed in 2010. The LMD serves two Zones:

- Zone 1 is comprised of all parcels of land within the Bordoni Ranch subdivision, as well as the two parcels on the west side of Columbus Parkway that are the proposed site of the planned detention basin/wetlands;
- Zone 2 is comprised of the remaining three parcels of land on the west side of Columbus Parkway that are proposed to be future residential subdivisions, including the planned Tuscany subdivision.

BOUNDARIES

Zone 1 consists of all lots, parcels and subdivisions of land within the proposed residential subdivision known as Bordoni Ranch, generally located east of and adjacent to Columbus Parkway and south of Regents Park Drive and Brunswick Drive. Zone 1 also includes the two parcels that are the site of the proposed detention basin as well as vacant wetlands. These two parcels are generally located west of and adjacent to Columbus Parkway, and north of Benicia Road, and south of Greenmont Drive.

Zone 2 consists of all lots, parcels and subdivisions of land within the proposed residential subdivision known as Tuscany as well as vacant land and two parcels zoned for residential development (future single-family residential subdivisions). These properties are generally located west of and adjacent to Columbus Parkway; and north of Greenmont Drive, and south of Aragon Street.

IMPROVEMENTS

The LMD maintains landscape improvements, open space areas and park facilities. It has been determined that specific improvements to be maintained throughout the LMD are improvements that provide special benefits to each property within the LMD, the cost of which will be proportionately shared by properties in both Zone 1 and Zone 2 ("Shared Improvements"). Conversely, other improvements to be maintained throughout the LMD that are specifically the result of developing properties within the Bordoni Ranch residential subdivisions are improvements that provide special benefits to only those properties, and the cost of providing such improvements shall be proportionately shared by only the properties in Zone 1 ("Zone 1 Improvements"). Therefore, Zone 1 receives benefits from both the Zone 1 Improvements and the Shared Improvements while Zone 2 receives benefits

only from the Shared Improvements. The Improvements to be maintained throughout the LMD are generally described as:

ZONE 1 IMPROVEMENTS

- Irrigated parkways and slopes (streetscape) within the public right-of-ways on the perimeter of the Bordoni Ranch subdivision, including but not limited to:
 - Landscaped area located on the east side of Columbus Parkway, from Regents Park Drive southward to the southern end of the Bordoni Park subdivision;
 - Landscaped area and approximately 19 street trees located on the south side of Regents Park Drive, from Columbus Parkway eastward to approximately 50 feet west of Brunswick Drive;
 - Landscaped area, including approximately 54 street trees on both sides of Waterstone Parkway between Regents Park Drive and Abbey Drive.
- Irrigated open space areas and wetlands dispersed throughout the Bordoni Ranch subdivision that provide a transition from the streetscape landscaped areas to the non-irrigated open space areas, and/or are located adjacent to the residential units or common areas within the Bordoni Ranch subdivision.
- Detention basin serving the Bordoni Ranch development.

SHARED IMPROVEMENTS

- Landscaped median islands on Columbus Parkway, approximately between Regents Park Drive on the north and Benicia Road on the south.
- Designated parkland, located at the corner of Columbus Parkway and Regents Park Drive. The park includes, but is not limited to:
 - One basketball court;
 - Two bocce courts;
 - Toddler's play structure;
 - Older children's play structure;
 - Picnic areas with tables, barbeques, and benches;
 - A 21-stall parking lot.

GENERAL INFORMATION

Prior to the Bordoni Ranch development, there was a 6.74 acre park located on the south side of Regents Park Drive just east of Columbus Parkway. This park had very few amenities and consisted primarily of grass, trees and sidewalks. The park was maintained by the Greater Vallejo Recreation District (the "GVRD"). In anticipation of the increased demand to be placed on the park by the Developments, the previous park was demolished and a new park was completely reconstructed and enhanced as described above.

LMD BUDGETS

The following provides the budget and maximum assessment rates for each Zone for fiscal year 2018-19.

City of Vallejo			
Bordoni Ranch Landscape Maintenance District			
Fund Number (#177)			
Estimate of Cost			
Direct Costs	Zone 01	Zone 02	2018-19 Budget
Contract Maintenance Costs	\$42,664	\$960	\$43,624
Salaries & Benefits	\$28,279	\$636	\$28,915
Services & Supplies	\$2,803	\$63	\$2,866
Landscape Water	\$37,653	\$847	\$38,500
Utilities	\$1,956	\$44	\$2,000
Landscape Rehabilitation / Vandalism	\$9,780	\$220	\$10,000
Capital Projects	\$0	\$0	\$0
Total Direct Costs	\$123,135	\$2,770	\$125,905
Administration Costs			
Administration & Overhead	\$11,236	\$253	\$11,489
County Administration Fees	\$1,690	\$38	\$1,728
Professional Fees	\$897	\$20	\$917
Total Administration Costs	\$13,823	\$311	\$14,134
Collections / (Credits) Applied To Levy			
Total Direct and Administration Costs	\$136,958	\$3,081	\$140,039
Contribution to / (from) Reserve Fund	(\$0)	\$0	(\$0)
Contribution to / (from) Rehabilitation Fund	\$34,527	\$773	\$35,300
Contribution (from) General Fund / Other Revenue	(\$2,499)	(\$56)	(\$2,555)
Balance to Levy	\$168,986	\$3,798	\$172,784
District Statistics			
Total Parcels	259	3	262
Total Parcels Levied	244	3	247
Total Equivalent Benefit Units	430.00	14.05	444.05
Proposed Levy per Benefit Unit	\$392.99	\$270.33	
Maximum Levy per Benefit Unit	\$601.29	\$413.24	
Total Assessment Levy	\$168,985.70	\$3,798.14	\$172,783.84
Fund Balance Information			
Beginning Operating Reserve Fund Balance	\$68,478.99	\$1,540.43	\$70,019.42
Operating Reserve Fund Adjustments	(\$0.00)	\$0.00	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$68,478.99	\$1,540.43	\$70,019.42
Beginning Rehabilitation Reserve Fund Balance	\$181,445.99	\$4,081.61	\$185,527.60
Rehabilitation Reserve Fund Adjustments	\$34,526.51	\$773.49	\$35,300.00
Anticipated Rehabilitation Reserve Fund Balance	\$215,972.50	\$4,855.10	\$220,827.60
Anticipated Total Ending Fund Balance	\$284,451.49	\$6,395.53	\$290,847.02

CARRIAGE OAKS LMD

This LMD is designated as Carriage Oaks Landscape Maintenance District and may be referred to as Carriage Oaks LMD. Carriage Oaks LMD was formed in 1990. The LMD serves a residential neighborhood of 254 parcels located in northeast Vallejo.

BOUNDARIES

The LMD lies within the City of Vallejo, generally located within the area bounded by Interstate 80, State Route 37, the Country Club Crest Ranch and Cimarron Hills Subdivisions.

IMPROVEMENTS

The LMD maintains landscaped areas and weed control zones including approximately 1 acre of ornamental and native landscaping which includes ground cover, shrubbery and trees; and 10 acres of plantings and weed control described as follows:

- Remove & replace over-mature shrubs on Borges slopes
- Thin out over-mature vegetation at Griffin & Sousa
- The landscape areas from Cimarron Court to Souza
- The strip of weed height control along the Marine World Parkway sound wall and the open space below, to the west of Highway 80
- Weed height control for open space areas
- Prune trees in LMD easements
- Upgrade irrigation on slopes along Borges

GENERAL INFORMATION

Slope drainage from Highway 80 is highly erosive to the open space area and has significantly impacted the LMD costs over the last few years. Although repairs due to erosion cannot be predicted, it is essential that the LMD's Rehabilitation Fund be adequately funded for any unforeseen repairs or replacements.

The life expectancy of native shrubbery is five to fifteen years. The majority of the current landscape improvements (shrubbery) within the LMD will likely need replacement over the next several years.

A financial analysis of the LMD indicates that the current maximum assessment revenues do not generate adequate revenue to provide for the Improvements. The City conducted proceedings in fiscal year 2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009, which was not approved.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo	
Carriage Oaks Landscape Maintenance District	
Fund Number 7720 (#170)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$8,389
Salaries & Benefits	\$4,344
Services & Supplies	\$431
Landscape Water	\$2,500
Utilities	\$250
Landscape Rehabilitation / Vandalism	\$3,000
Capital Projects	\$0
Total Direct Costs	\$18,914
Administration Costs	
Administration & Overhead	\$1,726
County Administration Fees	\$149
Professional Fees	\$79
Total Administration Costs	\$1,954
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$20,868
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	(\$5,667)
Contribution (from) General Fund / Other Revenue	(\$337)
Balance to Levy	\$14,864
District Statistics	
Total Parcels	254
Total Parcels Levied	254
Total Equivalent Benefit Units	254.00
Proposed Levy per Benefit Unit	\$58.52
Maximum Levy per Benefit Unit	\$58.52
Total Assessment Levy	\$14,864.08
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$10,433.82
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$10,433.82
Beginning Rehabilitation Reserve Fund Balance	\$23,264.18
Rehabilitation Reserve Fund Adjustments	(\$5,666.56)
Anticipated Rehabilitation Reserve Fund Balance	\$17,597.62
Anticipated Total Ending Fund Balance	\$28,031.44

GARTHE RANCH LMD

This LMD is designated as Garthe Ranch Landscape Maintenance District and may be referred to as Garthe Ranch LMD. The LMD is comprised of two Zones:

- Zone A (the original Garthe Ranch LMD) was formed in 1987 and serves a residential neighborhood consisting of 1,145 parcels within thirteen developments located in southeast Vallejo; and
- Zone B (the Highlands) was formed and established in October 2006 and serves a residential development consisting of 105 parcels situated in the eastern portion of the City of Vallejo.

BOUNDARIES

Zone A of the LMD is generally located within the areas bounded by Columbus Parkway, Lake Herman Road, the Vallejo-Benicia city limits line, the Springtree/Fleming Hill LMD, Tennessee Street, Saint Catherine's Church, and the Summit I and Somerset Highlands III Landscape Maintenance Districts.

Zone B is generally located east of and adjacent to Columbus Parkway at Spring Road, south and west of Ascot Parkway, and north of Georgia Street.

IMPROVEMENTS

Zone A - The LMD maintains landscaped areas, weed control zones and trail systems for the special benefit of properties within Zone A including approximately 30 acres of native and ornamental ground cover, shrubbery and trees; 31 acres of plantings and weed control that are found in the following areas:

- The Ascot Parkway frontage which extends eastward to Newcastle Drive
- The Georgia Street frontage extending to Ascot Parkway
- Hilary Way between Columbus and Ascot Parkways
- The Columbus Parkway slopes below the Coventry Hills subdivision and Highland Apartments
- The frontages along Windsor, Westminster, Southport, and Ramsgate Ways

The open space areas behind the residences of Ascot Parkway, Britannia Drive, Hawkins Street, Southport Way, Georgia Street, Knights Circle, Devonshire and Joel Courts, Devonshire Avenue, Manor Court, Newcastle Drive, Newcastle Court, Windsor and Westminster Ways, Sandhurst Drive, Sandhurst Court, and Saxony Court.

Zone B - The LMD maintains landscaped areas, weed control zones and parkland for the special benefit of properties within Zone B including:

- Approximately one acre of irrigated parkways and slopes (streetscape) within the public right-of-ways along the interior streets of the Zone.
- Approximately half of an acre of irrigated open space areas that provide a transition from the streetscape landscaped areas to the non-irrigated open spaces areas,

and/or are located adjacent to the residential units or common areas within the Highlands subdivision.

- Approximately one and a half acres of irrigated parkways and slopes (streetscape) on the perimeter of the Zone.
- Approximately 25 acres of non-irrigated (natural) open space area located in the eastern half of the Zone behind the residential subdivision.

A half-acre park site is located in the center of the residential subdivision.

GENERAL INFORMATION

The life expectancy of native shrubbery is five to fifteen years. Although portions of the assessments for Zone A have been spent on rehabilitation in recent years, it is reasonable to assume that additional monies will be necessary in future years for either more rehabilitation of the improvements (particularly irrigation systems) or increased maintenance costs associated with very mature plant material.

LMD BUDGETS

Zone A Budget

A financial analysis of the LMD and the improvements indicates that the current maximum assessment rate does not generate sufficient revenues to adequately provide for the improvements. The City conducted proceedings in fiscal year 2008-09 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-09 which was not approved.

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo	
Garthe Ranch Landscape Maintenance District	
Fund Number 7716 (#180)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$87,365
Salaries & Benefits	\$39,557
Services & Supplies	\$3,921
Landscape Water	\$23,400
Utilities	\$3,000
Landscape Rehabilitation / Vandalism	\$15,000
Capital Projects	\$0
Total Direct Costs	\$172,243
Administration Costs	
Administration & Overhead	\$15,717
County Administration Fees	\$1,783
Professional Fees	\$947
Total Administration Costs	\$18,447
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$190,690
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	(\$9,366)
Contribution (from) General Fund / Other Revenue	(\$2,982)
Balance to Levy	\$178,342
District Statistics	
Total Parcels	1145
Total Parcels Levied	1138
Total Equivalent Benefit Units	1388.31
Proposed Levy per Benefit Unit	\$128.46
Maximum Levy per Benefit Unit	\$128.46
Total Assessment Levy	\$178,342.30
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$95,345.21
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$95,345.21
Beginning Rehabilitation Reserve Fund Balance	\$202,820.79
Rehabilitation Reserve Fund Adjustments	(\$9,366.12)
Anticipated Rehabilitation Reserve Fund Balance	\$193,454.67
Anticipated Total Ending Fund Balance	\$288,799.88

Zone B Budget

Zone B (Highlands) was formed and balloted for a new assessment in fiscal year 2006-07, which included an annual inflationary.

The following provides the proposed budget and assessment rate for fiscal year 2018-19 that is necessary to provide an appropriate level of maintenance for the Highlands (Zone B) of the LMD. The budget includes the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from this budget and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19.

City of Vallejo	
Garthe Ranch Highland (Zone B) Landscape Maintenance District	
Fund Number 7746 (#188)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$22,851
Salaries & Benefits	\$25,759
Services & Supplies	\$2,553
Landscape Water	\$46,800
Utilities	\$2,200
Landscape Rehabilitation / Vandalism	\$12,000
Capital Projects	\$0
Total Direct Costs	\$112,163
Administration Costs	
Administration & Overhead	\$10,235
County Administration Fees	\$2,179
Professional Fees	\$1,158
Total Administration Costs	\$13,572
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$125,735
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$102,933
Contribution (from) General Fund / Other Revenue	(\$10,749)
Balance to Levy	\$217,919
District Statistics	
Total Parcels	105
Total Parcels Levied	105
Total Equivalent Benefit Units	105.00
Proposed Levy per Benefit Unit	\$2,075.42
Maximum Levy per Benefit Unit	\$2,223.68
Total Assessment Levy	\$217,919.10
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$62,867.60
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$62,867.60
Beginning Rehabilitation Reserve Fund Balance	\$1,012,069.40
Rehabilitation Reserve Fund Adjustments	\$102,932.91
Anticipated Rehabilitation Reserve Fund Balance	\$1,115,002.31
Anticipated Total Ending Fund Balance	\$1,177,869.91

GLEN COVE III LMD'S

The Glen Cove III area has two Landscape Maintenance Districts, the first LMD is designated as Glen Cove III LMD or "LMD 1", was formed in 1987. LMD 1 serves an area consisting of 2,936 parcels from twenty-eight (28) developments located in southeast Vallejo.

The second Landscape Maintenance District was formed by property owner ballot proceeding fiscal year 2015-16 and is designated as Glen Cove III 2015 LMD or "LMD 2". LMD 2 serves the same area as LMD 1 and contains 3,219 parcels from twenty-eight (28) developments located in southeast Vallejo. LMD 2 contains slightly more parcels than LMD 1, due to its formation occurring after the implementation of Proposition 218, public agencies are subject to LMD 2 assessments.

LMD 2 was formed in order to provide additional funding for the maintenance and installation of landscape improvements throughout the Glen Cove III area. LMD 1 was formed in 1987 without an inflationary adjustment while costs have increased significantly. As a result, the assessment revenue from LMD 1 was no longer sufficient to fund annual maintenance and would have depleted the rehabilitation reserve fund.

The development of properties within both LMD's is not expected to change significantly.

BOUNDARIES

Both LMD's lies within the City of Vallejo, generally located within the area bounded by Interstate 80, Interstate 780, Robles Way and the Benicia State Recreation Area.

LMD 2 ZONES OF BENEFIT

As part of the engineering work for the formation of LMD 2, an analysis was conducted on the relationship (including proximity, transportation corridors, likely travel routes, etc.), between properties and the primary improvements located along Glen Cove Parkway. As a results three zones, A, B and C were created as shown on the assessment diagram for LMD 2. Parcels in Zone B are determined to receive 98% of the level of special benefit as those within Zone A and parcels in Zone C are determined to receive 94% of the level of special benefit as those within Zone A.

IMPROVEMENTS

The LMD's maintain landscaped areas; weed control zones; and trail systems including approximately 60 acres of ornamental and native landscaping which includes ground cover, shrubbery, and trees; and 62 acres of plantings and weed control that are found in the following areas:

- The boundaries of Robles to the straits and Navone/Palou/Old Glen Cove Road to the Benicia State Recreation Area fence-line and Glen Cove Parkway
- Mistral, Rivermouth, Brigantine, James River, New Bedford Court, Bear Cove Court, Pueblo Court, Duxbury Place, Sandy Neck Way, Sea Cliff Place, Saybrook Way, Antigua Way, and Chesapeake Drive

- Glen Cove Parkway beginning at the west corner of the Marina Complex landscape area fronting the parkway to the intersection of Glen Cove Parkway and Bayside Terrace
- The open space to the west and north of Waterview Terrace
- The slope of Clearview including the slope and trail along the strait to the entrance of the harbor
- South Regatta from the intersection of Glen Cove Parkway to the intersection of Whiteside and South Regatta
- The open space between Paddlewheel, Beston, Ancheta, Topsail, Yachtsman, and Seafarer
- Weed control adjacent to the Benicia State Park fence-line and the PG&E yard to the intersection of Flying Dutchman
- The open space above Weathermark, Leeward, and Windward Courts
- The open space slope of Flying Dutchman, Pirates' Cove, Sea Mist, Topsail, Helmsman, Anchor, Winter Harbor, Wellfleet, Cape Elizabeth, Fairhaven, and Silver Pine to the Benicia State Park fence
- The Hwy. 780 fence-line along the northeast boundary of the LMD
- The access pathway behind Topsail and the landscaping along each side of North Regatta to the intersection of Glen Cove Parkway and North Regatta
- The north side of Sunfish Court
- Outrigger near Sea Horse and the open space to the rear yard fences of Palou and Pueblo
- The open space above Del Sur in the cul-de-sac, above Clearpointe, and the open space above and below the Clearpointe Drive cul-de-sac

GENERAL INFORMATION

The life expectancy of native shrubbery is five to fifteen years. Fiscal Year 2018-2019 design of Phase 1 of the Glen Cove entryway improvements and Glen Cove parkway are planned for completion.

The City conducted proceedings in fiscal year 2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was not approved. The City conducted a second property owner ballot proceeding in fiscal year 2015-16 for a new assessment and an annual inflationary adjustment commencing in fiscal year 2015-16 which was approved. As noted previously the new LMD is designated as Glen Cove III 2015 LMD or "LMD 2".

Including the annual inflationary adjustment maximum assessment rates for LMD 2 for fiscal year 2018-19 are \$109.95 for properties in Zone A, \$107.76 for properties in Zone B, and \$103.35 for properties in Zone C.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo			
Glen Cove III Landscape Maintenance Districts			
Fund Number 7717 & 7748 (#185)			
Estimate of Cost			
	2018-19 Glen Cove III LMD 1	2018-19 Glen Cove III LMD 2 (2015)	2018-19 Glen Cove III Total Budget
Direct Costs			
Contract Maintenance Costs	\$191,947	\$112,200	\$304,147
Salaries & Benefits	\$82,174	\$48,034	\$130,208
Services & Supplies	\$8,145	\$4,761	\$12,906
Landscape Water	\$53,012	\$30,988	\$84,000
Utilities	\$3,597	\$2,103	\$5,700
Landscape Rehabilitation / Vandalism	\$18,933	\$11,067	\$30,000
Capital Projects	\$0	\$0	\$0
Total Direct Costs	\$357,809	\$209,152	\$566,961
Administration Costs			
Administration & Overhead	\$32,651	\$19,085	\$51,736
County Administration Fees	\$4,624	\$2,882	\$7,505
Professional Fees	\$2,515	\$1,470	\$3,985
Total Administration Costs	\$39,789	\$23,437	\$63,226
Collections / (Credits) Applied To Levy			
Total Direct and Administration Costs	\$397,598	\$232,589	\$630,187
Contribution to / (from) Reserve Fund	\$0	\$0	\$0
Contribution to / (from) Rehabilitation Fund	\$71,037	\$59,256	\$130,293
Contribution (from) General Fund / Other Revenue	(\$6,273)	(\$3,667)	(\$9,940)
Balance to Levy	\$462,362	\$288,178	\$750,540
District Statistics			
Total Parcels	2936	3219	
Total Parcels Levied	2936	3075	
Total Equivalent Benefit Units Zone A	2980.29	2168.09	
Total Equivalent Benefit Units Zone B		271.25	
Total Equivalent Benefit Units Zone C		199.00	
Proposed Levy per Benefit Unit Zone A	\$155.14	\$109.95	
Proposed Levy per Benefit Unit Zone B		\$107.76	
Proposed Levy per Benefit Unit Zone C		\$103.35	
Total Assessment Levy	\$462,362.19	\$288,178.05	\$750,540.24
Fund Balance Information			
Beginning Operating Reserve Fund Balance	\$198,799.12	\$116,294.58	\$315,093.70
Operating Reserve Fund Adjustments	\$0.00	\$0.00	\$0.00
Anticipated Operating Reserve Fund Balance	\$198,799.12	\$116,294.58	\$315,093.70
Beginning Rehabilitation Reserve Fund Balance	\$428,440.73	\$250,438.57	\$678,879.30
Rehabilitation Reserve Fund Adjustments	\$71,037.09	\$59,255.74	\$130,292.83
Anticipated Rehabilitation Reserve Fund Balance	\$499,477.82	\$309,694.31	\$809,172.13
Anticipated Total Ending Fund Balance	\$698,276.94	\$425,988.90	\$1,124,265.83

Hunter Ranch III LMD

This LMD is designated as Hunter Ranch III Landscape Maintenance District and may be referred to as Hunter Ranch III LMD.

- Hunter Ranch III LMD was formed in 1986
- The LMD serves a residential neighborhood of 190 parcels located in northeast Vallejo and the development of properties within the LMD is not expected to change significantly.

BOUNDARIES

The LMD lies within the City of Vallejo, generally located within the area bounded by Turner, Ascot and Redwood Parkways and the Hunter Ranch I subdivision.

IMPROVEMENTS

The LMD maintains landscaped areas totaling approximately 6 acres of ornamental and native landscaping which includes ground cover, shrubbery, trees, and weed control zones that are found in the following areas:

- The west side of lower Ascot Parkway beginning at the south end of the sound wall at Sterling and Ascot Parkways to the intersection of Redwood Parkway and Ascot Parkway
- The slope landscaping along the north side of Redwood Parkway extending to the Trotter intersection, including three median islands on Redwood Parkway

GENERAL INFORMATION

A FY 2008-2009 owner balloting to increase the assessment in the LMD to enable a full level of service failed and as a result the City reduced the Direct Costs of the LMD by re-negotiating the landscape maintenance contracts (reduced level of service) and less frequent water use in an attempt to bring the annual expenses in line with the assessment revenues.

A financial analysis of the LMD and the improvements indicates that the current maximum assessment rate does not generate sufficient revenues to adequately provide for the improvements.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo	
Hunter Ranch III Landscape Maintenance District	
Fund Number 7714 (#183)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$4,244
Salaries & Benefits	\$1,980
Services & Supplies	\$196
Landscape Water	\$2,200
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$0
Capital Projects	\$0
Total Direct Costs	\$8,620
Administration Costs	
Administration & Overhead	\$787
County Administration Fees	\$137
Professional Fees	\$73
Total Administration Costs	\$997
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$9,617
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$4,497
Contribution (from) General Fund / Other Revenue	(\$426)
Balance to Levy	\$13,688
District Statistics	
Total Parcels	190
Total Parcels Levied	190
Total Equivalent Benefit Units	190.00
Proposed Levy per Benefit Unit	\$72.04
Maximum Levy per Benefit Unit	\$72.04
Total Assessment Levy	\$13,687.60
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$4,808.44
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$4,808.44
Beginning Rehabilitation Reserve Fund Balance	\$37,781.56
Rehabilitation Reserve Fund Adjustments	\$4,496.72
Anticipated Rehabilitation Reserve Fund Balance	\$42,278.28
Anticipated Total Ending Fund Balance	\$47,086.72

MARINE WORLD/FAIRGROUNDS DRIVE LMD

This LMD is designated as Marine World/Fairgrounds Drive Landscape Maintenance District and may be referred to as Marine World/Fairgrounds Drive LMD or Marine World/Fairground LMD.

- Marine World/Fairgrounds Drive LMD was formed in 1989.
- The LMD serves 5 parcels that include a recreational theme park, fairgrounds, and motel/hotel complex (Holiday Inn) located in northeast Vallejo. Marine World/Fairgrounds Drive LMD is fully developed and the Equivalent Benefit Units (EBU) for the LMD is not expected to change.

BOUNDARIES

The LMD lies within the City of Vallejo, generally located within the area bounded by Interstate 80, Fairgrounds Drive, and the western boundary of Marine World and the southern boundary of Solano County.

IMPROVEMENTS

The LMD maintains the landscaped frontages and median plantings totaling approximately 3 acres of native and ornamental ground cover, shrubbery and trees; and 0.5 acre of weed control and new plantings. Fairgrounds Drive serves as the entrance to the Discovery Kingdom (Formerly Marine World) Six Flags Theme Park and Solano County Fairgrounds and the LMD improvements are generally located in the areas described below:

- Just beyond the entrance to the Fairgrounds parking lot to the south; and
- North beyond the overpass of Highway 37

GENERAL INFORMATION

The life expectancy of native shrubbery is five to fifteen years.

A past financial analysis of the LMD and the improvements indicated that the maximum assessment rate did not generate sufficient revenues to adequately provide for the improvements. The City conducted proceedings in FY2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was approved.

LMD BUDGET

A financial analysis of the LMD with the inflationary adjustments indicates that the maximum assessment rate does generate sufficient revenues to adequately provide for improvements. The budget includes the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from this budget and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19.

City of Vallejo	
Marine World / Fairgrounds Landscape Maintenance District	
Fund Number 7722 (#186)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$25,229
Salaries & Benefits	\$16,014
Services & Supplies	\$1,587
Landscape Water	\$15,600
Utilities	\$1,300
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$69,730
Administration Costs	
Administration & Overhead	\$6,363
County Administration Fees	\$1,060
Professional Fees	\$562
Total Administration Costs	\$7,985
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$77,715
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$31,660
Contribution (from) General Fund / Other Revenue	(\$3,423)
Balance to Levy	\$105,951
District Statistics	
Total Parcels	4
Total Parcels Levied	4
Total Equivalent Benefit Units	845.85
Proposed Levy per Benefit Unit	\$125.26
Maximum Levy per Benefit Unit	\$134.20
Total Assessment Levy	\$105,951.17
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$38,857.26
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$38,857.26
Beginning Rehabilitation Reserve Fund Balance	\$303,433.74
Rehabilitation Reserve Fund Adjustments	\$31,659.66
Anticipated Rehabilitation Reserve Fund Balance	\$335,093.40
Anticipated Total Ending Fund Balance	\$373,950.66

Marin View LMD

This LMD is designated as Marin View Landscape Maintenance District and may be referred to as Marin View LMD.

- Marin View LMD was formed July 13, 1999.
- The LMD serves a residential neighborhood of 10 parcels located in north Vallejo and is fully developed.

BOUNDARIES

The LMD lies within the City of Vallejo, generally located at the northern end of Pecan Court and bounded by Hickory and Pecan Streets.

IMPROVEMENTS

The LMD maintains landscaped areas and weed control zones found in the following areas:

- The ornamental and native landscaping within the median island at the end of Pecan Court including ground cover, shrubbery, and trees
- Weed control in open space areas in the northwest corner and in the western portion of the LMD that assists in fire protection.

GENERAL INFORMATION

The property owners within the LMD approved the current assessment rate in Fiscal Year 1999-2000, but the assessment did not include an inflationary adjustment.

Although previous financial analysis of the LMD suggested that assessment revenues may not be adequate to fund the improvements, this funding issue resulted largely from one-time rehabilitation expense and district formation expense that were required due to the lack of maintenance in the area previously, which has generally been resolved over time.

A financial analysis of the LMD in fiscal year 2008-2009 indicated that the assessment revenues were sufficient to fund the maintenance of the improvements and did not require an assessment increase at that time. However, the revenues generated at the maximum assessment rate, limited possible funding for future rehabilitation or unforeseen expenses and without an annual inflationary adjustment, an assessment increase may be required in the near future.

LMD BUDGET

The following provides the proposed budget and assessment rate for fiscal year 2018-19 that is necessary to provide an appropriate level of maintenance for the LMD. The budget includes the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from this budget and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19. The assessment rate derived

from this budget is less than or equal to the previously approved maximum assessment rate for the LMD.

City of Vallejo	
Marin View Landscape Maintenance District	
Fund Number 7715 (#187)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$1,050
Salaries & Benefits	\$323
Services & Supplies	\$32
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$0
Capital Projects	\$0
Total Direct Costs	\$1,405
Administration Costs	
Administration & Overhead	\$128
County Administration Fees	\$64
Professional Fees	\$34
Total Administration Costs	\$226
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$1,631
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$5,052
Contribution (from) General Fund / Other Revenue	(\$323)
Balance to Levy	\$6,360
District Statistics	
Total Parcels	10
Total Parcels Levied	10
Total Equivalent Benefit Units	10.00
Proposed Levy per Benefit Unit	\$636.00
Maximum Levy per Benefit Unit	\$636.00
Total Assessment Levy	\$6,360.00
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$815.30
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$815.30
Beginning Rehabilitation Reserve Fund Balance	\$31,482.70
Rehabilitation Reserve Fund Adjustments	\$5,052.40
Anticipated Rehabilitation Reserve Fund Balance	\$36,535.10
Anticipated Total Ending Fund Balance	\$37,350.40

NORTHEAST QUADRANT LMD

This LMD is designated as Northeast Quadrant Landscape Maintenance District and may be referred to as Northeast Quadrant LMD.

- Northeast Quadrant LMD was formed in 1984.
- The LMD currently serves approximately 1,867 parcels that include business, residential, and school land uses located in northeast Vallejo.
- The LMD is not fully developed and is currently comprised of 1,848 parcels that include business, residential, and school land uses located in northeast Vallejo.
- The LMD includes 159 parcels (140 assessable parcels) that are identified as Zone A. In addition to the overall improvements provided within the LMD, these parcels receive special benefits from additional local landscape improvements for which they are assessed.

BOUNDARIES

The LMD is located within the area generally bounded by Highway 80, Hunter Ranch II and Hunter Ranch III subdivisions, Sulphur Springs Mountain, Blue Rock Springs Golf Course, Summit Landscaping District and Woodridge Landscape Maintenance District. Within this LMD, parcels adjacent to Admiral Callaghan Lane and Columbus Parkway to the north, Plaza Drive to the west, parcels adjacent to Turner Parkway to the south and parcels adjacent to Ascot Parkway to the east are identified and designated as Zone A.

IMPROVEMENTS

Situated in the Blue Rock area of the City, the LMD is diverse with landscaped parkways, medians and large open spaces. The overall LMD maintains landscaped areas, weed control zones and trail systems that include approximately 23 acres of native and ornamental ground cover, shrubbery and trees; and 9 acres of weed control and plantings that are described below:

- The median of Admiral Callaghan Lane from Columbus Parkway to Turner Parkway
- Remove & replace irrigation & landscaping in median on Ascot between Redwood & Hawkesbury
- Hydro seed bare fire break areas for grass stands
- Remove & replace irrigation & plants on 4 corner medians at Redwood & Ascot
- The median islands at the Columbus Parkway and Admiral Callaghan Lane intersection
- Fill in median shrubs along Ascot between Turner & Redwood Parkway
- The median and landscaped areas on the south side of Turner Parkway
- Replace landscaping along Turner Parkway between Admiral Callaghan Way & Ascot
- The median on Ascot Parkway from Redwood Parkway to the other side of the bridge just before Hawksbury
- Remove & replace irrigation & plants on Lake Herman Rd between Columbus to end
- Maintain wrought iron fences located on public property or easements on Picasso, Topley, Rodin & Glenview Circle

- North side of West bound lane on Columbus Pkwy from Blue Rock Springs Park to St. John's Mine Rd. Irrigate & landscape
- The slope over the creek and the slope below Torrey Pine Court
- The slope below Picasso, Topley, Archer and Rodin Courts
- The slope landscaping to the north behind Glenview Circle and above Redwood Parkway
- The slope surrounding Matthew Court
- Ascot Parkway beyond the Blue Rock Springs Golf Course/Greater Vallejo Recreation District Park
- Solano Bike Trail along the west boundary of the urban open space

Zone A's improvements are extra landscape maintenance related to tree care, additional litter pickup, and related utilities; and maintenance of entry monument and kiosk signs.

General Information

In fiscal Year 1999-2000, to ensure a high level of service for the LMD, the property owners through protest ballot proceeding approved an assessment increase and annual inflationary adjustment.

In fiscal year 2004-2005, formation of benefit Zone A was approved by property owners through a ballot proceeding. This ballot proceeding approved an assessment increase and annual inflationary adjustment applicable to those properties only.

It has been determined that the current maximum assessment rates for the LMD are sufficient to fund the annual maintenance of the LMD improvements. Based on the budget for fiscal year 2018-19 the proposed assessments are less than the authorized maximum assessment rates. Future capital projects planned for FY 2019-20 include design of landscape and irrigation improvements in the west bound lane of Columbus Parkway from Blue Rock Springs Park to Interstate 80 Freeway on-ramp.

LMD BUDGET

The following provides the proposed budgets and assessment rates for fiscal year 2018-19 that are necessary to provide an appropriate level of maintenance for the LMD. The budgets include the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from these budgets and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19. The assessment rates derived from these budgets are less than or equal to the previously approved maximum assessment rate for both Zone A and the Non-Zone A parcels in the LMD.

City of Vallejo			
Northeast Quadrant Landscape Maintenance District			
Fund Number 7711 (#178)			
Estimate of Cost			
	2018-19 Zone	2018-19	2018-19
	A	Non-Zone A	Budget Total
Direct Costs			
Contract Maintenance Costs	\$41,161	\$180,610	\$221,771
Salaries & Benefits	\$14,107	\$114,142	\$128,249
Services & Supplies	\$1,398	\$11,314	\$12,712
Landscape Water	\$30,884	\$135,516	\$166,400
Utilities	\$798	\$3,502	\$4,300
Public Signs (Zone A)	\$0	\$0	\$0
Landscape Rehabilitation / Vandalism	\$4,640	\$20,360	\$25,000
Capital Projects	\$0	\$0	\$0
Total Direct Costs	\$92,988	\$465,444	\$558,432
Administration Costs			
Administration & Overhead	\$5,605	\$45,352	\$50,957
County Administration Fees	\$1,602	\$7,029	\$8,631
Professional Fees	\$850	\$3,732	\$4,582
Total Administration Costs	\$8,057	\$56,113	\$64,170
Collections / (Credits) Applied To Levy			
Total Direct and Administration Costs	\$101,045	\$521,557	\$622,602
Contribution to / (from) Reserve Fund	(\$0)	(\$0)	(\$0)
Contribution to / (from) Rehabilitation Fund	\$64,263	\$206,434	\$270,697
Contribution (from) General Fund / Other Revenue	(\$5,607)	(\$24,605)	(\$30,212)
Balance to Levy	\$159,701	\$703,386	\$863,086
District Statistics			
Total Parcels	336	2165	2501
Total Parcels Levied	291	2043	2334
Total Equivalent Benefit Units	359.52	2448.77	2808.30
Proposed Levy per Benefit Unit	\$444.20	\$287.24	
Maximum Levy per Benefit Unit	\$475.92	\$307.75	
Total Assessment Levy	\$159,700.56	\$703,385.84	\$863,086.40
Fund Balance Information			
Beginning Operating Reserve Fund Balance	\$50,522	\$260,778	\$311,301
Operating Reserve Fund Adjustments	(\$0)	(\$0)	(\$0)
Anticipated Operating Reserve Fund Balance	\$50,522	\$260,778	\$311,301
Beginning Rehabilitation Reserve Fund Balance	\$503,773	\$2,206,142	\$2,709,915
Rehabilitation Reserve Fund Adjustments	\$64,263	\$206,434	\$270,697
Anticipated Rehabilitation Reserve Fund Balance	\$568,036	\$2,412,575	\$2,980,612
Anticipated Total Ending Fund Balance	\$618,559	\$2,673,354	\$3,291,913

SANDPIPER POINT LMD

This LMD is designated as Sandpiper Point Landscape Maintenance District and may be referred to as Sandpiper Point LMD.

- Sandpiper Point LMD was formed in 1981
- The LMD serves a residential neighborhood of 385 parcels located in northwest Vallejo and is fully developed.

BOUNDARIES

The LMD is generally located within the area bounded by Meadows Drive, Catalina Way and the Napa County line.

IMPROVEMENTS

The LMD maintains landscaped areas and weed control zones including approximately 4.5 acres of native and ornamental ground cover, shrubbery and trees; and 2.3 acres of weed controlled open space that are found in the following areas:

- The landscaped strips and medians found within the boundaries of Meadows Drive wetlands on the west, Mini Drive median landscapes on the east and the Catalina Circle Wetlands on the northwest
- Along Meadows Drive, Catalina Circle and Catalina Way
- The median islands of Mini Drive

GENERAL INFORMATION

In fiscal year 1999-2000 the landscape improvement areas to be maintained for this LMD were expanded, resulting in a significant increase to the LMD's overall maintenance costs. Although these new areas of maintenance had a significant negative impact on the financial health of the LMD, initially the additional expenses were offset by use of available reserve funds. Although the LMD still has some reserve funds available to offset these costs, they are no longer sufficient to cover the full annual expenditures for the LMD.

Therefore, it was determined that the maximum assessment rate did not generate sufficient revenues to adequately provide for the improvements. The City conducted proceedings in FY2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was not approved.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-19.

City of Vallejo	
Sandpiper Point Landscape Maintenance District	
Fund Number 7713 (#163)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$18,505
Salaries & Benefits	\$9,725
Services & Supplies	\$964
Landscape Water	\$10,400
Utilities	\$250
Landscape Rehabilitation / Vandalism	\$2,500
Capital Projects	\$0
Total Direct Costs	\$42,344
Administration Costs	
Administration & Overhead	\$3,864
County Administration Fees	\$540
Professional Fees	\$287
Total Administration Costs	\$4,691
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$47,035
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$7,744
Contribution (from) General Fund / Other Revenue	(\$769)
Balance to Levy	\$54,011
District Statistics	
Total Parcels	381
Total Parcels Levied	381
Total Equivalent Benefit Units	381.00
Proposed Levy per Benefit Unit	\$141.76
Maximum Levy per Benefit Unit	\$141.76
Total Assessment Levy	\$54,010.56
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$26,272.55
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$26,272.55
Beginning Rehabilitation Reserve Fund Balance	\$50,625.45
Rehabilitation Reserve Fund Adjustments	\$7,744.45
Anticipated Rehabilitation Reserve Fund Balance	\$58,369.90
Anticipated Total Ending Fund Balance	\$84,642.45

SOUTH VALLEJO BUSINESS PARK LMD

This LMD is designated as South Vallejo Business Park Landscape Maintenance District and may be referred to as South Vallejo Business Park LMD.

- South Vallejo Business Park LMD was formed in 1981
- The LMD is a light industry park that serves nine light industry parcels located in southwest Vallejo with eight of the nine parcels being fully developed

BOUNDARIES

The LMD is generally located within the area bounded by Solano Avenue, Fifth Street Avenue, Sonoma Boulevard, and the railroad tracks in the area.

IMPROVEMENTS

The LMD maintains parkway landscape areas adjacent to the properties within the LMD totaling approximately 2 acres of grass area with trees; and 0.5 acre of ornamental ground cover and shrubbery with trees.

GENERAL INFORMATION

In recent years, property owners within the LMD contacted the City regarding ways to reduce maintenance costs including reductions in irrigation. The City agreed to assist with this reduction by providing for water conservation practices in the maintenance contract. However, it has been determined that further reductions could only be achieved by:

- Eliminating the grassy mounding areas and/or removing trees from the turf planting areas and restricted them to stand-alone landscape plots; or
- Removing the landscaped areas from Corporate Place to Sonoma Boulevard at the time the empty lot along Sonoma Boulevard is developed.

A financial analysis of the LMD and the improvements indicated that the maximum assessment rate did not generate sufficient revenues to adequately provide for the improvements. The City conducted proceedings in FY2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was approved.

LMD BUDGET

The following provides the proposed budget and increased maximum assessment rate for fiscal year 2018-19 that is necessary to provide an appropriate level of maintenance for the LMD. The budget includes the City's estimate of anticipated expenditures, revenues and fund balances required for the annual maintenance and operation of the improvements. The assessment rate derived from this budget and the established method of apportionment shall be used to calculate each parcel's assessments for fiscal year 2018-19.

City of Vallejo	
South Vallejo Business Park Landscape Maintenance District	
Fund Number 7710 (#162)	
Estimate of Cost	
Maintenance Costs	2018-19 Budget
Contract Maintenance Costs	\$13,898
Salaries & Benefits	\$20,481
Services & Supplies	\$2,030
Landscape Water	\$41,600
Utilities	\$1,170
Landscape Rehabilitation / Vandalism	\$10,000
Capital Projects	\$0
Total Direct Costs	\$89,179
Administration Costs	
Administration & Overhead	\$8,138
County Administration Fees	\$1,230
Professional Fees	\$653
Total Administration Costs	\$10,021
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$99,200
Contribution to / (from) Reserve Fund	(\$0)
Contribution to / (from) Rehabilitation Fund	\$26,664
Contribution (from) General Fund / Other Revenue	(\$2,834)
Balance to Levy	\$123,031
District Statistics	
Total Parcels	9
Total Parcels Levied	9
Total Equivalent Benefit Units	37.43
Proposed Levy per Benefit Unit	\$3,286.60
Maximum Levy per Benefit Unit	\$3,627.01
Total Assessment Levy	\$123,030.58
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$49,600.15
Operating Reserve Fund Adjustments	(\$0.00)
Anticipated Operating Reserve Fund Balance	\$49,600.15
Beginning Rehabilitation Reserve Fund Balance	\$233,800.85
Rehabilitation Reserve Fund Adjustments	\$26,664.28
Anticipated Rehabilitation Reserve Fund Balance	\$260,465.13
Anticipated Total Ending Fund Balance	\$310,065.28

TOWN AND COUNTRY II THROUGH V LMD

This LMD is designated as Town & Country II-V Landscape Maintenance District and may be referred to as Town & Country II-V LMD.

- Town & Country II-V LMD was formed in 1986
- The LMD serves a residential neighborhood of 336 parcels located in northeast Vallejo and is fully developed with no expected change in Equivalent Benefit Units (EBU)

BOUNDARIES

The LMD is generally located within the area bounded by State Highway 37, Whitney Avenue, Serpentine Drive and Opal Drive.

IMPROVEMENTS

The LMD maintains landscaped areas and weed control zones that include approximately 3 acres of native and ornamental ground cover, shrubbery and trees on the various slopes within the LMD including:

- The slopes between the residences of Whitney Avenue and Basalt Drive
- The slope behind residences of College Avenue and Olympic Drive including the access area from Quartz Drive

GENERAL INFORMATION

A financial analysis of the LMD and the improvements indicates that the current maximum assessment rate does not generate sufficient revenues to adequately provide for the improvements. The City conducted a proceeding in FY2008-2009 to ballot the property owners within the LMD for an increased assessment and an annual inflationary adjustment commencing in fiscal year 2008-2009 which was not approved.

LMD BUDGET

The following provides the budget and maximum assessment rate for fiscal year 2018-2019.

City of Vallejo	
Town and Country II-V Landscape Maintenance District	
Fund Number 7712 (#184)	
Estimate of Cost	
Direct Costs	2018-19 Budget
Contract Maintenance Costs	\$5,311
Salaries & Benefits	\$2,553
Services & Supplies	\$253
Landscape Water	\$0
Utilities	\$0
Landscape Rehabilitation / Vandalism	\$3,000
Capital Projects	\$0
Total Direct Costs	\$11,117
Administration Costs	
Administration & Overhead	\$1,014
County Administration Fees	\$233
Professional Fees	\$124
Total Administration Costs	\$1,371
Collections / (Credits) Applied To Levy	
Total Direct and Administration Costs	\$12,488
Contribution to / (from) Reserve Fund	\$0
Contribution to / (from) Rehabilitation Fund	\$11,681
Contribution (from) General Fund / Other Revenue	(\$840)
Balance to Levy	\$23,329
District Statistics	
Total Parcels	336
Total Parcels Levied	331
Total Equivalent Benefit Units	331.00
Proposed Levy per Benefit Unit	\$70.48
Maximum Levy per Benefit Unit	\$70.48
Total Assessment Levy	\$23,328.88
Fund Balance Information	
Beginning Operating Reserve Fund Balance	\$6,244.14
Operating Reserve Fund Adjustments	\$0.00
Anticipated Operating Reserve Fund Balance	\$6,244.14
Beginning Rehabilitation Reserve Fund Balance	\$77,755.86
Rehabilitation Reserve Fund Adjustments	\$11,680.59
Anticipated Rehabilitation Reserve Fund Balance	\$89,436.45
Anticipated Total Ending Fund Balance	\$95,680.59

Budget Definitions

The following provides a summary of the services and costs that are included in the LMD Budgets:

DIRECT COST:

Contract Maintenance Costs — Includes all contracted labor, material and equipment required to properly maintain the landscaping, irrigation systems, drainage systems, trail systems, fencing, natural drainage areas, open spaces, and related facilities within the LMD.

Salaries & Benefits — Staff time devoted to managing and inspecting Districts. The Public Works LMD reimbursement is proportionally spread amongst twenty-seven (27) Districts based on each District's budgeted direct and maintenance expense, inspections as a percentage of total costs in these categories for all Districts. Inspection costs are budgeted directly to the District as Field Inspection based on the historical and projected time spent in the inspection efforts.

Services & Supplies - Vehicles, supplies and services devoted to managing and inspecting Districts.

Landscape Water — Includes the cost of the furnishing of water required for the maintenance of the landscaping.

Utilities — Includes the cost of the furnishing of electricity required for the irrigation systems and hardwire telephone connections at upgraded irrigation controllers, monitored by City Staff.

Landscape Rehabilitation / Vandalism — Includes repairs to the improvements in the LMD that are not normally included in the yearly Landscape Maintenance costs. This may include repairs or replacement of damaged improvements or facilities that may be the result of vandalism, storms, frost, natural occurrences, etc., including graffiti abatement.

Landscape Rehabilitation includes annual funding for planned landscape projects, which will significantly benefit and upgrade a specific LMD and are considered above normal routine landscape maintenance work.

Capital Projects – This item includes major repairs or capital improvement projects.

ADMINISTRATION EXPENSES:

Administration & Overhead — The cost allocation of all particular departments and staff of the City, for providing general support, services and operations related to the various districts, enterprises and accounts of the City.

County Administration Fee — This is the estimated cost to the LMD for the County to collect LMD assessments on the property tax bills. This charge is based on a flat rate per fund number plus a charge per assessment levied.

Professional Fees — This is the estimated cost to the District for the Assessment Engineer to prepare this report and to calculate and submit the assessments to the Solano County Auditor's office.

COLLECTIONS/ (CREDITS) APPLIED:

Fund Balance Collection — The 1972 Act provides for a LMD to fund an Operating Reserve Fund as well as the collection of funds in installments for specific projects. This budget item identifies funds collected or transferred from these two LMD Fund Balances:

- Operating Reserve Fund provides for the collection of funds to operate the LMD from the time period of July 1 (beginning of the Fiscal Year) through December 10 or when the County provides the City with the first installment of assessments collected from the property tax bills (typically January or February).
- Rehabilitation Funds may be collected to cover the cost of repairs that are outlined in either a defined project plan or periodic maintenance costs not normally included in the yearly maintenance contract costs, including the costs associated with upgrades, repairs, replacements or refurbishing of the improvements. These amounts may be budgeted and spent each fiscal year, or collected in installments and held in the Rehabilitation Reserve Fund for a large improvement projects.

Other Revenues/General Fund (Contributions) — This item includes additional funds designated for the LMD that are not annual assessments. These funds are added to the LMD account to reduce assessments (contributions are shown as a negative amount), and may be from non-LMD or LMD sources including City General Fund Contributions for general benefit costs and/or interest earnings. This item may also include the repayment of funds previously loaned to the LMD from other sources (a positive amount) to be collected as part of the annual assessments.

BALANCE TO LEVY:

The Balance to Levy — The total amount to be collected for the current fiscal year through assessments (for special benefits). The Balance to Levy represents the sum of Total Direct Cost Budget, Administration Budget; and Collections (Credits) Applied. Only those costs related to the improvements identified as special benefits are levied and collected on the tax roll. This amount divided by the "Total Equivalent Benefit Units" for the LMD determines the proposed assessment rate for the fiscal year.

METHOD OF APPORTIONMENT

METHOD OF APPORTIONMENT

This section of the Engineer's Report explains the special and general benefits to be derived from the installation, maintenance and servicing of Improvements located throughout the LMDs, and the methodology used to apportion the total assessment to properties within the LMDs.

The LMDs consists of Assessor Parcels within the boundaries of the City of Vallejo as defined by the County of Solano tax code areas. The parcels include all privately or publicly owned parcels within said boundaries. The method used for apportioning the assessments is based upon the proportional special benefits to be derived by the properties in the LMDs over and above general benefits conferred on real property or to the public at large. The apportionment of special benefit is a two-step process: the first step is to identify the types of special benefit arising from the improvements, and the second step is to allocate the assessments to property based on the estimated relative special benefit for each type of property.

DISCUSSION OF BENEFIT

In summary, the assessments can only be levied based on the special benefit to property. This benefit is received by property over and above any general benefits. With reference to the requirements for assessments, Section 22573 of the Landscaping and Lighting Act of 1972 states:

"The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements."

Proposition 218, which added Article XIID of the California Constitution, provides as follows:

"No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel."

Benefit categories have been established that represent the types of special benefit to residential, commercial, industrial and other lots and parcels resulting from the installation, maintenance and servicing lighting and landscaping improvements to be provided with the assessment proceeds. These categories of special benefit are summarized as follows:

A. PROXIMITY TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE LANDSCAPE MAINTENANCE DISTRICTS.

B. ACCESS TO IMPROVED LANDSCAPED AREAS AND OTHER PUBLIC IMPROVEMENTS WITHIN THE LANDSCAPE MAINTENANCE DISTRICTS.

C. IMPROVED VIEWS WITHIN THE LANDSCAPE MAINTENANCE DISTRICTS.

D. EXTENSION OF A PROPERTY'S OUTDOOR AREAS AND GREEN SPACES FOR PROPERTIES WITHIN CLOSE PROXIMITY TO THE IMPROVEMENTS.

E. CREATION OF INDIVIDUAL LOTS FOR RESIDENTIAL AND COMMERCIAL USE THAT, IN ABSENCE OF THE ASSESSMENTS, WOULD NOT HAVE BEEN CREATED.

Case law interpreting Proposition 218 provides enhanced clarity to the definitions of special benefits to properties in three distinct areas:

- Proximity
- Expanded or improved access
- Views

This case law also clarifies that a special benefit is a service or improvement that provides a direct advantage to a parcel and that indirect or derivative advantages resulting from the overall public benefits from a service or improvement are general benefits. The case law also provides specific guidance that park improvements are a direct advantage and special benefit to property that is proximate to a park that is improved by an assessment:

The characterization of a benefit may depend on whether the parcel receives a direct advantage from the improvement (e.g. proximity to a park) or receives an indirect, derivative advantage resulting from the overall public benefits of the improvement (e.g. general enhancement of the district's property values).

Proximity, improved access and views, in addition to the other special benefits listed above further strengthen the basis of these assessments.

Special Benefits from the Original Engineer's Report

The improvements provided within the various LMDs may include, but is not limited to landscaped medians, parkways, entryways, slopes, parks, open-space areas and appurtenant facilities. The annual assessments outlined in this Report are based on the estimated costs to provide all necessary service, operation, administration, and maintenance required each year to keep these improvements in a healthy, vigorous, and satisfactory condition and benefit the properties. The special benefits associated with the landscape improvements and facilities are specifically:

- Enhanced desirability of properties through association with the improvements.

- Improved aesthetic appeal of properties within the LMDs providing a positive representation of the area.
- Environmental enhancement through improved erosion resistance, and dust and debris control.
- Increased sense of pride in ownership of property within the LMD resulting from well-maintained improvements associated with the properties.
- Reduced criminal activity and property-related crimes (especially vandalism) against properties in the LMD through well-maintained surroundings and amenities including abatement of graffiti and vandalism.
- Enhanced environmental quality of the parcels within the LMDs by moderating temperatures, providing oxygenation and attenuating noise.
- An enhanced sense of pride within the neighborhoods and communities and increased business opportunities as a result of enhanced surroundings and community pride.
- Enhanced adaptation of the urban environment within the natural environment and improved aesthetic value of the neighborhood and properties within the LMDs by establishing green space and recreational areas for increased social opportunities and activities that help to strengthen family value and reduce ethnic and social tensions.
- Enhanced quality of life through well-maintained green space and landscaped areas.

In addition to many of the special benefits associated with landscape amenities, local parkland and recreational facilities provide the further benefits of:

- Increased neighborhood involvement and interaction.
- Health, social and self-improvement benefits derived from utilizing the facilities.
- Promotes a positive atmosphere and recreational opportunities for the youth in the neighborhood that encourages physical activity, group participation and character building.
- Increased social opportunities and active involvement for senior citizens.
- Family and group activities that help to strengthen family value and reduce ethnic and social tensions.
- The esthetic value of green space and recreational areas within the urban environment.

The preceding special benefits contribute to the overall aesthetic value, security and desirability of each of the assessed parcels and thereby provide a special enhancement to those properties. Furthermore, it has been determined that the lack of funding to properly service and maintain the improvements would likely have a direct negative impact on those properties.

GENERAL VERSUS SPECIAL BENEFIT

In absence of the assessments, the Improvements in the LMDs would not be provided, so the Improvements are “over and above” what otherwise would be provided. Many of the parcels would not even exist if the assessments were not established because an assessment for the specific Improvements within the LMDs was a condition of development approval.

All of the Assessment proceeds derived from the LMDs will be utilized to fund the cost of providing a level of tangible “special benefits” in the form of landscaped parkways, landscaped medians, landscaped corridors, trail systems, park facilities, other Improvements and costs incidental to providing the Improvements and collecting the Assessments.

Although these Improvements may be available to the general public at large, the permanent public Improvements in the LMDs were specifically designed, located and created to provide additional and improved public resources for the direct advantage of property inside the LMDs, and not the public at large. Other properties that are either outside the LMDs or within the LMDs and not assessed, do not enjoy the unique proximity, access, views and other special benefit factors described previously. Moreover, the homes in the LMDs would not have been built if the Assessments were not established because an assessment for the Improvements was a condition of development approval.

BENEFIT FINDING

In summary, real property located within the boundaries of the LMDs distinctly and directly benefits from closer proximity, access and views of Improvements funded by the Assessments, the creation of developable parcels and the extension of usable land area provided by the assessments. The Improvements are specifically designed to serve properties in the LMDs, not other properties or the public at large. The LMDs have been narrowly drawn to include those parcels that receive a direct advantage from the Improvements. The public at large and other properties outside the LMDs receive only limited benefits from the Improvements because they do not have proximity, good access or views of the Improvements. These are special benefits to property in the LMDs in much the same way that sewer and water facilities, sidewalks and paved streets enhance the utility and desirability of property and make them more functional to use, safer and easier to access.

Without the Assessments, the public improvements within the LMDs would not be maintained and would turn into brown, unmaintained and unusable public improvements and public lands. If this happened, it would create a significant and material negative impact on the desirability, utility and value of property in the LMDs. Most importantly, without the Assessments, the developed properties would not exist, because the subdivisions and development proposals would not have been approved. The Improvements are, therefore, clearly above what otherwise would be provided and the Improvements uniquely and specially benefit parcels in the LMDs in a way that is not enjoyed by the general public or other property. We therefore conclude that all the Improvements funded by the Assessment

are of special benefit to the identified benefiting properties located within the LMDs and that the value of the special benefits from such Improvements to property in the LMDs reasonably exceeds the cost of the Assessments for every assessed parcel in the LMDs. (In other words, as required by Proposition 218; the reasonable cost of the proportional special benefit conferred on each parcel reasonably exceeds the cost of the assessments.) Any general benefits to surrounding properties outside of the LMDs, if there were any, are collateral and conferred concomitantly.

General benefit is identified as that benefit received by properties outside of the LMD. General benefit cannot be assessed to property within the LMD boundary.

Prior to the Bordonni Ranch development, there was a 6.74 acre park located on the south side of Regents Park Drive just east of Columbus Parkway. This park had very few amenities and consisted primarily of grass, trees and sidewalks and was maintained by the GVRD. In anticipation of the increased demand to be placed on the park by the new developments, the previous park was demolished and is going to be completely reconstructed and enhanced.

Once the enhanced park is completed, the City and the GVRD will continue to provide applicable maintenance services as agreed upon, which will contribute approximately 50% of the cost for the maintenance of the park, in proportion to the estimated general benefit that the park provides to the neighboring communities at large. It is reasonable to assume that the park maintenance costs above the contribution made by the City and the GVRD approximately represent the special benefit to the properties within the LMD. This assignment of special benefit to the properties within the LMD is reasonable given that the reconstruction and enhancement of the park was desired and needed due to the anticipated development of properties within the LMD.

When the Northeast Quadrant LMD was established, it was determined that a portion of the Columbus Parkway improvements within the LMD is considered general benefit. The City will contribute each year towards the landscape maintenance costs, water costs and associated administrative expenses for this particular improvement area. In compliance with the California Constitution Article XIIIID the annual budget includes a contribution identified as "Other Revenues/General Fund (Contribution)", which represents the costs identified as general benefit.

The original determination of benefits to property and the method of special benefit apportionment to property were developed by Willdan Financial Services when the LMDs were originally approved by property owners as noted in the Description of LMDs section of this Report. The description of benefits and the determination and apportionment of benefits to property in this Report are consistent with the original benefit determination and apportionment. The original method of apportionment of assessment and other relevant elements of the original Engineer's Reports for the LMDs are hereby incorporated by reference.

Quantification of General Benefit

Although the analysis used to support these assessments concludes that the benefits are solely special, as described above, consideration is made for the suggestion that a portion of the benefits are general. General benefits cannot be funded by these assessments - the funding must come from other sources.

The maintenance and servicing of these improvements is also partially funded, directly and indirectly from other sources including the City of Vallejo, Solano County and the State of California. This funding comes in the form of grants, development fees, special programs, and general funds, as well as direct maintenance and servicing of facilities (e.g. curbs, gutters and streets, etc.) This funding from other sources more than compensates for general benefits, if any, received by the properties within the assessments district.

The General Benefits from these Assessments may be quantified as illustrated in the following table.

Benefit Factor	Relative Weight	General Benefit Contribution	Relative General Benefit
Creation of parcels	90	0%	0
Extension of recreation area	2.5	10%	0.25
Proximity to improved parks and landscaped areas	2.5	10%	0.25
Access to improved parks, open space and landscaped areas	2.5	10%	0.25
Improved views	2.5	10%	0.25
	100		1
Total Calculated General Benefit =			1.0%

As a result, City of Vallejo will contribute at least 1% of the total budget from sources other than the assessment. This contribution offsets any general benefits from the assessment services.

This general benefit contribution is the sum of the following components:

The City of Vallejo owns, maintains, rehabilitates and replaces curb and gutter along the border of the Districts improvements. This curb and gutter serves to support, contain, retain, manage irrigation flow and growth, and provide a boundary for the improvements. The contribution from the City of Vallejo towards general benefit from the maintenance, rehabilitation and replacement of the curb and gutter is conservatively estimated to be 1%.

The City of Vallejo owns and maintains local public streets along the border of the Districts improvements. These public streets provide access to the improvements for its enjoyment as well as efficient maintenance. The contribution from the City of Vallejo towards general benefit from the maintenance of local public streets is conservatively estimated to be 1%.

The value of the construction of the improvements can be quantified and monetized as an annuity. Since this construction was performed and paid for by non-assessment funds, this

“annuity” can be used to offset general benefit costs, and is conservatively estimated to contribute 25%, with the exception of Glen Cove III 2015 LMD which was calculated to contribute 5%.

Therefore, the total General Benefit is conservatively quantified at 1% which is more than offset by the total non-assessment contribution towards general benefit of 27%, with the exception of Glen Cove III 2015 LMD which is offset by the total non-assessment contribution towards general benefit of 7%.

METHOD OF ASSESSMENT

The method of apportionment for the LMDs calculates the receipt of special benefit from the respective improvements based on the actual or proposed land use of the parcels within the LMDs. The net amount to be assessed upon parcels within the LMDs is apportioned by a formula and method that fairly distributes the net amount to be assessed among all assessable parcels in proportion to the special benefits to be received by each parcel from the improvements. Additionally, in compliance with Article XIID Section 4 of the State Constitution each parcel’s assessment does not exceed the reasonable cost of the proportional special benefit conferred to that parcel. The benefit formula used to determine the assessment obligation is therefore based upon both the improvements that benefit the parcels within the LMDs as well as the proposed land use of each property as compared to other parcels that benefit from those specific improvements.

EQUIVALENT BENEFIT UNITS

The special benefits received by each parcel within the LMDs and each parcel’s proportional annual assessment is calculated on the basis of a formula known as Equivalent Benefit Units. The Equivalent Benefit Unit (EBU) method of apportionment establishes a proportional benefit relationship between the various parcels within the LMDs and the improvements provided by the LMDs. The EBU assigned to each parcel utilizes a set formula and proportional weighting factors based on the land use, size and development status of each parcel within the LMDs compared to other parcels within the LMDs.

EQUIVALENT BENEFIT UNIT APPLICATION BY LAND USE

LAND USE DESIGNATION	EBU APPLICATION
Single Family Residence	One (1.0) Benefit Unit per Unit
Vacant Residential Zoned	Four-Tenths (0.4) Benefit Unit per Acre
Multi Family Residence	Seven-Tenths (0.7) Benefit Unit per Unit

EQUIVALENT BENEFIT UNIT APPLICATION BY LAND USE (CONTINUED)

LAND USE DESIGNATION	EBU APPLICATION
Planned-Residential Development <i>(Has received tentative or final map approval)</i>	One (1.0) Benefit Unit per Planned Single-Family Unit, Seven-Tenths (0.7) Benefit Unit per Multi-Family Unit
Commercial Use	Three (3.0) Benefit Units per Acre

Vacant Commercial Zoned	Four-Tenths (0.4) Benefit Unit per Acre
Industrial Use	Three (3.0) Benefit Units per Acre
Vacant Industrial Zoned	Four-Tenths (0.4) Benefit Unit per Acre
Exempt Properties	Zero (0.0) Benefit Units per Parcel

While all the land use designations shown above are not necessarily applicable in each LMD, each LMD is comprised of one or more of these land uses, and the proportional relationship between those various land uses is still applicable. The benefit formula applied to parcels within each LMD is based on the preceding EBU application. Each parcel's EBU correlates the parcel's special benefit received as compared to the other parcels benefiting from the improvements within that LMD.

EXCEPTIONS

Bordoni Ranch LMD was formed with the following special conditions:

Planned-Residential Development — This land use is defined as any property for which a tentative map has been filed but for which a final tract map has not yet been approved. Properties designated as Planned-Residential Development shall be assessed at 2.0 EBU per acre, but a minimum of 1.00 EBU (parcels less than one acre are assigned 1.0 EBU).

Vacant Residential Zoned — This land use is defined as property that is zoned or planned for residential development, but a development map (tentative or final map) for the property has not yet been approved. Properties designated as Vacant Land shall be assessed at 1.0 EBU per acre, but a minimum of 1.00 EBU (parcels less than one acre are assigned 1.0 EBU).

The following formula is used to calculate each parcel's proportional benefit:

$$\text{Property Type EBU} \times (\text{Acreage/Units/Parcel}) = \text{Parcel's calculated EBU}$$

An assessment amount per EBU ("Rate") for the LMD improvements is established by taking the total cost of the improvements and dividing that amount by the total number of EBUs for parcels benefiting from such improvements.

$$\text{Total Balance to Levy} / \text{Total EBUs} = \text{Levy per EBU ("Rate")}$$

This amount is then applied back to each parcel's individual EBU to determine each parcel's proportionate benefit and assessment obligation.

$$\text{Rate} \times \text{Parcel's EBU} = \text{Parcel's Levy Amount}$$

Glen Cove III 2015 LMD was formed with the following equivalent benefit units for different property types:

LAND USE DESIGNATION	EBU APPLICATION
Single Family Residential	1.0 Benefit Units per Unit
Condominium	0.39 Benefit Units per Unit
Duplex, Triplex, Fourplex	0.45 Benefit Units per Unit

Multi-Family Residential (5+ Units)	0.27 Benefit Units per Unit
Mobile Home on Separate Lot	0.22 Benefit Units per Unit
Commercial and Industrial	0.50 Benefit Units per fifth acre for the first 5 acres 0.50 Benefit Units per each additional acre over 5 acres
Office	1.42 Benefit Units per fifth acre for the first 5 acres 1.42 Benefit Units per each additional acre over 5 acres
Self-Storage of Parking Lot	0.05 Benefit Units per fifth acre for the first 5 acres 0.05 Benefit Units per each additional acre over 5 acres
Golf Course	0.063 Benefit Units per fifth acre for the first 5 acres 0.063 Benefit Units per each additional acre over 5 acres
Vacant / Undeveloped	0.25 Benefit Units per parcel

APPEALS AND INTERPRETATION

Any property owner who feels that the assessment levied on the subject property is in error as a result of incorrect information being used to apply the foregoing method of assessment, may file a written appeal with the Director of Public Works or her or his designee. Any such appeal is limited to correction of an assessment during the then current or, if before July 1, the upcoming fiscal year. Upon the filing of any such appeal, the Director of Public Works or his or her designee will promptly review the appeal and any information provided by the property owner. If the Director of Public Works or her or his designee finds that the assessment should be modified, the appropriate changes shall be made to the assessment roll. If any such changes are approved after the assessment roll has been filed with the County for collection, the Director of Public Works or his or her designee is authorized to refund to the property owner the amount of any approved reduction. Any property owner who disagrees with the decision of the Director of Public Works or her or his designee, may refer their appeal to the City Council of the City of Vallejo and the decision of the City Council of the City of Vallejo shall be final.

INFLATIONARY ADJUSTMENT

BORDONI RANCH LMD

As noted previously, the property owners within the Bordoni Ranch LMD approved an inflationary adjustment in fiscal year 2010-2011 through a ballot proceeding when the LMD was formed. The following paragraph describes the approved inflationary adjustment:

The Maximum Assessment Rate is equal to the (Initial) Zone Maximum Assessment Rate established for fiscal year 2010-2011 adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index (CPI) of “All Urban Consumers” for the San Francisco-Oakland-San Jose Area.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Bordini Ranch LMD fiscal year 2018-2019 is increased by 3.56% which equates to \$601.29 per equivalent benefit unit for Zone 1 and \$413.24 per equivalent benefit unit for Zone 2. The estimate of cost and budget in the Engineer’s Report proposes assessments for fiscal year 2018-2019 at the rate of \$392.99 per equivalent benefit unit for Zone 1 and \$270.33 per equivalent benefit unit for Zone 2, which is the less than the maximum authorized assessment rate.

GLEN COVE III 2015 LMD (LMD 2)

As noted previously, the property owners within the Glen Cove III area approved an inflationary adjustment in fiscal year 2015-2016 through a ballot proceeding when the Glen Cove III LMD 2 was established. The authorized maximum assessment rate is subject to an annual adjustment tied to the Consumer Price Index-U for the San Francisco Bay Area as of December of each succeeding year (the “CPI”). As the amount of the annual increase in the CPI from December 2016 to December 2017 is 2.94%, the maximum authorized assessment rates for fiscal year 2018-19 are 2.94% above the maximum authorized assessment rate for fiscal year 2017-18. Including the authorized annual adjustment, the maximum authorized assessment rates for fiscal year 2018-19 are \$109.95 for properties in Zone A, \$107.76 for properties in Zone B, and \$103.35 for properties in Zone C.

HIGHLANDS – GARTHE RANCH LMD (ZONE B)

As noted previously, the property owners within the Highlands of Garthe Ranch LMD (Zone B) approved an inflationary adjustment in fiscal year 2007-2008 through a ballot proceeding when the LMD / Zone B was established. The following paragraph describes the approved inflationary adjustment:

The Maximum Assessment Rate is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the greater of, three percent (3%) or the annual percentage change in the Consumer Price Index for

All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Garth Ranch LMD Zone B fiscal year 2018-2019 is increased by 3.56% which equates to \$2,223.68 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$2,075.42, which is less than the maximum authorized assessment rate.

NORTHEAST QUADRANT LMD

As noted previously, the property owners within the Northeast Quadrant LMD approved an inflationary adjustment in fiscal year 1999-2000 through a ballot proceeding. The following paragraph describes the approved inflationary adjustment:

The maximum assessment for each fiscal year is increased by the percentage increase from April 1 of the prior year to April 1 of the current year by the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics (BLS) for the Consolidated Metropolitan Statistical Area (CMSA) covering San Francisco-Oakland-San Jose. If the April CPI-U is not available at the time the report is prepared, a similar time period may be used. However, the maximum assessment rate in any fiscal year (for the Non-Zone A properties) shall not exceed \$400 as adjusted by the CPI-U, unless approved by a majority vote of the property owners in the Northeast Quadrant LMD. The Zone A's assessment rate shall not be capped at a particular level in any fiscal year.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Northeast Quadrant LMD fiscal year 2018-2019 is increased by 3.56% which equates to \$475.92 per equivalent benefit unit for Zone A and \$307.75 per equivalent benefit unit for Non-Zone A. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$444.20 per equivalent benefit unit for Zone A and \$287.24 per equivalent benefit unit for Non-Zone A, which is less than the maximum authorized assessment rate.

MARINE WORLD / FAIRGROUNDS LMD

The Maximum Assessment Rate is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the Marine World / Fairgrounds LMD fiscal year 2018-2019 is increased by 3.56% which equates to \$134.20 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$125.26, which is less than the maximum authorized assessment rate.

SOUTH VALLEJO BUSINESS PARK LMD

The Maximum Assessment Rate is equal to the Maximum Assessment Rate established for the previous fiscal year adjusted annually by the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U), as distributed by the Bureau of Labor Statistics for the San Francisco-Oakland-San Jose Area.

The change in the CPI from February 2017 to February 2018 was 3.56%. Therefore, the maximum authorized assessment rate for the South Vallejo Business Park LMD fiscal year 2018-2019 is increased by 3.56% which equates to \$3,627.01 per equivalent benefit unit. The estimate of cost and budget in the Engineer's Report proposes assessments for fiscal year 2018-2019 at the rate of \$3,286.60, which is less than the maximum authorized assessment rate.

ASSESSMENT

WHEREAS, the City of Vallejo City Council directed the undersigned Engineer of Work to prepare and file a report presenting an estimate of costs, a diagram for the LMDs and an assessment of the estimated costs of the improvements upon all assessable parcels within the LMDs, to which Resolution and the description of the Improvements therein contained, reference is hereby made for further particulars;

NOW, THEREFORE, the undersigned, by virtue of the power vested in me under said Act and the order of the City Council of said City of Vallejo, hereby make the following assessment to cover the portion of the estimated cost of the improvements, and the costs and expenses incidental thereto to be paid by the LMDs.

As required by the Act, an Assessment Diagram is hereto attached and made a part hereof showing the exterior boundaries of said LMDs. The distinctive number of each parcel or lot of land in the LMDs is its Assessor Parcel Number appearing on the Assessment Roll.

I do hereby assess and apportion the net amount of the cost and expenses of the improvements, including the costs and expenses incident thereto, upon the parcels and lots of land within the LMDs, in accordance with the special benefits to be received by each parcel or lot, from the improvements, and more particularly set forth in the Cost Estimate and Method of Assessment hereto attached and by reference made a part hereof.

The assessment is made upon the parcels or lots of land within the LMDs in proportion to the special benefits to be received by the parcels or lots of land, from the improvements.

Each parcel or lot of land is described in the Assessment Roll by reference to its parcel number as shown on the Assessor's Maps of the County of Solano for the fiscal year 2018-2019. For a more particular description of the property, reference is hereby made to the deeds and maps on file and of record in the office of the County Recorder of the County.

I hereby place opposite the Assessor Parcel Number for each parcel or lot within the Assessment Roll, the amount of the assessment for the fiscal year 2018-2019 for each parcel or lot of land within the LMDs.

Dated: April 10, 2018



Engineer of Work

A handwritten signature in blue ink that reads "John W. Bliss". The signature is written in a cursive style and is positioned above a horizontal line.

By _____
John W. Bliss, License No. C052091

APPENDIX A - 2018-2019 ASSESSMENT ROLL

An Assessment Roll (a listing of all parcels assessed within the LMDs and the amount of the assessment) will be filed with the City Clerk and is, by reference, made part of this report and is available for public inspection during normal office hours.

Each lot or parcel listed on the Assessment Roll is shown and illustrated on the latest County Assessor records and these records are, by reference made part of this report. These records shall govern for all details concerning the description of the lots or parcels.

APPENDIX B - ASSESSMENT DIAGRAM

Assessment Diagrams for the LMDs have been prepared and are on file with the City. Reference is hereby made to such Diagrams, and they are incorporated herein by reference.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Andrew J. Bidou, Chief of Police
Gregory Taylor, Chief Information Officer
SUBJECT: PURCHASE OF SEVEN 9-1-1 DISPATCH CONSOLES UNDER HGAC PRICING

RECOMMENDATION

Authorize the City Manager to purchase seven 9-1-1 dispatch radio consoles in an amount not to exceed \$550,000.

REASONS FOR RECOMMENDATION

The City of Vallejo must replace its current outdated and unsupported 9-1-1 dispatch radio consoles and backroom communications equipment. The equipment is essential for the radio communication between dispatch operators, police officers, firefighters and other emergency personnel. Without approval of new consoles, the 9-1-1 dispatch radio system will lose long-term maintenance support and risk failure.

The purchase of these consoles will help ensure the City of Vallejo's Dispatch Center has reliable radio communications between public safety units and other emergency personnel throughout Solano County.

BACKGROUND AND DISCUSSION

The City of Vallejo public safety radio system is a network of radio communications equipment that supports the City's fire, police, and medical services. The radio system provides two-way voice radio communications capability for emergency and routine business purposes throughout the City of Vallejo and neighboring areas.

As of December 2017, a key component of the City's public safety radio system, the Motorola Gold Elite Dispatch Consoles, reached end of life support. The City must upgrade their public safety radio dispatch consoles to ensure optimal communications performance and long-term maintenance and support.

The new Motorola MCC7500 Dispatch Consoles are an IP high-tier radio dispatch console system featuring seamless integration with ASTRO 25 trunking systems and agency partitioning. The implementation will also include a new connection to Solano County's Core which will allow more integrated operations and better mutual aid support between our neighboring cities.

The City of Vallejo's 9-1-1 dispatch consoles and backroom equipment are expected to be transitioned to the new equipment by Fall 2018.

If approved, staff recommends Motorola, Inc., furnish, deliver and install the dispatch consoles and backroom equipment, as an exception to the competitive bidding requirement. Vallejo Municipal Code Section 3.20.090(A)(7) allows for staff to forego competitive bidding for "materials, equipment, and services obtained

through a cooperative or another public agency purchasing agreement so long as it substantially complies with this chapter. This is a purchase from the HGAC-Buy Program, a regional council of governments operating under the laws of the State of Texas, that awards contracts by virtue of a public competitive procurement process in compliance with California State statutes and VMC. HGAC is authorized to contract with eligible entities to perform certain functions including the purchase of goods and services. HGAC has created a cooperative purchasing program that other Government entities may join by executing an Interlocal Contract. The City of Vallejo executed an Interlocal Contract in 2015. Member agencies of the HGAC may purchase equipment from official contract holders of HGAC. The HGAC program operates similarly to the California cooperative purchasing program known as the California Multiple Award Schedules (CMAS) program. There is no cost to participate in the HGAC-Buy program.

FISCAL IMPACT

The purchase of the dispatch console equipment will be accomplished with a combination of Measure B and General Fund monies which are located in the project PB0401. During Cycle 4 of the City's Participatory Budgeting, participants voted to allocate \$400,000 to fund this purchase through the project *9-1-1 Emergency Call Center Equipment*. The remaining \$150,000 was transferred into the project as part of the Fiscal Year 2017-18 General Fund mid-year budget adjustments as approved by council on April 24, 2018.

There is no additional fiscal impact on the General Fund associated with this action, as all necessary funds have been authorized through prior City Council actions.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	H-GAC MOTOROLA
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CONTACT

Gregory Taylor, Chief Information Officer, (707) 648-4468
gregory.taylor@cityofvallejo.net

CONTRACTUAL DOCUMENTATION

This Proposal is based upon the master purchasing agreement executed by the Houston-Galveston Area Council of Governments ("H-GAC") and Motorola Solutions, Inc., for the purchase of Radio Communication/Emergency Response & Mobile Interoperability Equipment, Contract No. RA05-15, dated May 1, 2015 (the "H-GAC Contract"), which is incorporated herein in its entirety by this reference, and the enclosed Communications System Agreement which serves as the "End User Agreement" under Section 6 of the H-GAC Contract.

Communications System Agreement

Motorola Solutions, Inc. ("Motorola") and the Vallejo Police Department ("Customer") enter into this "Agreement," pursuant to which Customer will purchase and Motorola will sell the System, as described below. Motorola and Customer may be referred to individually as a "Party" and collectively as the "Parties." For good and valuable consideration, the Parties agree as follows:

Section 1 EXHIBITS

The exhibits listed below are incorporated into and made a part of this Agreement. In interpreting this Agreement and resolving any ambiguities, the main body of this Agreement takes precedence over the exhibits and any inconsistency between Exhibits A through E will be resolved in their listed order.

- Exhibit A Motorola "Software License Agreement"
- Exhibit B "Payment Schedule"
- Exhibit C "Technical and Implementation Documents"
- C-1 "System Description" dated May 8, 2018
- C-2 "Equipment List" dated May 8, 2018
- C-3 "Statement of Work" dated May 8, 2018
- C-4 "Acceptance Test Plan" or "ATP" dated May 8, 2018
- Exhibit D Service Statement(s) of Work and "Service Terms and Conditions" (if applicable)
- Exhibit E "System Acceptance Certificate"

Section 2 DEFINITIONS

Capitalized terms used in this Agreement have the following meanings:

- 2.1. "Acceptance Tests" means those tests described in the Acceptance Test Plan.
- 2.2. "Beneficial Use" means when Customer first uses the System or a Subsystem for operational purposes (excluding training or testing).
- 2.3. "Confidential Information" means any information that is disclosed in written, graphic, verbal, or machine-recognizable form, and is marked, designated, or identified at the time of disclosure as being confidential or its equivalent; or if the information is in verbal form, it is identified as confidential at the time of disclosure and is confirmed in writing within thirty (30) days of the disclosure. Confidential Information does not include any information that: is or becomes publicly known through no wrongful act of the receiving Party; is already known to

Vallejo Police Department
Vallejo Police Department Dispatch Console Upgrade Contract to Solano County

May 8, 2018
Use or disclosure of this proposal is subject to the restrictions on the cover page.

Approved as to form:
By: 
Claudia Quintana
City Attorney

the receiving Party without restriction when it is disclosed; is or becomes, rightfully and without breach of this Agreement, in the receiving Party's possession without any obligation restricting disclosure; is independently developed by the receiving Party without breach of this Agreement; or is explicitly approved for release by written authorization of the disclosing Party.

2.4. "Contract Price" means the price for the System, excluding applicable sales or similar taxes and freight charges.

2.5. "Effective Date" means that date upon which the last Party executes this Agreement.

2.6. "Equipment" means the equipment that Customer purchases from Motorola under this Agreement. Equipment that is part of the System is described in the Equipment List.

2.7. "Force Majeure" means an event, circumstance, or act of a third party that is beyond a Party's reasonable control (e.g., an act of God, an act of the public enemy, an act of a government entity, strikes or other labor disturbances, hurricanes, earthquakes, fires, floods, epidemics, embargoes, war, and riots).

2.8. "Infringement Claim" means a third party claim alleging that the Equipment manufactured by Motorola or the Motorola Software directly infringes a United States patent or copyright.

2.9. "Motorola Software" means Software that Motorola or its affiliated company owns.

2.10. "Non-Motorola Software" means Software that another party owns.

2.11. "Open Source Software" (also called "freeware" or "shareware") means software that has its underlying source code freely available to evaluate, copy, and modify.

2.12. "Proprietary Rights" means the patents, patent applications, inventions, copyrights, trade secrets, trademarks, trade names, mask works, know-how, and other intellectual property rights in and to the Equipment and Software, including those created or produced by Motorola under this Agreement and any corrections, bug fixes, enhancements, updates or modifications to or derivative works from the Software whether made by Motorola or another party.

2.13. "Software" means the Motorola Software and Non-Motorola Software, in object code format that is furnished with the System or Equipment.

2.14. "Specifications" means the functionality and performance requirements that are described in the Technical and Implementation Documents.

2.15. "Subsystem" means a major part of the System that performs specific functions or operations. Subsystems are described in the Technical and Implementation Documents.

2.16. "System" means the Equipment, Software, and incidental hardware and materials that are combined together into an integrated system; the System is described in the Technical and Implementation Documents.

2.17. "System Acceptance" means the Acceptance Tests have been successfully completed.

2.18. "Warranty Period" means one (1) year from the date of System Acceptance or Beneficial Use, whichever occurs first.

Section 3 SCOPE OF AGREEMENT AND TERM

3.1. **SCOPE OF WORK.** Motorola will provide, install and test the System, and perform its other contractual responsibilities, all in accordance with this Agreement. Customer will perform its contractual responsibilities in accordance with this Agreement.

3.2. **CHANGE ORDERS.** Either Party may request changes within the general scope of this Agreement. If a requested change causes an increase or decrease in the cost or time required to perform this Agreement, the Parties will agree to an equitable adjustment of the Contract Price, Performance Schedule, or both, and will reflect the adjustment in a change order. Neither Party is obligated to perform requested changes unless both Parties execute a written change order.

3.3. **TERM.** Unless terminated in accordance with other provisions of this Agreement or extended by mutual agreement of the Parties, the term of this Agreement begins on the Effective Date and continues until the date of Final Project Acceptance or expiration of the Warranty Period, whichever occurs last.

3.4. **ADDITIONAL EQUIPMENT OR SOFTWARE.** For three (3) years after the Effective Date, Customer may order additional Equipment or Software if it is then available. Each order must refer to this Agreement and must specify the pricing and delivery terms. Notwithstanding any additional or contrary terms in the order, the applicable provisions of this Agreement (except for pricing, delivery, passage of title and risk of loss to Equipment, warranty commencement, and payment terms) will govern the purchase and sale of the additional Equipment or Software. Title and risk of loss to additional Equipment will pass at shipment, warranty will commence upon delivery, and payment is due within twenty (20) days after the invoice date. Motorola will send Customer an invoice as the additional Equipment is shipped or Software is licensed. Alternatively, Customer may register with and place orders through Motorola Online ("MOL"), and this Agreement will be the "Underlying Agreement" for those MOL transactions rather than the MOL On-Line Terms and Conditions of Sale. MOL registration and other information may be found at <http://www.motorola.com/businessandgovernment/> and the MOL telephone number is (800) 814-0601.

3.5. **MAINTENANCE SERVICE.** During the Warranty Period, in addition to warranty services, Motorola will provide maintenance services for the Equipment and support for the Motorola Software pursuant to the Statement of Work set forth in Exhibit D. Those services and support are included in the Contract Price. If Customer wishes to purchase additional maintenance and support services for the Equipment during the Warranty Period, or any maintenance and support services for the Equipment either during the Warranty Period or after the Warranty Period, the description of and pricing for the services will be set forth in a separate document. If Customer wishes to purchase extended support for the Motorola Software after the Warranty Period, it may do so by ordering software subscription services. Unless otherwise agreed by the parties in writing, the terms and conditions applicable to those maintenance, support or software subscription services will be Motorola's standard Service Terms and Conditions, together with the appropriate statements of work.

3.6. **MOTOROLA SOFTWARE.** Any Motorola Software, including subsequent releases, is licensed to Customer solely in accordance with the Software License Agreement. Customer hereby accepts and agrees to abide by all of the terms and restrictions of the Software License Agreement.

3.7. **NON-MOTOROLA SOFTWARE.** Any Non-Motorola Software is licensed to Customer in accordance with the standard license, terms, and restrictions of the copyright owner on the Effective Date unless the copyright owner has granted to Motorola the right to sublicense the Non-Motorola Software pursuant to the Software License Agreement, in which case it applies and the copyright owner will have all of Licensor's rights and protections under the Software License Agreement. Motorola makes no representations or warranties of any kind regarding Non-Motorola Software. Non-Motorola Software may include Open Source Software. All Open Source Software is licensed to Customer in accordance with, and Customer agrees to abide by, the provisions of the standard license of the copyright owner and not the Software License Agreement. Upon request by Customer, Motorola will use commercially reasonable efforts to determine whether any Open Source Software will be provided under this Agreement; and if so, identify the Open Source Software and provide to Customer a copy of the applicable standard license (or specify where that license may be found); and provide to Customer a copy of the Open Source Software source code if it is publicly available without charge (although a distribution fee or a charge for related services may be applicable).



3.8. **SUBSTITUTIONS.** At no additional cost to Customer, Motorola may substitute any Equipment, Software, or services to be provided by Motorola, if the substitute meets or exceeds the Specifications and is of equivalent or better quality to the Customer. Any substitution will be reflected in a change order.

3.9. **OPTIONAL EQUIPMENT OR SOFTWARE.** This paragraph applies only if a "Priced Options" exhibit is shown in Section 1, or if the parties amend this Agreement to add a Priced Options exhibit. During the term of the option as stated in the Priced Options exhibit (or if no term is stated, then for one (1) year after the Effective Date), Customer has the right and option to purchase the equipment, software, and related services that are described in the Priced Options exhibit. Customer may exercise this option by giving written notice to Seller which must designate what equipment, software, and related services Customer is selecting (including quantities, if applicable). To the extent they apply, the terms and conditions of this Agreement will govern the transaction; however, the parties acknowledge that certain provisions must be agreed upon, and they agree to negotiate those in good faith promptly after Customer delivers the option exercise notice. Examples of provisions that may need to be negotiated are: specific lists of deliverables, statements of work, acceptance test plans, delivery and implementation schedules, payment terms, maintenance and support provisions, additions to or modifications of the Software License Agreement, hosting terms, and modifications to the acceptance and warranty provisions.

Section 4 PERFORMANCE SCHEDULE

The Parties will perform their respective responsibilities in accordance with the Performance Schedule. By executing this Agreement, Customer authorizes Motorola to proceed with contract performance.

Section 5 CONTRACT PRICE, PAYMENT AND INVOICING

5.1. **CONTRACT PRICE.** The Contract Price in U.S. dollars is \$533,000.00. If applicable, a pricing summary is included with the Payment Schedule. Motorola has priced the services, Software, and Equipment as an integrated system. A reduction in Software or Equipment quantities, or services, may affect the overall Contract Price, including discounts if applicable.

5.2. **INVOICING AND PAYMENT.** Motorola will submit invoices to Customer according to the Payment Schedule. Except for a payment that is due on the Effective Date, Customer will make payments to Motorola within twenty (20) days after the date of each invoice. Customer will make payments when due in the form of a wire transfer, check, or cashier's check from a U.S. financial institution. Overdue invoices will bear simple interest at the maximum allowable rate. For reference, the Federal Tax Identification Number for Motorola Solutions, Inc. is 36-1115800.

FREIGHT, TITLE, AND RISK OF LOSS. Motorola will pre-pay and add all freight charges to the invoices. Title to the Equipment will pass to Customer upon shipment. Title to Software will not pass to Customer at any time. Risk of loss will pass to Customer upon delivery of the Equipment to the Customer. Motorola will pack and ship all Equipment in accordance with good commercial practices.

INVOICING AND SHIPPING ADDRESSES. Invoices will be sent to the Customer at the following address: Vallejo Police Department, Attn: Financial Management, 111 Amador Street, Vallejo, CA 94590

The city which is the ultimate destination where the Equipment will be delivered to Customer is: Vallejo Police Department, 111 Amador Street, Vallejo, CA 94590

The Equipment will be shipped to the Customer at the following address (insert if this information is known): 111 Amador Street, Vallejo, CA 94590

Customer may change this information by giving written notice to Motorola.



Section 6 SITES AND SITE CONDITIONS

6.1. **ACCESS TO SITES.** In addition to its responsibilities described elsewhere in this Agreement, Customer will provide a designated project manager; all necessary construction and building permits, zoning variances, licenses, and any other approvals that are necessary to develop or use the sites and mounting locations; and access to the work sites or vehicles identified in the Technical and Implementation Documents as reasonably requested by Motorola so that it may perform its duties in accordance with the Performance Schedule and Statement of Work. If the Statement of Work so indicates, Motorola may assist Customer in the local building permit process.

6.2. **SITE CONDITIONS.** Customer will ensure that all work sites it provides will be safe, secure, and in compliance with all applicable industry and OSHA standards. To the extent applicable and unless the Statement of Work states to the contrary, Customer will ensure that these work sites have adequate: physical space; air conditioning and other environmental conditions; adequate and appropriate electrical power outlets, distribution, equipment and connections; and adequate telephone or other communication lines (including modem access and adequate interfacing networking capabilities), all for the installation, use and maintenance of the System. Before installing the Equipment or Software at a work site, Motorola will inspect the work site and advise Customer of any apparent deficiencies or non-conformities with the requirements of this Section. This Agreement is predicated upon normal soil conditions as defined by the version of E.I.A. standard RS-222 in effect on the Effective Date.

6.3. **SITE ISSUES.** If a Party determines that the sites identified in the Technical and Implementation Documents are no longer available or desired, or if subsurface, structural, adverse environmental or latent conditions at any site differ from those indicated in the Technical and Implementation Documents, the Parties will promptly investigate the conditions and will select replacement sites or adjust the installation plans and specifications as necessary. If change in sites or adjustment to the installation plans and specifications causes a change in the cost or time to perform, the Parties will equitably amend the Contract Price, Performance Schedule, or both, by a change order.

Section 7 TRAINING

Any training to be provided by Motorola to Customer will be described in the Statement of Work. Customer will notify Motorola immediately if a date change for a scheduled training program is required. If Motorola incurs additional costs because Customer reschedules a training program less than thirty (30) days before its scheduled start date, Motorola may recover these additional costs.

Section 8 SYSTEM ACCEPTANCE

8.1. **COMMENCEMENT OF ACCEPTANCE TESTING.** Motorola will provide to Customer at least ten (10) days notice before the Acceptance Tests commence. System testing will occur only in accordance with the Acceptance Test Plan.

8.2. **SYSTEM ACCEPTANCE.** System Acceptance will occur upon successful completion of the Acceptance Tests. Upon System Acceptance, the Parties will memorialize this event by promptly executing a System Acceptance Certificate. If the Acceptance Test Plan includes separate tests for individual Subsystems or phases of the System, acceptance of the individual Subsystem or phase will occur upon the successful completion of the Acceptance Tests for the Subsystem or phase, and the Parties will promptly execute an acceptance certificate for the Subsystem or phase. If Customer believes the System has failed the completed Acceptance Tests, Customer will provide to Motorola a written notice that includes the specific details of the failure. If Customer does not provide to Motorola a failure notice within thirty (30) days after completion of the Acceptance Tests, System Acceptance will be deemed to have occurred as of the completion of the Acceptance Tests. Minor omissions or variances in the System that do not materially impair the operation of the System as a whole will not postpone System Acceptance or Subsystem acceptance, but will be corrected according to a mutually agreed schedule.

8.3. **BENEFICIAL USE.** Customer acknowledges that Motorola's ability to perform its implementation and testing responsibilities may be impeded if Customer begins using the System before System Acceptance.



Therefore, Customer will not commence Beneficial Use before System Acceptance without Motorola's prior written authorization, which will not be unreasonably withheld. Motorola is not responsible for System performance deficiencies that occur during unauthorized Beneficial Use. Upon commencement of Beneficial Use, Customer assumes responsibility for the use and operation of the System.

8.4 **FINAL PROJECT ACCEPTANCE.** Final Project Acceptance will occur after System Acceptance when all deliverables and other work have been completed. When Final Project Acceptance occurs, the parties will promptly memorialize this final event by so indicating on the System Acceptance Certificate.

Section 9 REPRESENTATIONS AND WARRANTIES

9.1. **SYSTEM FUNCTIONALITY.** Motorola represents that the System will perform in accordance with the Specifications in all material respects. Upon System Acceptance or Beneficial Use, whichever occurs first, this System functionality representation is fulfilled. Motorola is not responsible for System performance deficiencies that are caused by ancillary equipment not furnished by Motorola which is attached to or used in connection with the System or for reasons or parties beyond Motorola's control, such as natural causes; the construction of a building that adversely affects the microwave path reliability or radio frequency (RF) coverage; the addition of frequencies at System sites that cause RF interference or intermodulation; or Customer changes to load usage or configuration outside the Specifications.

9.2. **EQUIPMENT WARRANTY.** During the Warranty Period, Motorola warrants that the Equipment under normal use and service will be free from material defects in materials and workmanship. If System Acceptance is delayed beyond six (6) months after shipment of the Equipment by events or causes within Customer's control, this warranty expires eighteen (18) months after the shipment of the Equipment.

9.3. **MOTOROLA SOFTWARE WARRANTY.** Unless otherwise stated in the Software License Agreement, during the Warranty Period, Motorola warrants the Motorola Software in accordance with the terms of the Software License Agreement and the provisions of this Section 9 that are applicable to the Motorola Software. If System Acceptance is delayed beyond six (6) months after shipment of the Motorola Software by events or causes within Customer's control, this warranty expires eighteen (18) months after the shipment of the Motorola Software. **TO THE EXTENT, IF ANY, THAT THERE IS A SEPARATE LICENSE AGREEMENT PACKAGED WITH, OR PROVIDED ELECTRONICALLY WITH, A PARTICULAR PRODUCT THAT BECOMES EFFECTIVE ON AN ACT OF ACCEPTANCE BY THE END USER, THEN THAT AGREEMENT SUPERCEDES THIS SOFTWARE LICENSE AGREEMENT AS TO THE END USER OF EACH SUCH PRODUCT.**

9.4. **EXCLUSIONS TO EQUIPMENT AND MOTOROLA SOFTWARE WARRANTIES.** These warranties do not apply to: (i) defects or damage resulting from: use of the Equipment or Motorola Software in other than its normal, customary, and authorized manner; accident, liquids, neglect, or acts of God; testing, maintenance, disassembly, repair, installation, alteration, modification, or adjustment not provided or authorized in writing by Motorola; Customer's failure to comply with all applicable industry and OSHA standards; (ii) breakage of or damage to antennas unless caused directly by defects in material or workmanship; (iii) Equipment that has had the serial number removed or made illegible; (iv) batteries (because they carry their own separate limited warranty) or consumables; (v) freight costs to ship Equipment to the repair depot; (vi) scratches or other cosmetic damage to Equipment surfaces that does not affect the operation of the Equipment; and (vii) normal or customary wear and tear.

9.5. **WARRANTY CLAIMS.** To assert a warranty claim, Customer must notify Motorola in writing of the claim before the expiration of the Warranty Period. Upon receipt of this notice, Motorola will investigate the warranty claim. If this investigation confirms a valid warranty claim, Motorola will (at its option and at no additional charge to Customer) repair the defective Equipment or Motorola Software, replace it with the same or equivalent product, or refund the price of the defective Equipment or Motorola Software. That action will be the full extent of Motorola's liability for the warranty claim. If this investigation indicates the warranty claim is not valid, then Motorola may invoice Customer for responding to the claim on a time and materials basis using Motorola's then current labor rates. Repaired or replaced product is warranted for the balance of the original applicable warranty period. All replaced products or parts will become the property of Motorola.



9.6. ORIGINAL END USER IS COVERED. These express limited warranties are extended by Motorola to the original user purchasing the System for commercial, industrial, or governmental use only, and are not assignable or transferable.

9.7. DISCLAIMER OF OTHER WARRANTIES. THESE WARRANTIES ARE THE COMPLETE WARRANTIES FOR THE EQUIPMENT AND MOTOROLA SOFTWARE PROVIDED UNDER THIS AGREEMENT AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES. MOTOROLA DISCLAIMS ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Section 10 DELAYS

10.1. FORCE MAJEURE. Neither Party will be liable for its non-performance or delayed performance if caused by a Force Majeure. A Party that becomes aware of a Force Majeure that will significantly delay performance will notify the other Party promptly (but in no event later than fifteen days) after it discovers the Force Majeure. If a Force Majeure occurs, the Parties will execute a change order to extend the Performance Schedule for a time period that is reasonable under the circumstances.

10.2. PERFORMANCE SCHEDULE DELAYS CAUSED BY CUSTOMER. If Customer (including its other contractors) delays the Performance Schedule, it will make the promised payments according to the Payment Schedule as if no delay occurred; and the Parties will execute a change order to extend the Performance Schedule and, if requested, compensate Motorola for all reasonable charges incurred because of the delay. Delay charges may include costs incurred by Motorola or its subcontractors for additional freight, warehousing and handling of Equipment; extension of the warranties; travel; suspending and re-mobilizing the work; additional engineering, project management, and standby time calculated at then current rates; and preparing and implementing an alternative implementation plan.

Section 11 DISPUTES

The Parties will use the following procedure to address any dispute arising under this Agreement (a "Dispute").

11.1. GOVERNING LAW. This Agreement will be governed by and construed in accordance with the laws of the State in which the System is installed.

11.2. NEGOTIATION. Either Party may initiate the Dispute resolution procedures by sending a notice of Dispute ("Notice of Dispute"). The Parties will attempt to resolve the Dispute promptly through good faith negotiations including 1) timely escalation of the Dispute to executives who have authority to settle the Dispute and who are at a higher level of management than the persons with direct responsibility for the matter and 2) direct communication between the executives. If the Dispute has not been resolved within ten (10) days from the Notice of Dispute, the Parties will proceed to mediation.

11.3. MEDIATION. The Parties will choose an independent mediator within thirty (30) days of a notice to mediate from either Party ("Notice of Mediation"). Neither Party may unreasonably withhold consent to the selection of a mediator. If the Parties are unable to agree upon a mediator, either Party may request that American Arbitration Association nominate a mediator. Each Party will bear its own costs of mediation, but the Parties will share the cost of the mediator equally. Each Party will participate in the mediation in good faith and will be represented at the mediation by a business executive with authority to settle the Dispute.

11.4. LITIGATION, VENUE and JURISDICTION. If a Dispute remains unresolved for sixty (60) days after receipt of the Notice of Mediation, either Party may then submit the Dispute to a court of competent jurisdiction in the state in which the System is installed. Each Party irrevocably agrees to submit to the exclusive jurisdiction of the courts in such state over any claim or matter arising under or in connection with this Agreement.

11.5. CONFIDENTIALITY. All communications pursuant to subsections 11.2 and 11.3 will be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional



confidentiality protections provided by applicable law. The use of these Dispute resolution procedures will not be construed under the doctrines of laches, waiver or estoppel to affect adversely the rights of either Party.

Section 12 DEFAULT AND TERMINATION

12.1 **DEFAULT BY A PARTY.** If either Party fails to perform a material obligation under this Agreement, the other Party may consider the non-performing Party to be in default (unless a Force Majeure causes the failure) and may assert a default claim by giving the non-performing Party a written and detailed notice of default. Except for a default by Customer for failing to pay any amount when due under this Agreement which must be cured immediately, the defaulting Party will have thirty (30) days after receipt of the notice of default to either cure the default or, if the default is not curable within thirty (30) days, provide a written cure plan. The defaulting Party will begin implementing the cure plan immediately after receipt of notice by the other Party that it approves the plan. If Customer is the defaulting Party, Motorola may stop work on the project until it approves the Customer's cure plan.

12.2. **FAILURE TO CURE.** If a defaulting Party fails to cure the default as provided above in Section 12.1, unless otherwise agreed in writing, the non-defaulting Party may terminate any unfulfilled portion of this Agreement. In the event of termination for default, the defaulting Party will promptly return to the non-defaulting Party any of its Confidential Information. If Customer is the non-defaulting Party, terminates this Agreement as permitted by this Section, and completes the System through a third Party, Customer may as its exclusive remedy recover from Motorola reasonable costs incurred to complete the System to a capability not exceeding that specified in this Agreement less the unpaid portion of the Contract Price. Customer will mitigate damages and provide Motorola with detailed invoices substantiating the charges.

Section 13 INDEMNIFICATION

13.1. **GENERAL INDEMNITY BY MOTOROLA.** Motorola will indemnify and hold Customer harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Customer to the extent it is caused by the negligence of Motorola, its subcontractors, or their employees or agents, while performing their duties under this Agreement, if Customer gives Motorola prompt, written notice of any the claim or suit. Customer will cooperate with Motorola in its defense or settlement of the claim or suit. This section sets forth the full extent of Motorola's general indemnification of Customer from liabilities that are in any way related to Motorola's performance under this Agreement.

13.2. **GENERAL INDEMNITY BY CUSTOMER.** Customer will indemnify and hold Motorola harmless from any and all liability, expense, judgment, suit, cause of action, or demand for personal injury, death, or direct damage to tangible property which may accrue against Motorola to the extent it is caused by the negligence of Customer, its other contractors, or their employees or agents, while performing their duties under this Agreement, if Motorola gives Customer prompt, written notice of any the claim or suit. Motorola will cooperate with Customer in its defense or settlement of the claim or suit. This section sets forth the full extent of Customer's general indemnification of Motorola from liabilities that are in any way related to Customer's performance under this Agreement.

13.3. PATENT AND COPYRIGHT INFRINGEMENT.

13.3.1. Motorola will defend at its expense any suit brought against Customer to the extent it is based on a third-party claim alleging that the Equipment manufactured by Motorola or the Motorola Software ("Product") directly infringes a United States patent or copyright ("Infringement Claim"). Motorola's duties to defend and indemnify are conditioned upon: Customer promptly notifying Motorola in writing of the Infringement Claim; Motorola having sole control of the defense of the suit and all negotiations for its settlement or compromise; and Customer providing to Motorola cooperation and, if requested by Motorola, reasonable assistance in the defense of the Infringement Claim. In addition to Motorola's obligation to defend, and subject to the same conditions, Motorola will pay all damages finally awarded against Customer by a court of competent jurisdiction for an Infringement Claim or agreed to, in writing, by Motorola in settlement of an Infringement Claim.



13.3.2. If an Infringement Claim occurs, or in Motorola's opinion is likely to occur, Motorola may at its option and expense: (a) procure for Customer the right to continue using the Product; (b) replace or modify the Product so that it becomes non-infringing while providing functionally equivalent performance; or (c) accept the return of the Product and grant Customer a credit for the Product, less a reasonable charge for depreciation. The depreciation amount will be calculated based upon generally accepted accounting standards.

13.3.3. Motorola will have no duty to defend or indemnify for any Infringement Claim that is based upon: (a) the combination of the Product with any software, apparatus or device not furnished by Motorola; (b) the use of ancillary equipment or software not furnished by Motorola and that is attached to or used in connection with the Product; (c) Product designed or manufactured in accordance with Customer's designs, specifications, guidelines or instructions, if the alleged infringement would not have occurred without such designs, specifications, guidelines or instructions; (d) a modification of the Product by a party other than Motorola; (e) use of the Product in a manner for which the Product was not designed or that is inconsistent with the terms of this Agreement; or (f) the failure by Customer to install an enhancement release to the Motorola Software that is intended to correct the claimed infringement. In no event will Motorola's liability resulting from its indemnity obligation to Customer extend in any way to royalties payable on a per use basis or the Customer's revenues, or any royalty basis other than a reasonable royalty based upon revenue derived by Motorola from Customer from sales or license of the infringing Product.

13.3.4. This Section 13 provides Customer's sole and exclusive remedies and Motorola's entire liability in the event of an Infringement Claim. Customer has no right to recover and Motorola has no obligation to provide any other or further remedies, whether under another provision of this Agreement or any other legal theory or principle, in connection with an Infringement Claim. In addition, the rights and remedies provided in this Section 13 are subject to and limited by the restrictions set forth in Section 14.

Section 14 LIMITATION OF LIABILITY

Except for personal injury or death, Motorola's total liability, whether for breach of contract, warranty, negligence, strict liability in tort, indemnification, or otherwise, will be limited to the direct damages recoverable under law, but not to exceed the price of the Equipment, Software, or services with respect to which losses or damages are claimed. **ALTHOUGH THE PARTIES ACKNOWLEDGE THE POSSIBILITY OF SUCH LOSSES OR DAMAGES, THEY AGREE THAT MOTOROLA WILL NOT BE LIABLE FOR ANY COMMERCIAL LOSS; INCONVENIENCE; LOSS OF USE, TIME, DATA, GOOD WILL, REVENUES, PROFITS OR SAVINGS; OR OTHER SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES IN ANY WAY RELATED TO OR ARISING FROM THIS AGREEMENT, THE SALE OR USE OF THE EQUIPMENT OR SOFTWARE, OR THE PERFORMANCE OF SERVICES BY MOTOROLA PURSUANT TO THIS AGREEMENT.** This limitation of liability provision survives the expiration or termination of the Agreement and applies notwithstanding any contrary provision. No action for contract breach or otherwise relating to the transactions contemplated by this Agreement may be brought more than one (1) year after the accrual of the cause of action, except for money due upon an open account.

Section 15 CONFIDENTIALITY AND PROPRIETARY RIGHTS

15.1. **CONFIDENTIAL INFORMATION.** During the term of this Agreement, the parties may provide each other with Confidential Information. Each Party will: maintain the confidentiality of the other Party's Confidential Information and not disclose it to any third party, except as authorized by the disclosing Party in writing or as required by a court of competent jurisdiction; restrict disclosure of the Confidential Information to its employees who have a "need to know" and not copy or reproduce the Confidential Information; take necessary and appropriate precautions to guard the confidentiality of the Confidential Information, including informing its employees who handle the Confidential Information that it is confidential and is not to be disclosed to others, but these precautions will be at least the same degree of care that the receiving Party applies to its own confidential information and will not be less than reasonable care; and use the Confidential Information only in furtherance of the performance of this Agreement. Confidential Information is and will at all times remain the property of the disclosing Party, and no grant of any proprietary rights in the Confidential Information is given or intended, including any express or implied license, other than the limited right of the recipient to use the Confidential Information in the manner and to the extent permitted by this Agreement.



15.2. **PRESERVATION OF MOTOROLA'S PROPRIETARY RIGHTS.** Motorola, the third party manufacturer of any Equipment, and the copyright owner of any Non-Motorola Software own and retain all of their respective Proprietary Rights in the Equipment and Software, and nothing in this Agreement is intended to restrict their Proprietary Rights. All intellectual property developed, originated, or prepared by Motorola in connection with providing to Customer the Equipment, Software, or related services remain vested exclusively in Motorola, and this Agreement does not grant to Customer any shared development rights of intellectual property. Except as explicitly provided in the Software License Agreement, Motorola does not grant to Customer, either directly or by implication, estoppel, or otherwise, any right, title or interest in Motorola's Proprietary Rights. Customer will not modify, disassemble, peel components, decompile, otherwise reverse engineer or attempt to reverse engineer, derive source code or create derivative works from, adapt, translate, merge with other software, reproduce, distribute, sublicense, sell or export the Software, or permit or encourage any third party to do so. The preceding sentence does not apply to Open Source Software which is governed by the standard license of the copyright owner.

Section 16 GENERAL

16.1. **TAXES.** The Contract Price does not include any excise, sales, lease, use, property, or other taxes, assessments or duties, all of which will be paid by Customer except as exempt by law. If Motorola is required to pay any of these taxes, Motorola will send an invoice to Customer and Customer will pay to Motorola the amount of the taxes (including any interest and penalties) within twenty (20) days after the date of the invoice. Customer will be solely responsible for reporting the Equipment for personal property tax purposes, and Motorola will be solely responsible for reporting taxes on its income or net worth.

16.2. **ASSIGNABILITY AND SUBCONTRACTING.** Neither Party may assign this Agreement without the prior written consent of the other Party, except that Motorola may assign this Agreement to any of its affiliates or its right to receive payment without the prior consent of Customer. Motorola may subcontract any of the work, but subcontracting will not relieve Motorola of its duties under this Agreement.

16.3. **WAIVER.** Failure or delay by either Party to exercise a right or power under this Agreement will not be a waiver of the right or power. For a waiver of a right or power to be effective, it must be in a writing signed by the waiving Party. An effective waiver of a right or power will not be construed as either a future or continuing waiver of that same right or power, or the waiver of any other right or power.

16.4. **SEVERABILITY.** If a court of competent jurisdiction renders any part of this Agreement invalid or unenforceable, that part will be severed and the remainder of this Agreement will continue in full force and effect.

16.5. **INDEPENDENT CONTRACTORS.** Each Party will perform its duties under this Agreement as an independent contractor. The Parties and their personnel will not be considered to be employees or agents of the other Party. Nothing in this Agreement will be interpreted as granting either Party the right or authority to make commitments of any kind for the other. This Agreement will not constitute, create, or be interpreted as a joint venture, partnership or formal business organization of any kind.

16.6. **HEADINGS AND SECTION REFERENCES.** The section headings in this Agreement are inserted only for convenience and are not to be construed as part of this Agreement or as a limitation of the scope of the particular section to which the heading refers. This Agreement will be fairly interpreted in accordance with its terms and conditions and not for or against either Party.

16.7. **ENTIRE AGREEMENT.** This Agreement, including all Exhibits, constitutes the entire agreement of the Parties regarding the subject matter of the Agreement and supersedes all previous agreements, proposals, and understandings, whether written or oral, relating to this subject matter. This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties. The preprinted terms and conditions found on any Customer purchase order, acknowledgment or other form will not be considered an amendment or modification of this Agreement, even if a representative of each Party signs that document.



16.8. NOTICES. Notices required under this Agreement to be given by one Party to the other must be in writing and either personally delivered or sent to the address shown below by certified mail, return receipt requested and postage prepaid (or by a recognized courier service, such as Federal Express, UPS, or DHL), or by facsimile with correct answerback received, and will be effective upon receipt:

Motorola Solutions, Inc.

Attn: _____

Customer

Attn: Gregory Taylor

555 Santa Clara Street, Vallejo, CA 94590

fax: _____

fax: (707) 649-5406

16.9. COMPLIANCE WITH APPLICABLE LAWS. Each Party will comply with all applicable federal, state, and local laws, regulations and rules concerning the performance of this Agreement or use of the System. Customer will obtain and comply with all Federal Communications Commission ("FCC") licenses and authorizations required for the installation, operation and use of the System before the scheduled installation of the Equipment. Although Motorola might assist Customer in the preparation of its FCC license applications, neither Motorola nor any of its employees is an agent or representative of Customer in FCC or other matters.

16.10. AUTHORITY TO EXECUTE AGREEMENT. Each Party represents that it has obtained all necessary approvals, consents and authorizations to enter into this Agreement and to perform its duties under this Agreement; the person executing this Agreement on its behalf has the authority to do so; upon execution and delivery of this Agreement by the Parties, it is a valid and binding contract, enforceable in accordance with its terms; and the execution, delivery, and performance of this Agreement does not violate any bylaw, charter, regulation, law or any other governing authority of the Party.

16.11. SURVIVAL OF TERMS. The following provisions will survive the expiration or termination of this Agreement for any reason: Section 3.6 (Motorola Software); Section 3.7 (Non-Motorola Software); if any payment obligations exist, Sections 5.1 and 5.2 (Contract Price and Invoicing and Payment); Subsection 9.7 (Disclaimer of Implied Warranties); Section 11 (Disputes); Section 14 (Limitation of Liability); and Section 15 (Confidentiality and Proprietary Rights); and all of the General provisions in Section 16.

The Parties hereby enter into this Agreement as of the Effective Date.

Motorola Solutions, Inc.

Customer

By: _____

By: _____

Name: _____

Name: Greg Nyhoff

Title: _____

Title: City Manager

Date: _____

Date: _____

Exhibit A

SOFTWARE LICENSE AGREEMENT

This Exhibit A Software License Agreement ("Agreement") is between Motorola Solutions, Inc., ("Motorola"), and **Customer** ("Licensee").

For good and valuable consideration, the parties agree as follows:

Section 1 DEFINITIONS

- 1.1 "Designated Products" means products provided by Motorola to Licensee with which or for which the Software and Documentation is licensed for use.
- 1.2 "Documentation" means product and software documentation that specifies technical and performance features and capabilities, and the user, operation and training manuals for the Software (including all physical or electronic media upon which such information is provided).
- 1.3 "Open Source Software" means software with either freely obtainable source code, license for modification, or permission for free distribution.
- 1.4 "Open Source Software License" means the terms or conditions under which the Open Source Software is licensed.
- 1.5 "Primary Agreement" means the agreement to which this exhibit is attached.
- 1.6 "Security Vulnerability" means a flaw or weakness in system security procedures, design, implementation, or internal controls that could be exercised (accidentally triggered or intentionally exploited) and result in a security breach such that data is compromised, manipulated or stolen or the system damaged.
- 1.7 "Software" (i) means proprietary software in object code format, and adaptations, translations, de-compilations, disassemblies, emulations, or derivative works of such software; (ii) means any modifications, enhancements, new versions and new releases of the software provided by Motorola; and (iii) may contain one or more items of software owned by a third party supplier. The term "Software" does not include any third party software provided under separate license or third party software not licensable under the terms of this Agreement.

Section 2 SCOPE

Motorola and Licensee enter into this Agreement in connection with Motorola's delivery of certain proprietary Software or products containing embedded or pre-loaded proprietary Software, or both. This Agreement contains the terms and conditions of the license Motorola is providing to Licensee, and Licensee's use of the Software and Documentation.

Section 3 GRANT OF LICENSE

3.1. Subject to the provisions of this Agreement and the payment of applicable license fees, Motorola grants to Licensee a personal, limited, non-transferable (except as permitted in Section 7) and non-exclusive license under Motorola's copyrights and Confidential Information (as defined in the Primary Agreement) embodied in the Software to use the Software, in object code form, and the Documentation solely in connection with Licensee's use of the Designated Products. This Agreement does not grant any rights to source code.

3.2. If the Software licensed under this Agreement contains or is derived from Open Source Software, the terms and conditions governing the use of such Open Source Software are in the Open Source Software



Licenses of the copyright owner and not this Agreement. If there is a conflict between the terms and conditions of this Agreement and the terms and conditions of the Open Source Software Licenses governing Licensee's use of the Open Source Software, the terms and conditions of the license grant of the applicable Open Source Software Licenses will take precedence over the license grants in this Agreement. If requested by Licensee, Motorola will use commercially reasonable efforts to: (i) determine whether any Open Source Software is provided under this Agreement; (ii) identify the Open Source Software and provide Licensee a copy of the applicable Open Source Software License (or specify where that license may be found); and, (iii) provide Licensee a copy of the Open Source Software source code, without charge, if it is publicly available (although distribution fees may be applicable).

Section 4 LIMITATIONS ON USE

4.1. Licensee may use the Software only for Licensee's internal business purposes and only in accordance with the Documentation. Any other use of the Software is strictly prohibited. Without limiting the general nature of these restrictions, Licensee will not make the Software available for use by third parties on a "time sharing," "application service provider," or "service bureau" basis or for any other similar commercial rental or sharing arrangement.

4.2. Licensee will not, and will not allow or enable any third party to: (i) reverse engineer, disassemble, peel components, decompile, reprogram or otherwise reduce the Software or any portion to a human perceptible form or otherwise attempt to recreate the source code; (ii) modify, adapt, create derivative works of, or merge the Software; (iii) copy, reproduce, distribute, lend, or lease the Software or Documentation to any third party, grant any sublicense or other rights in the Software or Documentation to any third party, or take any action that would cause the Software or Documentation to be placed in the public domain; (iv) remove, or in any way alter or obscure, any copyright notice or other notice of Motorola's proprietary rights; (v) provide, copy, transmit, disclose, divulge or make the Software or Documentation available to, or permit the use of the Software by any third party or on any machine except as expressly authorized by this Agreement; or (vi) use, or permit the use of, the Software in a manner that would result in the production of a copy of the Software solely by activating a machine containing the Software. Licensee may make one copy of Software to be used solely for archival, back-up, or disaster recovery purposes; *provided* that Licensee may not operate that copy of the Software at the same time as the original Software is being operated. Licensee may make as many copies of the Documentation as it may reasonably require for the internal use of the Software.

4.3. Unless otherwise authorized by Motorola in writing, Licensee will not, and will not enable or allow any third party to: (i) install a licensed copy of the Software on more than one unit of a Designated Product; or (ii) copy onto or transfer Software installed in one unit of a Designated Product onto one other device. Licensee may temporarily transfer Software installed on a Designated Product to another device if the Designated Product is inoperable or malfunctioning, if Licensee provides written notice to Motorola of the temporary transfer and identifies the device on which the Software is transferred. Temporary transfer of the Software to another device must be discontinued when the original Designated Product is returned to operation and the Software must be removed from the other device. Licensee must provide prompt written notice to Motorola at the time temporary transfer is discontinued.

4.4. When using Motorola's Radio Service Software ("RSS"), Licensee must purchase a separate license for each location at which Licensee uses RSS. Licensee's use of RSS at a licensed location does not entitle Licensee to use or access RSS remotely. Licensee may make one copy of RSS for each licensed location. Licensee shall provide Motorola with a list of all locations at which Licensee uses or intends to use RSS upon Motorola's request.

4.5. Licensee will maintain, during the term of this Agreement and for a period of two years thereafter, accurate records relating to this license grant to verify compliance with this Agreement. Motorola or an independent third party ("Auditor") may inspect Licensee's premises, books and records, upon reasonable prior notice to Licensee, during Licensee's normal business hours and subject to Licensee's facility and security regulations. Motorola is responsible for the payment of all expenses and costs of the Auditor. Any information obtained by Motorola and the Auditor will be kept in strict confidence by Motorola and the Auditor and used solely for the purpose of verifying Licensee's compliance with the terms of this Agreement.



Section 5 OWNERSHIP AND TITLE

Motorola, its licensors, and its suppliers retain all of their proprietary rights in any form in and to the Software and Documentation, including, but not limited to, all rights in patents, patent applications, inventions, copyrights, trademarks, trade secrets, trade names, and other proprietary rights in or relating to the Software and Documentation (including any corrections, bug fixes, enhancements, updates, modifications, adaptations, translations, de-compilations, disassemblies, emulations to or derivative works from the Software or Documentation, whether made by Motorola or another party, or any improvements that result from Motorola's processes or, provision of information services). No rights are granted to Licensee under this Agreement by implication, estoppel or otherwise, except for those rights which are expressly granted to Licensee in this Agreement. All intellectual property developed, originated, or prepared by Motorola in connection with providing the Software, Designated Products, Documentation or related services, remains vested exclusively in Motorola, and Licensee will not have any shared development or other intellectual property rights.

Section 6 LIMITED WARRANTY; DISCLAIMER OF WARRANTY

6.1. The commencement date and the term of the Software warranty will be a period of ninety (90) days from Motorola's shipment of the Software (the "Warranty Period"). If Licensee is not in breach of any of its obligations under this Agreement, Motorola warrants that the unmodified Software, when used properly and in accordance with the Documentation and this Agreement, will be free from a reproducible defect that eliminates the functionality or successful operation of a feature critical to the primary functionality or successful operation of the Software. Whether a defect occurs will be determined by Motorola solely with reference to the Documentation. Motorola does not warrant that Licensee's use of the Software or the Designated Products will be uninterrupted, error-free, completely free of Security Vulnerabilities, or that the Software or the Designated Products will meet Licensee's particular requirements. Motorola makes no representations or warranties with respect to any third party software included in the Software.

6.2 Motorola's sole obligation to Licensee and Licensee's exclusive remedy under this warranty is to use reasonable efforts to remedy any material Software defect covered by this warranty. These efforts will involve either replacing the media or attempting to correct significant, demonstrable program or documentation errors or Security Vulnerabilities. If Motorola cannot correct the defect within a reasonable time, then at Motorola's option, Motorola will replace the defective Software with functionally-equivalent Software, license to Licensee substitute Software which will accomplish the same objective, or terminate the license and refund the Licensee's paid license fee.

6.3. Warranty claims are described in the Primary Agreement.

6.4. The express warranties set forth in this Section 6 are in lieu of, and Motorola disclaims, any and all other warranties (express or implied, oral or written) with respect to the Software or Documentation, including, without limitation, any and all implied warranties of condition, title, non-infringement, merchantability, or fitness for a particular purpose or use by Licensee (whether or not Motorola knows, has reason to know, has been advised, or is otherwise aware of any such purpose or use), whether arising by law, by reason of custom or usage of trade, or by course of dealing. In addition, Motorola disclaims any warranty to any person other than Licensee with respect to the Software or Documentation.

Section 7 TRANSFERS

Licensee will not transfer the Software or Documentation to any third party without Motorola's prior written consent. Motorola's consent may be withheld at its discretion and may be conditioned upon transferee paying all applicable license fees and agreeing to be bound by this Agreement. If the Designated Products are Motorola's radio products and Licensee transfers ownership of the Motorola radio products to a third party, Licensee may assign its right to use the Software (other than RSS and Motorola's FLASHport® software) which is embedded in or furnished for use with the radio products and the related Documentation; provided that Licensee transfers all copies of the Software and Documentation to the transferee, and Licensee and the transferee sign a transfer form to be provided by Motorola upon request, obligating the transferee to be bound by this Agreement.



Section 8 TERM AND TERMINATION

8.1 Licensee's right to use the Software and Documentation will begin when the Primary Agreement is signed by both parties and will continue for the life of the Designated Products with which or for which the Software and Documentation have been provided by Motorola, unless Licensee breaches this Agreement, in which case this Agreement and Licensee's right to use the Software and Documentation may be terminated immediately upon notice by Motorola.

8.2 Within thirty (30) days after termination of this Agreement, Licensee must certify in writing to Motorola that all copies of the Software have been removed or deleted from the Designated Products and that all copies of the Software and Documentation have been returned to Motorola or destroyed by Licensee and are no longer in use by Licensee.

8.3 Licensee acknowledges that Motorola made a considerable investment of resources in the development, marketing, and distribution of the Software and Documentation and that Licensee's breach of this Agreement will result in irreparable harm to Motorola for which monetary damages would be inadequate. If Licensee breaches this Agreement, Motorola may terminate this Agreement and be entitled to all available remedies at law or in equity (including immediate injunctive relief and repossession of all non-embedded Software and associated Documentation unless Licensee is a Federal agency of the United States Government).

Section 9 UNITED STATES GOVERNMENT LICENSING PROVISIONS

This Section applies if Licensee is the United States Government or a United States Government agency. Licensee's use, duplication or disclosure of the Software and Documentation under Motorola's copyrights or trade secret rights is subject to the restrictions set forth in subparagraphs (c)(1) and (2) of the Commercial Computer Software-Restricted Rights clause at FAR 52.227-19 (JUNE 1987), if applicable, unless they are being provided to the Department of Defense. If the Software and Documentation are being provided to the Department of Defense, Licensee's use, duplication, or disclosure of the Software and Documentation is subject to the restricted rights set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 (OCT 1988), if applicable. The Software and Documentation may or may not include a Restricted Rights notice, or other notice referring to this Agreement. The provisions of this Agreement will continue to apply, but only to the extent that they are consistent with the rights provided to the Licensee under the provisions of the FAR or DFARS mentioned above, as applicable to the particular procuring agency and procurement transaction.

Section 10 CONFIDENTIALITY

Licensee acknowledges that the Software and Documentation contain Motorola's valuable proprietary and Confidential Information and are Motorola's trade secrets, and that the provisions in the Primary Agreement concerning Confidential Information apply.

Section 11 LIMITATION OF LIABILITY

The Limitation of Liability provision is described in the Primary Agreement.

Section 12 NOTICES

Notices are described in the Primary Agreement.

Section 13 GENERAL

13.1. **COPYRIGHT NOTICES.** The existence of a copyright notice on the Software will not be construed as an admission or presumption of publication of the Software or public disclosure of any trade secrets associated with the Software.



13.2. **COMPLIANCE WITH LAWS.** Licensee acknowledges that the Software is subject to the laws and regulations of the United States and Licensee will comply with all applicable laws and regulations, including export laws and regulations of the United States. Licensee will not, without the prior authorization of Motorola and the appropriate governmental authority of the United States, in any form export or re-export, sell or resell, ship or reship, or divert, through direct or indirect means, any item or technical data or direct or indirect products sold or otherwise furnished to any person within any territory for which the United States Government or any of its agencies at the time of the action, requires an export license or other governmental approval. Violation of this provision is a material breach of this Agreement.

13.3. **ASSIGNMENTS AND SUBCONTRACTING.** Motorola may assign its rights or subcontract its obligations under this Agreement, or encumber or sell its rights in any Software, without prior notice to or consent of Licensee.

13.4. **GOVERNING LAW.** This Agreement is governed by the laws of the United States to the extent that they apply and otherwise by the internal substantive laws of the State to which the Software is shipped if Licensee is a sovereign government entity, or the internal substantive laws of the State of Illinois if Licensee is not a sovereign government entity. The terms of the U.N. Convention on Contracts for the International Sale of Goods do not apply. In the event that the Uniform Computer Information Transaction Act, any version of this Act, or a substantially similar law (collectively "UCITA") becomes applicable to a party's performance under this Agreement, UCITA does not govern any aspect of this Agreement or any license granted under this Agreement, or any of the parties' rights or obligations under this Agreement. The governing law will be that in effect prior to the applicability of UCITA.

13.5. **THIRD PARTY BENEFICIARIES.** This Agreement is entered into solely for the benefit of Motorola and Licensee. No third party has the right to make any claim or assert any right under this Agreement, and no third party is deemed a beneficiary of this Agreement. Notwithstanding the foregoing, any licensor or supplier of third party software included in the Software will be a direct and intended third party beneficiary of this Agreement.

13.6. **SURVIVAL.** Sections 4, 5, 6.3, 7, 8, 9, 10, 11 and 13 survive the termination of this Agreement.

13.7. **ORDER OF PRECEDENCE.** In the event of inconsistencies between this Exhibit and the Primary Agreement, the parties agree that this Exhibit prevails, only with respect to the specific subject matter of this Exhibit, and not the Primary Agreement or any other exhibit as it applies to any other subject matter.

13.8. **SECURITY.** Motorola's Information Assurance Policy addresses the issue of security. Motorola uses reasonable means in the design and writing of its own Software and the acquisition of third party Software to limit Security Vulnerabilities. While no software can be guaranteed to be free from Security Vulnerabilities, if a Security Vulnerability is discovered, Motorola will take the steps set forth in Section 6 of this Agreement.



SECTION 8

PRICING

Motorola is pleased to provide the following equipment and services to the Vallejo Police Department:

Equipment and Services	Pricing
Vallejo Police Department Equipment	\$358,794
Vallejo Police Department Equipment HGAC Discount	(\$62,498)
Vallejo Police Department HGAC Discounted Equipment	\$296,296
Vallejo Police Department System Implementation	\$211,889
Vallejo Police Department Tax (Equipment Only)	\$24,815
Vallejo Police Department Total System	\$533,000

Optional Maintenance Pricing for Years 2-5				
	Year 2	Year 3	Year 4	Year 5
Essential Plus Package				
Total	\$44,745	\$46,087	\$47,470	\$48,894

8.1 PAYMENT TERMS

Motorola will submit invoices to the Vallejo Police Department according to the Payment Schedule. Except for a payment that is due on the effective date, the Vallejo Police Department will make payments to Motorola within thirty days after the date of each invoice. The Vallejo Police Department will make payments when due in the form of a check, cashier's check, or wire transfer drawn on a U.S. financial institution and in accordance with the following milestones.

1. 25% of the Contract Price upon contract execution.
2. 60% of the Contract Price upon shipment of equipment.
3. 5% of the Contract Price upon completion of installation
4. 5% of the Contract Price upon system acceptance or start of beneficial use; and
5. 5% of the Contract Price upon final system acceptance.

Motorola reserves the right to make partial shipments of equipment and to request payment upon shipment of such equipment. In addition, Motorola reserves the right to invoice for installations or civil work completed on a site-by-site basis, when applicable.

SECTION 2

SYSTEM DESCRIPTION

2.1 PROJECT OVERVIEW

Motorola is proposing a solution for Vallejo Police Department (“Vallejo PD”) that consists of a MCC 7500 dispatch console system connecting to the Solano County Sheriff’s Master Site. A description of the features, benefits, system architecture, and hardware components is provided in this system description. Motorola has included all necessary equipment and services for installation, testing, and cutover of the new MCC 7500 dispatch console system replacing existing Gold Elite Consoles. Motorola has taken great care to propose an offering that will provide Vallejo PD with a dispatch solution that meets their needs.

The following proposal design includes connectivity of the Vallejo PD MCC 7500 Dispatch Consoles and RF resources to the Solano County Sheriff’s Master Site.

This design will allow backup operations and interoperability between the Vallejo PD and Solano County Sheriff’s Department.

2.2 SYSTEM DESIGN

2.2.1 MCC 7500 Dispatch Console

Motorola’s MCC 7500 Dispatch Console is Motorola’s mission-critical IP high-tier radio dispatch console system. The MCC 7500 Dispatch Console features an intuitive, easy-to-use Graphical User Interface (GUI) that runs under a Microsoft Windows operating system, utilizing the industry-standard PC platform. MCC 7500’s highly recognizable icons are designed to reduce user training time and allow dispatchers to manage information more productively.

Designed for effective, flexible dispatch communications, the MCC 7500 Dispatch Console provides a range of valuable features:

- Seamless integration with ASTRO 25 trunking systems.
- IP Network – MCC 7500 supports the IP protocols of the ASTRO 25 system’s transport network.
- End-to-End Encryption – Encryption and decryption occurs in the dispatch consoles, allowing true end-to-end encryption in the radio system.
- Centralized System Management – the MCC 7500 console system is configured and managed by the ASTRO 25 system’s configuration manager, fault manager and performance reporting applications. This provides Emergency Communications with a single point for configuring and managing the entire radio system, including the console portion. This information can also be accessed from multiple remote locations, giving Emergency Communication convenient access while enjoying the benefits of centralized system management.
- User-Friendly – MCC 7500’s environment features the familiar standards used by other Windows programs, worldwide.
- Screen layout, menus and icons are easy to understand and quickly recognizable.
- Each dispatcher’s configuration can be customized via the Elite Admin application.
- Elite Dispatch GUI uses a simple point-and-click response. The dispatcher has the choice of using a mouse, trackball or optional touchscreen and the keyboard is not required for day-to-day operations. Motorola has included standard mouse and non-touch monitors in this design.



- Agency Partitioning – Allows multiple agencies to use a common system while maintaining control over their console resources.

There are two main components of a Motorola MCC 7500 system:

- Dispatch Console
- Conventional Channel Gateway

Various combinations of these components are connected together and to the rest of the ASTRO 25 system via console site routers and switches on an IP network.

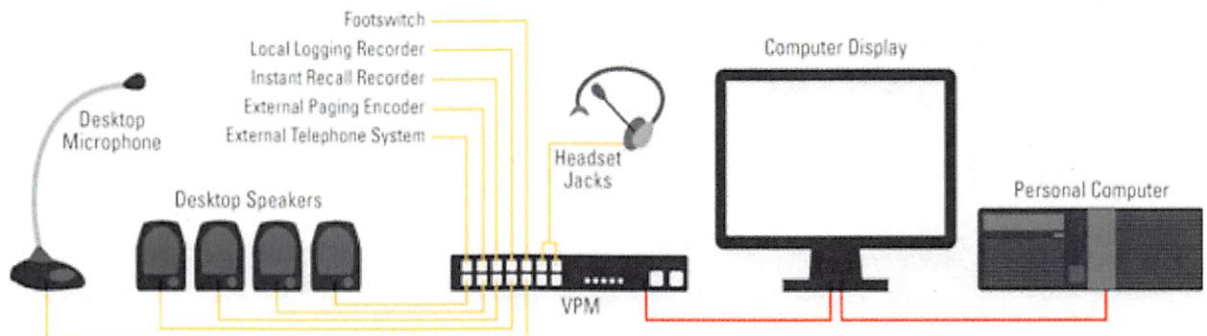


Figure 1: Motorola MCC 7500 Dispatch Console Hardware Architecture

The dispatch console hardware is based on a commercially available personal computer with Motorola provided hardware and software.

The Motorola provided hardware supports (refer to Figure 1):

- A Motorola-certified personal computer with:
 - A voice card installed inside the computer
 - An optional Secure Card installed inside the computer
 - Desktop speakers (up to 4) – 2 Speakers per Dispatch Position are included
 - Headset jacks (up to 2) - 2 Headset jacks per Dispatch Position are included
 - A desktop microphone
 - A footswitch

The Enhanced Conventional Channel Gateway (CCGW) is used in the MCC 7500 Dispatch Console to connect the dispatchers to analog conventional channels in their system. The CCGW allows an analog conventional channel to connect to the transport network in the ASTRO 25 trunking system. Once these channels are connected to the network, dispatchers are able to monitor and transmit on the channel.

2.2.2 ASTRO

ASTRO[®] is a completely digital system platform developed by Motorola. It takes advantage of exciting new breakthroughs in digital technology, providing the framework for capabilities previously unavailable in land mobile radio systems. ASTRO technology offers customers conventional systems with the following features:

- Compliant to the APCO Project 25 standard

- Digital and analog voice capability
- Expanded signaling capabilities
- More efficient use of existing RF spectrum
- Expanded encryption capabilities (optional)
- Integrated voice and data (optional)

Motorola ASTRO conventional systems are modeled, in concept, on trunking ideas. Through advancements in electronic microcomputer technology, radio systems are able to truly incorporate the advantages of the trunking concept into wireless conventional communications.

With all the advantages ASTRO has to offer, Motorola's ASTRO Conventional Technology allows Vallejo PD to dramatically improve their radio system. ASTRO Conventional can provide many new advanced system features such as:

- **Individual Voice Call** – A two-way voice call between a user and another individual user (Selective Call)
- **Group Voice Call** – Allows users to separate voice communications into individual talkgroups on a radio channel. Each Group Voice Call is addressed to a specific group of users. The user group can be optionally displayed on the receiving radios.
- **Channel Wide Group Call** – This is a special type of Group Voice Call that allows a user to transmit a message to all talk groups on the channel simultaneously
- **Channel Monitor** – Allows the ability to monitor all the traffic on the channel
- **Call Alerting (call alert)** – Allows a dispatcher or another radio to selectively alert another individual unit that the caller is trying to contact him.
- **Emergency Alarm** – A non-voice message sent by a portable or mobile to notify a console operator of an emergency condition.
- **Emergency Call** – After the emergency button is pressed, subsequent PTT will contain an emergency indicator along with the Unit ID until the operator takes one of several actions to cancel the emergency condition.
- **Radio Check** – Allows a console operator to verify if a desired target radio is turned on and functioning and within the range of the system.
- **Selective Radio Inhibit/Enable** – When a radio is lost or stolen, your communications system is still protected because a console operator can send a message out over the air that will disable that radio. Even though the radio is disabled, the console can still request voice, data and stat-alert signaling messages from a disabled radio.
- **Smart PTT** – This feature prevents the user from listening in on or transmitting over conversations they are not a part of.
- **Radio Unit Monitor** – In an emergency situation, it is important to keep tabs on what's happening in the field. The ability to remotely key the transmitter of an individual portable helps the console operator keep in touch with live circumstances so that help can be given in an effective, efficient manner.
- **Status Update** – A user's status can be updated from a list of pre-determined messages. The user may transmit the radio's status when desired, or the radio's current status can be transmitted in response to a Status Request from a console.



- **Status Request** – Allows the console operator to request and retrieve the status of an individual user when needed.
- **Message Update** – A user can send a short, predefined message to the console when desired.
- **Scan** – Provides scanning on channels where a mobile or portable unit locks onto any channel in a predetermined list when it detects: a) a digital signal, or b) a digital signal with the proper network ID. Capability includes auto scan (mode strapped) and talk back scan (the ability to talk back on the channel being scanned). Provides mixed analog and digital scanning for analog and digital voice.
- **Telephone Interconnect** – Calls between a telephone network user and the radio system's users can be made. It may be initiated from either the radio system side or the telephone network side. This is especially useful for users who need to operate over a large geographic area or for supervisors that need to dispatch to an entire group from any telephone.
- **Voice Encryption using DES-OFB** – This service provides the ability to encrypt digital voice transmissions using the DES-OFB, Project 25 specified algorithm.



SECTION 7

EQUIPMENT LIST

This section lists the equipment necessary for the proposed solution.

Qty.	Description
VALLEJO MCC 7500 AND SOLANO COUNTY CORE CONNECTIVITY	
L CORE NETWORKING, RACK, AND ELECTRICAL	
1	L Core Upgrade Configuration
1	ADD: EXPAND 7.16 L CORE
2	ADD: MCC7500 CONSOLE LICENSES (QTY 5)
2	2620-24 ETHERNET SWITCH
1	GCP 8000 SITE CONTROLLER
1	ADD: QTY (1) SITE CONTROLLER
1	ADD: RACK MOUNT HARDWARE
1	MCC 7500 CONVEN SITE OPER
1	ADD: ASTRO SYSTEM RELEASE 7.16
2	RPLCD BY DS11011188* PDU, AC EDGE RACK DISTR PNL, 120V 60A,12-15A CT
24	BREAKER KIT AIRPAX 15AMP SNAPAC, FOR AC EDGE QTY 1
1	SPD, RJ-48 8 PIN, 10/100 BASE T TSJ PROTECTS/PASSES ON ALL 8 PIN
GATEWAYS FOR PD, FIRE, MULTI AGENCY, PA SYSTEM	
1	GGM 8000 GATEWAY
1	ADD: HIGH DENSITY ENH CONV GATEWAY
1	ADD: AC POWER
1	GGM 8000 GATEWAY
1	ADD: HIGH DENSITY ENH CONV GATEWAY
1	ADD: AC POWER
1	GGM 8000 SITE GATEWAY
1	ADD: AC POWER
1	GGM 8000 SITE GATEWAY
1	ADD: AC POWER
AUX I/O FOR COMPARATOR DISPLAY (UP TO 96 IN/32 OUT)	
1	SITE MANAGER BASIC
1	ADD: AUX I-O SERV FW CURR ASTRO REL
1	ADD: 90VAC TO 260VAC PS TO SM
3	AAD TERM BLCK & CONN WI
1	SM IO EXPANSION BASIC
1	ADD: 90VAC TO 260VAC PS TO SM

1	AAD TERM BLCK & CONN WI
	CORE CRITICAL SPARES
1	GGM 8000 GATEWAY
1	ADD: AC POWER
1	ADD: HIGH DENSITY ENH CONV GATEWAY
1	2620-24 ETHERNET SWITCH
1	FRU: GCP 8000/GCM 8000
1	FRU: POWER SUPPLY
1	FRU: FAN MODULE
	7 MCC 7500 DISPATCH CONSOLE
1	MCC 7500 ASTRO 25 SOFTWARE
7	MOTOROLA VOICE PROCESSOR MODULE
7	ADD: MCC 7500 BASIC CONSOLE FUNCTIONALITY SOFTWARE LICENSE
7	ADD: MCC 7500 /MCC 7100 ADV CONVL OPERATION
7	ADD: AC LINE CORD, NORTH AMERICAN
	7 OPERATION POSITION COMPUTER (INCLUDES 1 CONFIG MANAGER)
7	Z440 WORKSTATION WINDOWS 10 IOT ENT (NON RETURNABLE)
7	REPL BY: DSTG191 (19 INCH NON-TOUCH MONITOR, BLACK)
7	WINDOWS SUPPLEMENTAL TRANS CONFIG
7	MCAFFEE WINDOWS AV CLIENT
7	MCC SERIES DESKTOP GOOSENECK MICROPHONE
7	PROVIDES ONE DUAL PEDAL FOOTSWITCH FOR USE WITH MOTOROLA MCC 7500 DISP
14	MCC SERIES DESKTOP SPEAKER
14	MCC SERIES HEADSET JACK
7	HDST MODULE BASE W/PTT, 15' CBL
21	SUPRAPLUS NC SINGLE MUFF HEADSET
7	DUAL IRR SW USB HASP W LICENSE, SOUND CARD, & SPKRS (V48)
7	SOUND BLASTER AUDIGY FX PCIE SOUND CARD
7	CREATIVE LABS INSPIRE A60
	CRITICAL CONSOLE SPARES
1	MCC SERIES DESKTOP SPEAKER
1	MCC SERIES DESKTOP GOOSENECK MICROPHONE
1	MCC SERIES HEADSET JACK
1	Z440 WORKSTATION WINDOWS 10 IOT ENT (NON RETURNABLE)
1	MCC 7500 VOICE PROCESSOR MODULE FRU

SECTION 1

STATEMENT OF WORK

Motorola is proposing to the Vallejo Police Department (“Vallejo PD”) the installation and configuration of the following equipment at the specified locations.

Site Name	Major Equipment
Vallejo Police Department Dispatch	One (1) GCP 8000 Conventional Site Controller Two (2) GGM 8000 Gateways Two (2) LAN Switches Two (2) – 8 Port Conventional Channel Gateways (CCGWs) One (1) SDM 8000 Aux I/O module One (1) SDM 8000 Expansion Aux I/O module
Vallejo Police Department Dispatch	Seven (7) Position MCC 7500 Dispatch Consoles
Solano County Sheriff Master Site	Vallejo PD MCC 7500 Console Licenses

This document delineates the general responsibilities between Motorola and the Vallejo Police Department as agreed to by contract.

1.1 MOTOROLA RESPONSIBILITIES

Motorola’s general responsibilities include the following:

- Name a Motorola Project Manager.
- Prepare project schedule in conjunction with Vallejo PD.
- Install new console equipment (MCC 7500 dispatch consoles and connect to the Solano County Sheriff Master Site and interface to existing RF infrastructure. The method of procedure used will assume that the existing equipment room will be utilized:
 - Consult with the Vallejo PD’s safety manager to understand the environmental risk and practices.
 - Review dispatch screens and features for consoles.
 - Remove old dispatch equipment and temporarily install to keep the system on the air.
 - Install new equipment and ground.
 - Interface to existing RF infrastructure and test one position.
 - Proceed with cutover.
- Provide Vallejo PD with the appropriate system interconnect specifications for Solano County Sheriff Master Site connectivity.
- Provide a dedicated delivery point at 4728 East 2nd Street Suite 10, Benicia, CA 94510 for receipt, inventory and storage of equipment prior to delivery to the site.
- Schedule the implementation in agreement with Vallejo PD.
- Coordinate the activities of all Motorola subcontractors under this contract.
- Administer safe work procedures for installation.
- Assemble and prepare system for installation.
- Stage, assemble at Motorola Solutions Facilities.

- Install network peripherals at Vallejo PD and Solano County Sheriff Master Sites.
- Make interconnection with network link provided by Vallejo PD.
- Prepare cut-over plan in conjunction with respective project managers.
- Cut-over from old to new system as pre-arranged.
- Perform Acceptance Test Plan as pre-arranged.
- Complete acceptance test certificate with Vallejo PD and begin warranty.

1.2 VALLEJO POLICE DEPARTMENT RESPONSIBILITIES

Vallejo PD will assume responsibility for the installation and performance of all other equipment and work necessary for completion of this project that is not provided by Motorola. Vallejo PD general responsibilities include the following:

- Provide all buildings, equipment shelters, and towers required for system installation.
- Ensure communications sites meet space, grounding, power, and connectivity requirements for the installation of all equipment.
- Obtain all licensing, site access, or permitting required for project implementation.
- Obtain the frequencies necessary to support the system design. Provide approved FCC licensing as required.
- Make any necessary site improvements to meet R56 standards.
- Provide required system interconnections additional to ones stated in this proposal.
- Responsible for Ethernet backhaul links to Solano County Sheriff Master Site.
- Coordinate the activities of all Vallejo PD vendors or other contractors.
- Remove, relocate or dispose of obsolete communications equipment as required.

1.3 ASSUMPTIONS

Motorola has made several assumptions in preparing this proposal. Motorola will need to verify all assumptions or seek alternate solutions in the case of invalid assumptions.

- All work is to be performed during normal work hours, Monday through Friday 8:00 a.m. to 5:00 p.m.
- All existing sites or equipment locations will have sufficient space available for the system described as required/specified by R56.
- All existing sites or equipment locations will have adequate electrical power in the proper phase and voltage and site grounding to support the requirements of the system described.
- Any site/location upgrades or modifications are the responsibility of the customer.
- Approved local, State or Federal permits as may be required for the installation and operation of the proposed equipment are the responsibility of the customer.
- Any required system interconnections not specifically outlined here will be provided by the Customer. These may include dedicated phone circuits, microwave links or other types of connectivity.
- Motorola is not responsible for interference caused or received by the Motorola provided equipment except for interference that is directly caused by the Motorola provided transmitter(s) to the Motorola provided receiver(s). Should the Customer's system experience interference, Motorola can be contracted to investigate the source and recommend solutions to mitigate the issue.

SECTION 4

ACCEPTANCE TEST PLAN

Testing of the proposed equipment is included. This includes the following:

- Test features and functionality are in accordance with manufacturers' specifications.
- Verify the operational functionality and features of the individual subsystems and the system supplied by Motorola, as contracted.



SECTION 6

SERVICE/WARRANTY

In order to ensure that the Vallejo Police Department has immediate access to Motorola's onsite and technical support teams for both unforeseen issues and ongoing maintenance, Motorola proposes our Essential Plus Services offering to the Vallejo PD. Appropriate for customers who want to minimize their system's downtime, Essential Plus Services provide a reliable service response and restoral process remote assistance to address unforeseen network events, effect onsite repairs to network components, and deliver patches to keep Vallejo PD's system secure. The proposed offering consists of the following specific services:

- Service Desk.
- Technical Support.
- Onsite Support.
- Annual Preventative Maintenance.
- Network Hardware Repair with Advanced Replacement.
- Self-Installed Security Patches.

These services will be delivered to the Vallejo Police Department through the combination of local service personnel either dedicated to the network or engaged as needed; a centralized team within Motorola's Solutions Support Center (SSC), which operates on a 24 x 7 x 365 basis; and our Repair Depot, which will ensure that equipment is repaired to the highest quality standards. The collaboration between these service resources, all of who are experienced in the maintenance of mission-critical networks, will enable a swift analysis of any network issues, an accurate diagnosis of root causes, and a timely resolution and return to normal network operation.

ESSENTIAL PLUS SERVICES DESCRIPTION

Centralized Service Delivery

Centralized support will be provided by Motorola's support staff, located at our Service Desk and Solutions Support Center (SSC). These experienced personnel will provide direct service and technical support through a combination of Service Desk telephone support, technical consultation and troubleshooting through the SSC, and ongoing network monitoring of Vallejo PD's system.

Motorola will provide **Service Desk** response as a single point of contact for all support issues, including communications between Vallejo PD, third-party subcontractors and manufacturers, and Motorola. When Vallejo PD's personnel call for support, the Service Desk will record, track, and update all Service Requests, Change Requests, Dispatch Requests, and Service Incidents using Motorola's Customer Relationship Management (CRM) system. The Service Desk is responsible for documenting Vallejo PD's inquiries, requests, concerns, and related tickets; tracking and resolving issues; and ensuring timely communications with all stakeholders based on the nature of the incident.

As tickets are opened by the Service Desk, issues that require specific technical expertise and support will be routed to our Solutions Support Center (SSC) system technologists for **Technical Support**, who will provide telephone consultation and troubleshooting capabilities to diagnose and resolve

infrastructure performance and operational issues. Motorola's recording, escalating, and reporting process applies ISO 90001 and TL 9000-certified standards to the Technical Support calls from our contracted customers, reflecting our focus on maintaining mission-critical communications for the users of our systems.

Field Service Delivery

Onsite repairs and network preventative maintenance will be provided by authorized local field services delivery personnel, who will be dispatched from and managed by the Solutions Support Center.

OnSite Support provides local, trained and qualified technicians who will arrive at Vallejo PD's location upon a dispatch service call to diagnose and restore the communications network. This involves running diagnostics on the hardware or FRU (Field Replacement Unit) in order to identify defective elements, and replacing those elements with functioning ones. The system technician will respond to the Vallejo PD's location in order to remedy equipment issues based on the impact of the issue to overall system function.

Annual Preventive Maintenance Service provides proactive, regularly scheduled operational testing and alignment of infrastructure and network components to ensure that they continually meet original manufacturer specifications. Certified field technicians perform hands-on examination and diagnostics of network equipment on a routine and prescribed basis.

Network Hardware Repair

Motorola also proposes **Network Hardware Repair with Advanced Replacement** to the Vallejo PD. With this additional service, Motorola will exchange malfunctioning components and equipment with advanced replacement units or Field Replacement Units (FRUs) as they are available in the Repair Depot's inventory. Malfunctioning equipment will be evaluated and repaired by the infrastructure repair depot and returned to the Repair Depot's FRU inventory upon repair completion. If Vallejo PD prefers to maintain their existing FRU inventory Vallejo PD will be able to request a "loaner" FRU while their unit is being repaired.

Security Management Operations

The proposed **Self-Installed Security Patches Service** will provide Vallejo PD with security updates that are pre-tested by Motorola and installed by Vallejo PD's personnel. Motorola's dedicated vetting lab will pre-test security updates for the proposed ASTRO 25 system release. When appropriate, Motorola will make these updates available to outside vendors in order to enable them to test each patch, and will incorporate the results of those third-party tests into the updates provided to Vallejo PD. Once an update is fully tested and ready for deployment in Vallejo PD's system, Motorola will post it to a secured extranet website and send an email notification to Vallejo PD. If there are any recommended configuration changes, warnings, or workarounds, Motorola will provide detailed documentation for Vallejo PD along with the updates on the website.

MOTOROLA'S SERVICE CAPABILITIES

Our focus on the needs of our public safety partners has led us to recognize that an integrated implementation and service delivery team that takes a new system from system installation, to acceptance, to warranty, and all the way through extended maintenance, is the best way to ensure that public safety communications systems meet the needs of first responders. Motorola's team of experts,



have developed refined processes and sophisticated tools through our experience in delivering mission-critical communications.

On-Call Support through the Solutions Support Center (SSC)

The cornerstone of our customer care process, Motorola's Solution Support Center (SSC) is staffed 24x7x365 by experienced system technologists. This TL 9000/ISO 9001-certified center responds to over 5000 public safety, utility, and enterprise customers. With over 100,000 phone and email interactions with Motorola customers per month, the SSC provides our customers with a centralized contact point for service requests.

Onsite Service through a Field Service Team

Onsite maintenance and repair of Vallejo PD's system will be provided by Motorola's local team of service personnel. Motorola will provide Vallejo PD with a Customer Support Plan (CSP) that outlines the details of each service, provides escalation paths for special issues, and any other information specific to Vallejo PD's service agreement. Some of these details will include items such as access to sites, response time requirements, severity level definitions, and parts department access information.

Local technicians will be dispatched for onsite service by the SSC, who will inform the technician of the reason for dispatch. This will enable the technician to determine if a certain component or field replacement unit (FRU) will be needed from inventory to restore the system. Once on site, the field technician will notify the SSC and begin to work on the issue. The technician will review the case notes to determine the status of the issue, and begin the troubleshooting and restoration process. Once the system is restored to normal operation, the field technician will notify the SSC that the system is restored. The SSC, in turn, will notify Vallejo PD that the system is restored to normal operation and request approval to close the case.

Centralized Repair Management through Motorola's Repair Depot

Our repair management depot coordinates component repair through a central location, eliminating the need to send system equipment to multiple vendor locations for repair. Once equipment is at the depot, technicians will replicate Vallejo PD's network configuration in our comprehensive test labs in order to reproduce and analyze the issue. Technicians will then restore the equipment to working order. After repairs are completed, equipment will be tested to its original performance specifications and, if appropriate, configured for return to use in Vallejo PD's system. All components being repaired are tracked throughout the process, from shipment by Vallejo PD to return through a case management system where users can view the repair status of the radio via a web portal.

Direct Access to System Information through MyView Portal

Supplementing Motorola's proposed services plan for Vallejo PD is access to Motorola's online system information tool, MyView Portal. MyView Portal provides our customers with real-time visibility to critical system and services information, all through an easy-to-use, graphical interface. With just a few clicks, Vallejo PD's administrators will gain instant access to system and support compliance, case reporting, ability to update and create cases, have visibility to when the system will be updated, and receive pro-active notifications regarding system updates. Available 24x7x365 from any web-enabled device, the information provided by MyView will be based on your needs and user access permissions, ensuring that the information displayed is secure and pertinent to your operations.





Figure 2: MyView Portal offers real-time, roled-based access to critical system and services information.

Exhibit E

System Acceptance Certificate

: _____

Project Name: _____

This System Acceptance Certificate memorializes the occurrence of System Acceptance. Motorola and Customer acknowledge that:

- 1. The Acceptance Tests set forth in the Acceptance Test Plan have been successfully completed.
- 2. The System is accepted.

Customer Representative:

Motorola Solutions Representative:

Signature: _____

Signature: _____

Print Name: Gregory Taylor

Print Name: _____

Title: Chief Information Officer

Title: _____

Date: _____

Date: _____

FINAL PROJECT ACCEPTANCE:

Motorola has provided and Customer has received all deliverables, and Motorola has performed all other work required for Final Project Acceptance.

Customer Representative:

Motorola Solutions Representative:

Signature: _____

Signature: _____

Print Name: Gregory Taylor

Print Name: _____

Title: Chief Information Officer

Title: _____

Date: _____

Date: _____



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Terrance Davis, Public Works Director
SUBJECT: **QUITCLAIM A PORTION OF LANDSCAPE MAINTENANCE EASEMENT ON LOTS 16 AND 17 OF CORAL SEA VILLAGE SOUTH UNIT 1 SUBDIVISION, MARE ISLAND TO THE PROPERTY OWNER OF RECORD**

RECOMMENDATION

Adopt a Resolution to quitclaim a portion of the Landscape Maintenance Easement on Lots 16 and 17 of Coral Sea Village South Unit 1 to the property owner of record, Tyler Baker for lot 16 and Lennar of California Inc. for lot 17.

REASONS FOR RECOMMENDATION

City staff has determined that there is no impact to this Landscape Maintenance Easement (LME) and quitclaiming this area would result in less maintenance to the City and the Community Facilities District (CFD).

BACKGROUND AND DISCUSSION

Coral Sea Village is located in the southwest area of Mare Island which is being developed by Lennar. In 2014, the developer granted an easement to the City for landscape and maintenance. This action incorporated a portion of lots 16 and 17 into the Landscape Maintenance Easement (LME). The grant deed was recorded as document number 2014-00025767.

The developer has now requested to quitclaim a portion of this LME which lies across the back of lots 16 and 17 (APN 0066-121-010 and 0066-121-120, respectively) as shown on the certain final map of Coral Sea Village South Unit 1. The quitclaim of a portion of this LME will reduce the LME area which in turn decreases the maintenance cost due to the reduced size.

Conversely, the usable backyard area of lots 16 and 17 will increase. This lends toward increased property values for each lot which will in turn increase the revenue to the City through greater property tax assessments.

City staff has indicated that the existing portion of the LME through lot 16 and 17 to be quitclaimed is not needed anymore and can be quitclaimed by the City of Vallejo. There are no utilities affected in the LME areas.

Subject: QUITCLAIM A PORTION OF LANDSCAPE MAINTENANCE EASEMENT ON LOTS 16 AND 17 OF CORAL SEA VILLAGE SOUTH UNIT 1 SUBDIVISION, MARE ISLAND TO THE PROPERTY OWNER OF RECORD

FISCAL IMPACT

There is no fiscal impact to the General Fund associated with the approval of this item, since the maintenance of the LME is funded through the CFD.

The developer has paid the fee of \$1,158 for processing this quitclaim.

ENVIRONMENTAL REVIEW

Under section 15305 of CEQA minor alterations in land use limitation, action on this easement, which potentially will have minor alteration of land, is exempt from the environmental review process.

ATTACHMENTS

1.	Resolution Conveying quitclaim of landscape maintenance easement
2.	Site Plan - Lot 16 & Lot 17 Coral Sea Village 8D(2)
3.	Quitclaim Easement Deed Lot 16
4.	Legal Description -Plat for Lot 16
5.	Quitclaim Easement Deed Lot 17
6.	Legal Description -Plat for Lot 17

CONTACT

Jeanine Jackson, Associate Engineer, (707) 648-5306

Jeanine.Jackson@cityofvallejo.net

Allan A. Panganiban, Interim Assistant Public Works Director/City Engineer, (707) 648-4686

Allan.Panganiban@cityofvallejo.net

RESOLUTION NO. 18-____ N.C.

WHEREAS, on April 10, 2014, a Grant of Easement Deed for Landscape Maintenance was conveyed by City of Vallejo to Lennar Mare Island; and

WHEREAS, Lennar Mare Island has requested that the City quitclaim the part of the easement area on two lots in southwest Mare Island to the owners of the lots to decrease the area of publicly maintained landscaping and transfer maintenance of the quitclaimed area to the property owners, and keep a six-foot strip including a retaining wall within the easement.

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

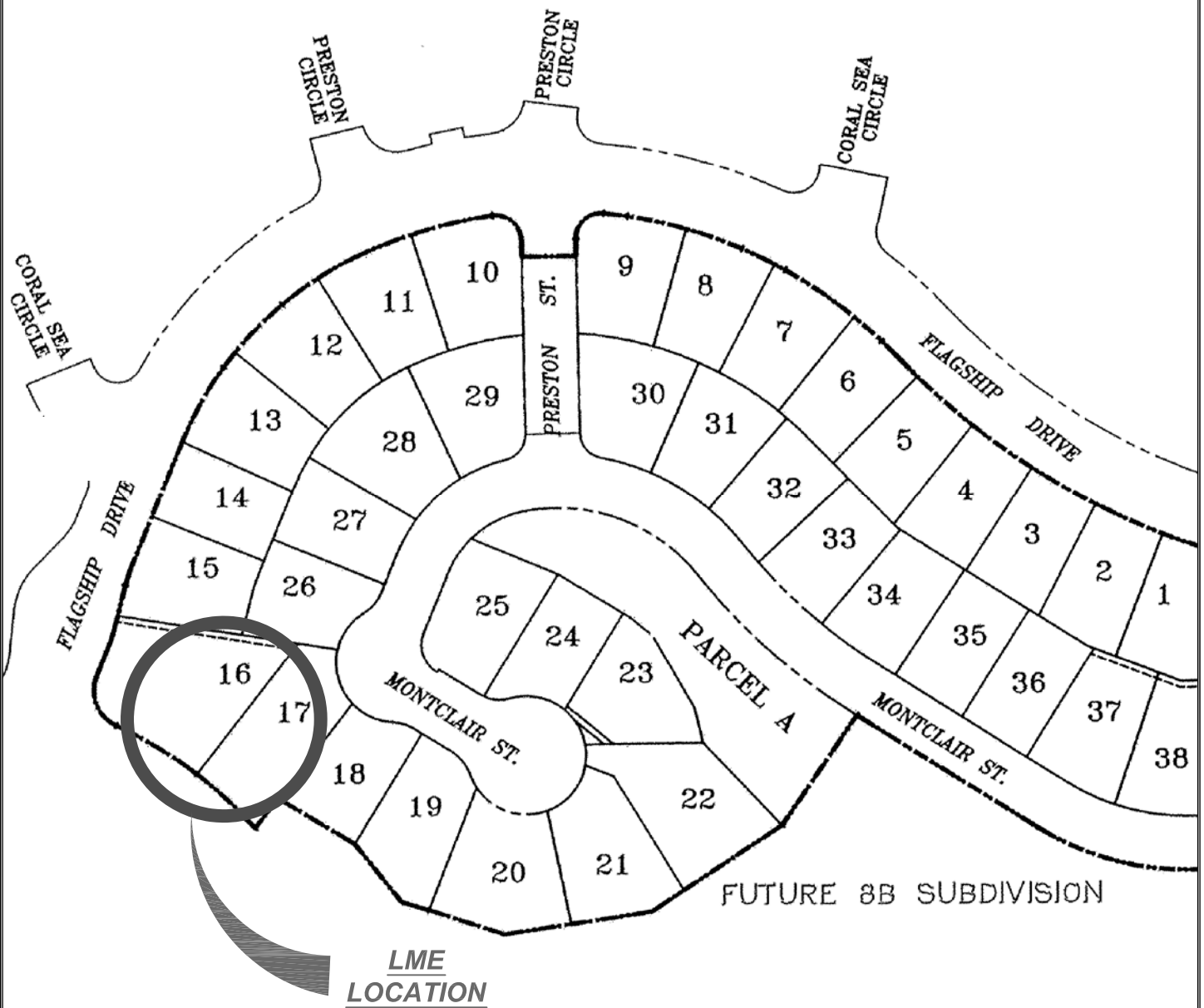
That the City Manager or his agent is authorized to execute and the City Clerk attest a Quitclaim of Easement Deed, quitclaiming to Tyler Baker the portion of an existing Landscape Maintenance Easement crossing lot 16, and a Quitclaim of Easement Deed, quitclaiming to Lennar of California Inc. the portion of an existing Landscape Maintenance Easement crossing lot 17, as shown on that certain Final Map of "Coral Sea Village South Unit No. 1" filed on April 11, 2006 in Book 82 of Maps, Page 63-65, Solano County Records, more particularly described on the legal descriptions for lots 16 and 17 and delineated on the plats attached hereto and made a part hereof,

BE IT FURTHER RESOLVED, that the City Clerk is directed to record said Quitclaim of Easement Deeds in the Office of the Solano County Recorder, the original Quitclaim Deed being attached hereto and made a part thereof.

Approved as to Form:

By: 
City Attorney

SITE LOCATION PLAN



QUITCLAIM FOR LANDSCAPE MAINTENANCE EASEMENT (LOT 16 & LOT 17)

DWG. NO. <u>C1</u>	SHEET <u>1</u> OF <u>1</u>		PUBLIC WORKS DEPARTMENT ENGINEERING DIVISION
DRAWN BY <u>KM</u>	FILE NO. <u>-</u>		QUITCLAIM FOR LME (LOT 16 & LOT 17)
DATE <u>04/19/18</u>	REF. <u>-</u>		SITE LOCATION PLAN 493 of 685
CHECKED <u>KM</u>	SCALE <u>N.T.S.</u>		

RECORDING REQUESTED BY

City of Vallejo

WHEN RECORDED MAIL TO:

CITY OF VALLEJO
CITY CLERK'S OFFICE
555 SANTA CLARA STREET
VALLEJO, CA 94590

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MAIL TAX STATEMENTS TO:

The undersigned grantor(s) declare(s):

CITY TRANSFER TAX \$
DOCUMENTARY TRANSFER TAX \$
SURVEY MONUMENT FEE \$

SAME AS ABOVE

___ Computed on the consideration or value of property conveyed; OR

___ Computed on the consideration or value less liens or encumbrances remaining at time of sale.

APN: 0066-121-010

QUITCLAIM OF EASEMENT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged,

The City of Vallejo, a municipal corporation

does hereby remise, releases and forever quitclaims to:

TYLER BAKER,

that certain easement in the City of Vallejo, County of Solano, State of California, more particularly described as:

SEE ATTACHED "LEGAL DESCRIPTION"

Dated: _____
STATE OF CALIFORNIA }ss.
COUNTY OF _____ }

City of Vallejo, a municipal corporation

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

By:
Greg Nyoff, City Manger

WITNESS my hand and official seal.

Attest:
Dawn G. Abrahamson, City Clerk

February 14, 2018

EXHIBIT A
LEGAL DESCRIPTION
QUITCLAIM DEED


APN- 0066-121-010 Solano County

A Quitclaim Deed for the Grant of Easement for Landscape and Maintenance recorded April 10, 2014 at Document No, 201400025767 in the office of the County Recorder of Solano County California, over upon and across Lot 16 as said Lot 16 is shown on said Document No. 201400025767, situate on the former Mare Island Naval Base in the City of Vallejo, County of Solano, State of California also being shown on the Map titled "Final Map of Coral Village South Unit 1" as filed in the office of the Recorder of said Solano County in Book 82 of Subdivisions at Pages 63-65.

Excepting therefrom the easterly 6 feet of said Lot 16 Landscape and Maintenance Easement, also being a Public Utility Easement as shown on said Map titled "Final Map of Coral Village South Unit 1" as filed in the office of the Recorder of said Solano County in Book 82 of Subdivisions at Pages 63-65.

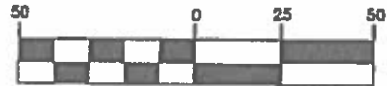
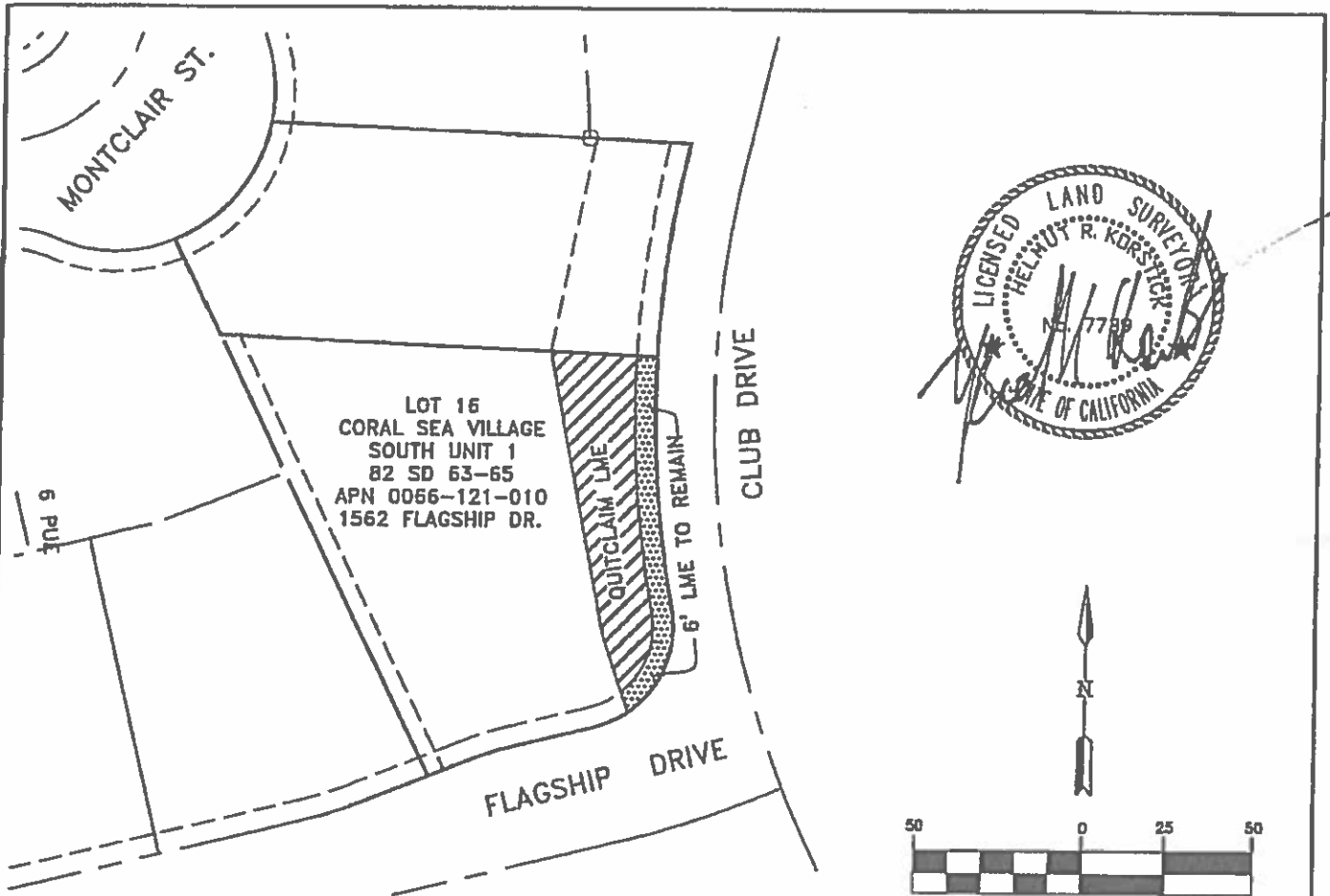
See Exhibit "B" attached for reference

This description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature 
Licensed Land Surveyor (PLS 7739)

Date FEB. 14, 2018





1 inch = 50 ft.

LEGEND

- LME LAND MAINTANCE EASEMENT
- PUE PUBLIC UTILITY EASEMENT

NOTE: THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY. SEE LAND DESCRIPTION (EXHIBIT A) FOR CONTROLLING BOUNDARY INFORMATION.

EXHIBIT "B"

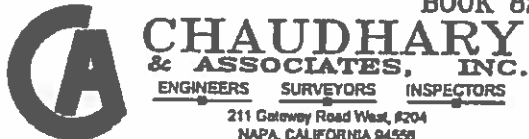
PREPARED FOR

LENNAR MARE ISLAND
690 WALNUT AVE. SUITE 100
VALLEJO, CA. 94592
(707) 562-4008

**FORMER MARE ISLAND NAVAL BASE
QUITCLAIM DEED**

SPECIFICALLY A PORTION OF THAT CERTAIN LANDSCAPE AND MAINTENANCE EASEMENT RECORDED APRIL 10, 2014 DOC# 201400025787 OVER LOT 16 OF THAT CERTAIN FINAL MAP TITLED "CORAL SEA VILLAGE SOUTH UNIT 1", RECORDED APRIL 11, 2006 IN BOOK 82 OF FINAL MAPS AT PAGES 63-65, SOLANO COUNTY RECORDS

PREPARED BY:



211 Gateway Road West, #204
NAPA, CALIFORNIA 94558

Tel: (707) 255-7729 FAX: (707) 255-5021 WWW.CHAUDHARY.COM

COUNTY OF SOLANO STATE OF CALIFORNIA

C:\2013\13-12-026N-80\Plats\17-80-PLAT-Lot-16-LME-Quitclaim.dwg

February 14, 2018

SCALE 1"=50'

SHEET 2 of 2

RECORDING REQUESTED BY

City of Vallejo

WHEN RECORDED MAIL TO:

CITY OF VALLEJO
CITY CLERK'S OFFICE
555 SANTA CLARA STREET
VALLEJO, CA 94590

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MAIL TAX STATEMENTS TO:

The undersigned grantor(s) declare(s):

CITY TRANSFER TAX \$
DOCUMENTARY TRANSFER TAX \$
SURVEY MONUMENT FEE \$

SAME AS ABOVE

___ Computed on the consideration or value of property conveyed; OR

___ Computed on the consideration or value less liens or encumbrances remaining at time of sale.

APN: 0066-121-120

QUITCLAIM OF EASEMENT DEED

FOR A VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged,

The City of Vallejo, a municipal corporation

does hereby remise, releases and forever quitclaims to:

LENNAR OF CALIFORNIA INC,

that certain easement in the City of Vallejo, County of Solano, State of California, more particularly described as:

SEE ATTACHED "LEGAL DESCRIPTION"

Dated: _____
STATE OF CALIFORNIA }ss.
COUNTY OF _____ }

City of Vallejo, a municipal corporation

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

By: _____
Greg Nyoff, City Manger

WITNESS my hand and official seal.

Attest: _____
Dawn G. Abrahamson, City Clerk

March 5, 2018

EXHIBIT A
LEGAL DESCRIPTION
QUITCLAIM DEED

APN- 0066-121-120 Solano County

A Quitclaim Deed for a portion of the Grant of Easement for Landscape and Maintenance recorded April 10, 2014 at Document No. 2014-00025767 in the office of the County Recorder of Solano County California, over upon and across Lot 17 as said Lot 17 is shown on said Document No. 2014-00025767, situate on the former Mare Island Naval Base in the City of Vallejo, County of Solano, State of California also being shown on the Map titled "Final Map of Coral Village South Unit 1" as filed in the office of the Recorder of said Solano County in Book 82 of Subdivisions at Pages 63-65, said portion being more particularly described as follows:

Beginning at the most westerly corner of said Landscape and Maintenance Easement as recorded at Document Number 2014-00025787, said westerly corner being North 87°31'48" West 31.67 feet from the southeast corner of said Lot 17; thence North 11°27'16" East 63.76 feet to the northerly line of said Lot 17; thence along said northerly line South 87°31'48" East 5.06 feet; thence South 15°52'56" West 64.77 feet to the Point of Beginning.

See Exhibit "B" attached for reference

This description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

Signature _____

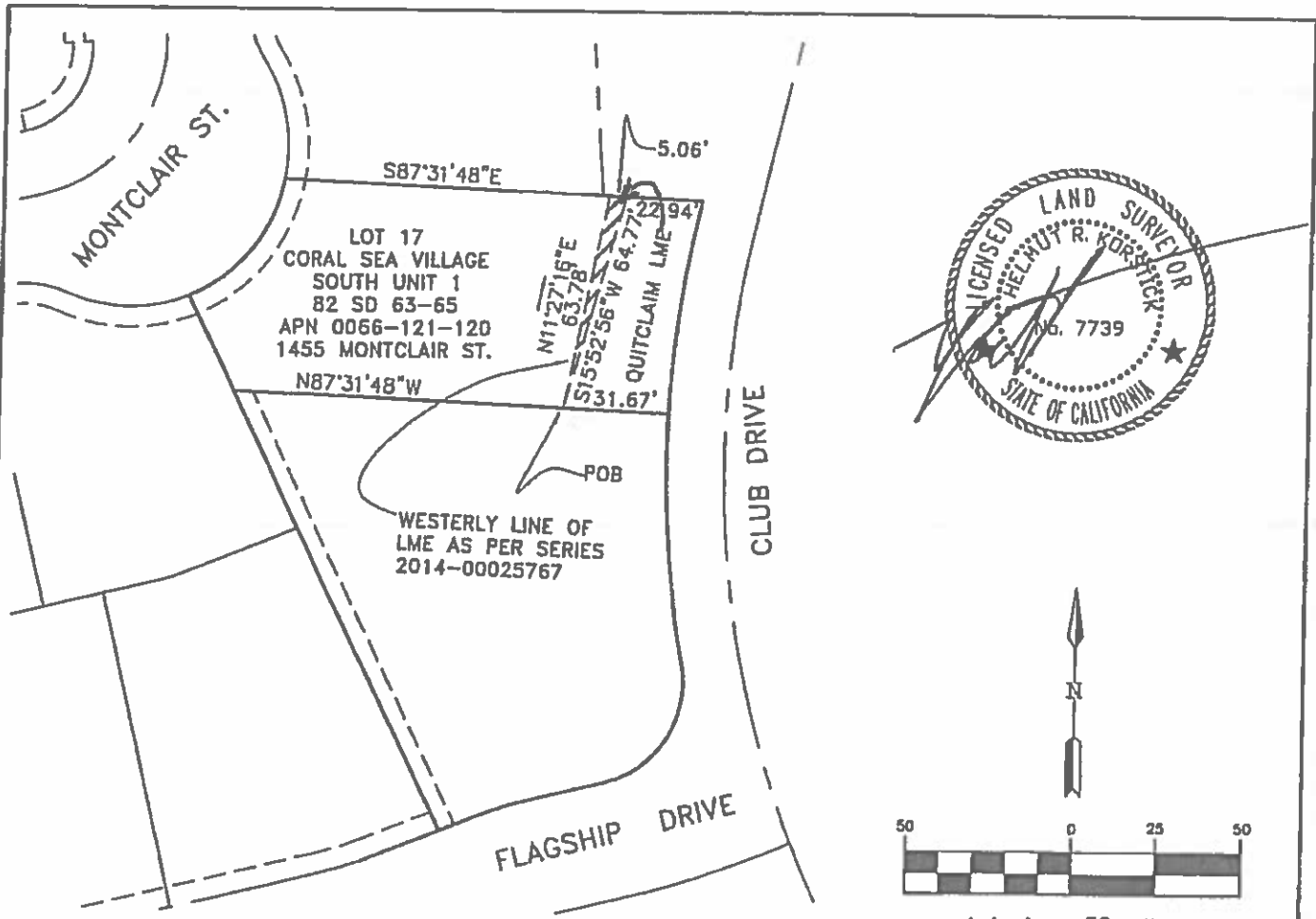
Licensed Land Surveyor (PLS 7739)

Date _____

MAR. 5, 2018



Sheet 1 of 2



LEGEND

- LME LANDSCAPE MAINTANCE EASEMENT
- POB POINT OF BEGINNING

NOTE: LME QUITCLAIM AREA=159 SQ. FT.

NOTE: THIS EXHIBIT IS FOR REFERENCE PURPOSES ONLY. SEE LAND DESCRIPTION (EXHIBIT A) FOR CONTROLLING BOUNDARY INFORMATION.

EXHIBIT "B"

PREPARED FOR

LENNAR MARE ISLAND
 690 WALNUT AVE. SUITE 100
 VALLEJO, CA. 94592
 (707) 562-4008

**FORMER MARE ISLAND NAVAL BASE
 QUITCLAIM DEED**

BEING A PORTION OF THAT CERTAIN LANDSCAPE AND MAINTENANCE EASEMENT RECORDED APRIL 10, 2014 DOC# 201400025767 OVER LOT 17 OF THAT CERTAIN FINAL MAP TITLED "CORAL SEA VILLAGE SOUTH UNIT 1", RECORDED APRIL 11, 2008 IN BOOK 82 OF FINAL MAPS AT PAGES 63-65, SOLANO COUNTY RECORDS

PREPARED BY:

CHAUDHARY & ASSOCIATES, INC.
 ENGINEERS SURVEYORS INSPECTORS

COUNTY OF SOLANO STATE OF CALIFORNIA

211 Galeway Road West, #204
 NAPA, CALIFORNIA 94558

Tel: (707) 255-2729 FAX: (707) 255-5021 WWW.CHAUDHARY.COM

G:\2013\13-12-026N-BD\Plata\ACAD-17-BD-PLAT-Lot-17-LME-Quitclaim.dwg

March 5, 2018

SCALE 1"=50'

SHEET 2 OF 2



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Teri Killgore, Assistant City Manager
SUBJECT: LICENSE AGREEMENT AND MOU WITH RISING SUN ENERGY CENTER

RECOMMENDATION

Authorize the City Manager to execute attached License Agreement (Attachment A) and attached Memorandum of Understanding (MOU) (Attachment B) with Rising Sun Energy Center to use the currently vacant City-owned room located on the third floor of 505 Santa Clara Street at no cost to implement the California Youth Energy Services (CYES) program in the City of Vallejo.

REASONS FOR RECOMMENDATION

Rising Sun Energy Center operates the CYES program in Solano County through Pacific Gas & Electricity (PG&E) and the Solano County Energy Watch. The City of Vallejo has been asked to partner with Rising Sun for a fifth year in bringing the CYES program for Summer 2018. The CYES program will hire City youth to serve as Youth Energy Specialists in the community over the summer. In order to participate in the program, the City is required to provide in-kind contributions, including a site office space and water conservation hardware. Staff has negotiated a license agreement with Rising Sun Energy Center for the currently vacant room located on the third floor of the "JFK Library Building." Additional in-kind contributions are detailed in the MOU attached to this staff report.

BACKGROUND AND DISCUSSION

Rising Sun Energy Center is based in Berkeley, California, and has been in operation since 1994. It began as a renewable energy education center and has grown into a leading non-profit for green workforce development and retrofit services. Its mission is to empower individuals to achieve environmental and economic sustainability for themselves and their communities. Rising Sun provides green jobs training and employment to adults and youth with the goal of preparing participants for careers in the energy efficiency sector or other careers. One of their programs, CYES, provides seven weeks of summer job training and employment for youth and young adults ages 15 to 22. Individuals selected are trained to provide no-cost "Green House Calls" to local residents. During Green House Calls, CYES participants check residents' homes for energy efficiency and water conservation, install energy and water-saving equipment when appropriate, and provide personalized recommendations to residents for further energy and water savings. In 2017, ten youth made 251 house calls where they installed the following materials:

- 1,983 LED light bulbs
- 231 LED night lights
- 456 LED flood light bulbs

- 75 efficient-flow showerheads & aerators
- 146 tier two advanced powerstrips

With the youth's assistance, the installation of these materials resulted in an annual reduction of 44,800 kWh, 98.5 therms, and 621,720 gallons of water, a total impact of 33.9 metric tons of carbon dioxide from entering the atmosphere annually. The full summary report can be reviewed in Attachment C.

The License Agreement will provide the vacant City maintained room to Rising Sun for use in this effort at no cost for approximately four months. In exchange, residents of Vallejo receive no-cost green house calls and energy efficient products. Resident youth who apply and are selected for the program, will receive hourly compensation, extensive training and career development. The MOU details the specifics with regard to collaboration between the City and Rising Sun, including the phases involved in implementing the program.

FISCAL IMPACT

In 2017, the in-kind contribution of hardware used in connection with Green House calls was estimated at \$1,000. These materials were provided by the City's Water Department and are supplies that the Department already has on-hand. Staff anticipates the contribution in 2018 will be of similar product and costs.

The License Agreement provides office space at no cost. The office space located on the third floor of 505 Santa Clara Street is currently vacant. Allowing Rising Sun to use the space for this project until the City identifies another use will benefit the City as a whole.

In 2016 and 2017, the Rising Sun Energy Center utilized a much larger, vacant GVRD space on Amador Street with an estimated cost to the City of \$1,600. Staff anticipates the total cost to the City in 2018, in-kind contribution and leased space, will not exceed \$2,500.

The cost of City of Vallejo's in-kind contributions and leased space will be absorbed within existing and proposed budgets, so there will be no fiscal impact on the General Fund associated with the approval of this license agreement and Memorandum of Understanding.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Rising Sun Energy Center License agreement
2.	2018 Rising Sun MOU
3.	2017 Summary Report

CONTACT

Joanna Altman, Assistant to the City Manager, (707) 648-4362

joanna.altman@cityofvallejo.net

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "**Agreement**") is effective May__ 2018 (the "**Effective Date**") and is made by and between **Rising Sun Energy Center**, ("**Licensee**") and THE CITY OF VALLEJO, a municipal corporation ("**City**"), with reference to the following facts:

RECITALS

- A. City is the owner of the real property described on Exhibit "A" attached hereto ("**City Property**").
- B. LICENSEE, its employees, agents, contractors, permittees and its invitees, a non-exclusive, revocable License to enter upon and use the City Property, and the right of ingress and egress to and from the City Property, subject to the terms conditions herein, conduct its business of providing energy consulting and for all general office uses and other activities related to and in connection with Licensee's business operations and contained within a separate memorandum of understanding ("the **Work**") attached hereto as Exhibit "B".
- C. City has agreed to grant the Licensee a license to use the City Property to perform the Work subject to the terms of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, City and Licensee hereby agree as follows:

1. Grant of License. City grants a license ("**License**") for License to conduct its business of providing Energy Consulting and for all general office uses and other activities related to and in connection with Licensee's business operations performing the Work on the City Property. The Work shall be performed in accordance with the terms of this Agreement. No other work or improvements may be performed or upon the City Property by Licensee unless approved in writing by City.
2. Term of License. The License shall commence on the Effective Date and remain in effect until August 31, 2018, (ii) completion of the Work, or (iii) the breach of this Agreement by LICENSEE and its failure to cure that breach within five (5) days after written notice of such breach from City ("**Termination Date**"). Sections 4 through 17, inclusive, of this Agreement shall survive any termination of the License above and shall continue to be in full force and effect after any such termination.
3. Rules and Regulations. During performance of the Work, LICENSEE shall observe the following rules and regulations:
 - (i) LICENSEE shall obtain all necessary City permits for the Work, as applicable.
 - (ii) No Work shall be performed or conducted on the City Property between the hours of 9:00 p.m. and 7:00 a.m.
 - (iii) Any trash, debris, or other waste materials generated by the Work shall be removed routinely by LICENSEE.

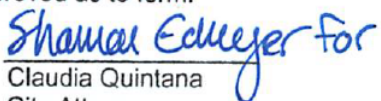
4. Risk of Loss. City shall not assume any responsibility for or to protect against any loss, damage, theft or vandalism of any of the property or material to which LICENSEE and or/its contractors may place in the Premises office on City Property. All tools, and equipment taken upon or placed in City Property by LICENSEE and/or its contractors or agents, as applicable, must be removed by LICENSEE at the time specified as the ending time of this Agreement.
5. Indemnity. To the maximum extent permitted by law, LICENSEE hereby agrees to indemnify, defend and hold harmless City from all loss, liability, damages, actions, claims, costs, and expenses (including attorneys' fees) made against or suffered by City by reason of any actual or alleged loss, damage, injury or claim (collectively "**Claims**") of any kind or character to any person or property arising from the performance under this Agreement by LICENSEE, or its respective agents, employees, consultants, contractors, and subcontractors, excepting any Claims resulting from City's sole and active negligence or willful misconduct.
6. Insurance. LICENSEE agrees to secure and maintain for the Term, at no expense to City, the insurance coverages the ("**Insurance**") set forth on Exhibit "C" attached hereto. A Certificate of Insurance the certifies that the Insurance is in force and effect commencing on the Effective Date and continuing for the Term, together with the endorsements naming City as additional insured.
7. Notices. No notice, consent, approval or other communication provided for herein or given in connection herewith shall be validly given, made, delivered or served unless it is in writing and delivered personally, sent by overnight courier, sent by email transmission, or sent by registered or certified United States mail, postage prepaid, with return receipt requested, as set forth below, and such communication shall be deemed delivered upon receipt if delivered personally, the next business day if sent by overnight mail, the same business day transmitted if faxed or emailed, or the third (3) business day after mailing via US Mail, to :

City: Jose McNeill
City of Vallejo Economic Development Department
555 Santa Clara Street
Vallejo, CA 94590
Email: jose.mcneill@cityofvallejo.net

LICENSEE : Rising Sun Energy Center

8. Interpretation. The captions of the Sections and Sections of this Agreement are for convenience only and shall not govern or influence the interpretation hereof. This Agreement is the result of negotiations between the parties and, accordingly, shall not be construed for or against either party regardless of which party drafted this Agreement or any portion thereof.
9. Successors and Assigns. All of the provisions hereof shall inure to the benefit of and be binding upon the personal representatives, heirs, successors and assigns of City and LICENSEE for the periods expressly set forth in this Agreement.

Approved as to form:

By: 
Claudia Quintana
City Attorney

10. No Partnership, Third Person. The parties do not intend to, and nothing contained in this Agreement shall, create any partnership, joint venture, agency, or other arrangement between or among City and LICENSEE. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, corporation or other entity not a party hereto (including, without limitation, any broker), and no such party shall have any right or cause of action hereunder.
11. Entire Agreement. This Agreement and the documents and instruments expressly contemplated herein to be executed in connection herewith, constitute the entire agreement between the parties pertaining to the License and all prior agreements, representations and understandings of the parties, oral or written, related to the License are hereby superseded and merged herein. No change or addition is to be made to this Agreement except by a written agreement executed by all of the parties.
12. Further Documents. City and LICENSEE shall execute and deliver all such documents and perform all such acts as reasonably requested by the other party from time to time to carry out the matters contemplated by this Agreement, including a notice of no responsibility with respect to the Work under Civil Code Section 3094.
13. Time of the Essence. Time is of the essence of this Agreement.
14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.
15. Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of Solano County in the State of California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts and consent to service of process issued by such courts.
16. Counterparts. This Agreement shall be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.
17. Attorneys' Fees. In the event of any action or proceeding brought by either Party against the other under this Agreement, inclusive of all appeals of any such actions or proceedings, the prevailing Party shall be entitled to recover, as determined by the Court, reasonable costs and expenses, including, without limitation, attorneys' fees, expert witness fees, and court costs, incurred for prosecution, defense, consultation, or advice in such action or proceeding.
18. Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A – City Property
Exhibit B – Memorandum of Understanding
Exhibit C – Insurance

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

Rising Sun Energy Center,
A Non-Profit Organization

CITY OF VALLEJO,
A Municipal Corporation

BY: _____
Jodi Pincus
Executive Director

BY: _____
Greg Nyhoff
City Manager

DATE: _____

DATE: _____

ATTEST:

Dawn G. Abrahamson
City Clerk

(City Seal)

APPROVED AS TO CONTENT:

Jose McNeill

APPROVED AS TO FORM AND
INSURANCE:

Claudia Quintana
City Attorney

EXHIBIT A
Description of City Property

Approximately 600 rentable square feet located on the 3rd Floor of the City owned building commonly known and referred to as the JFK Library Building, Vallejo, California 94590 (the "City Property") located at 505 Santa Clara Street, 3rd Floor, unoccupied and unleased City maintained "storage room". The property location consists of a paved public parking lot on the side of the building, a separate gated entrance and stairwell.

EXHIBIT B

Memorandum of Understanding

EXHIBIT C
INSURANCE REQUIREMENTS

Bodily Injury, Property Damage and Workers' Compensation Insurance.

- (a) Insurance Coverage. Prior to the Effective Date of the Agreement and for the term of this Agreement, LICENSEE shall furnish certificates of insurance in the following amounts:
- (i) Commercial General Liability: \$2,000,000 combined single limit for bodily injury and property damage and \$4,000,000 general aggregate limit.
 - (ii) Comprehensive Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
 - (iii) Workers' Compensation and Employer's Liability: \$1,000,000 per accident for bodily injury or disease. If LICENSEE is not subject to California Workers' Compensation requirements, LICENSEE shall file a completed certificate of exemption form which may be obtained from the City prior to commencing any activity authorized hereunder.
- (b) Contractors. LICENSEE shall require all contractors and subcontractors to carry insurance meeting the requirements of this Section and shall furnish certificates of insurance to the City prior to the commencement of any work or construction on the Import Area.
- (c) Other Insurance Provisions. The general liability and automobile liability policies, as can be provided, are to contain, or be endorsed to contain, the following provisions:
- (i) The City, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the LICENSEE; products and completed operations of LICENSEE; premises owned, occupied or used by LICENSEE; or automobiles owned, leased hired or borrowed by the LICENSEE. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.
 - (ii) For any claims related to this project, LICENSEE's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents or

volunteers shall be excess of the LICENSEE's insurance and shall not contribute with it.

- (iii) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
 - (iv) LICENSEE's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
 - (v) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to Risk Management at the address set forth in Section 7 hereof.
 - (vi) The workers' compensation and employer's liability policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against City, its officers, officials, employees, agents and volunteers, which might arise by reason of payment under such policy in connection with LICENSEE's performance under this Agreement.
- (d) Obligation to Carry General Liability and Automotive Policies. The obligations set forth in this Section shall remain in effect for the Term of the Agreement.
- (e) Satisfactory Certificate of Insurance. If at any time any of said policies shall be unsatisfactory to the City, at the City's reasonable discretion, as to form or substance or if a company issuing such policy shall be unsatisfactory to the City, at the City's reasonable discretion, LICENSEE shall promptly obtain a new policy, submit the same to Risk Management for approval, which shall not be unreasonably withheld, and submit a certificate thereof as hereinabove provided. Upon failure of LICENSEE to furnish, deliver or maintain such insurance and certificates as above provided, the City may deliver a notice of default in accordance with Section 7 of the Agreement. Failure of LICENSEE to obtain and/or maintain any required insurance shall not relieve the LICENSEE from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with or otherwise limit the obligations of the LICENSEE concerning indemnification. LICENSEE's insurance policy(ies) shall include provisions that the coverage is primary as respects the City; shall include no special limitations to coverage provided to additional insureds; and shall be placed with insurer(s) with acceptable Best's rating of A VII or better or with approval of Risk Management and shall be a California-admitted carrier(s).



RISING SUN ENERGY CENTER

2998 San Pablo Avenue, Berkeley, CA 94702 | www.risingsunenergy.org | Tel: 510.665.1501 | Fax: 510.665.1502

Memorandum of Understanding

This Memorandum of Understanding is entered into this 22 day of May, 2018 by and between the City of Vallejo (City) and Rising Sun Energy Center (Rising Sun). Each is a Party to this MOU. The MOU addresses the processes by which the City of Vallejo and Rising Sun will collaborate to implement the California Youth Energy Services program, detailing the responsibilities of Rising Sun as the program implementer, and the support provided by the City.

Rising Sun's California Youth Energy Services program is offered in Solano County through the Pacific Gas and Electric Company and the Solano Energy Watch.

SCOPE OF WORK

Rising Sun Energy Center (Rising Sun) is a Bay Area nonprofit workforce development organization established in 1994. Since 2000, Rising Sun has promoted local resource conservation via a young adult employment program, California Youth Energy Services (CYES). As the residential program arm of the East Bay, Marin, San Joaquin, Solano, and Sonoma County Energy Watch partnerships, the CYES program trains and employs young adults ages 15-22 to provide energy and water conservation assessments and installations to local residents at no cost to the customer. This service, called a Green House Call, is offered to both homeowners and renters, and checks homes for efficiency, installs equipment, and provides personalized recommendations for further savings.

CYES has two goals that set it apart from other youth programs. First, it provides direct-install energy and water efficiency services to the community at no cost, with a focus on hard-to-reach households. These include:

- Non-English speakers, who often miss out on services due to language barriers
- Renters
- Moderate income households
- Multifamily dwellings
- Senior citizens

Second, CYES Energy Specialists are local youth, who often struggle to find paid work experience on a meaningful career track.

Approved as to form:

By: *Shamail Edmeyer* for
Claudia Quintana
City Attorney

Rising Sun operates the CYES program by setting up satellite CYES site offices in partner cities. Youth Energy Specialists are hired locally from the partner city and serve the local community. The total cost of running of a CYES satellite office is \$148,320. This cost includes youth salaries, manager salaries, site set-up and breakdown, outreach and marketing, equipment and materials, transportation, planning, coordination, and all overhead costs.

Rising Sun will run and manage a California Youth Energy Services program site office in the City of Vallejo during the 2017 summer season. Rising Sun will execute the CYES program in Vallejo in three phases: Design and Planning, Training and Implementation, and Closing and Reporting.

Location of Work

The Vallejo site office will be set up in a suitable working space within the City of Vallejo. The details regarding site requirements are further outlined in Appendix A. The space contribution shall count as 'in-kind' contribution. Youth Energy Specialists will be based out of the CYES site office and will perform field work in local residents' homes.

LOGISTICS

The CYES site in Vallejo will be run by two Summer Program Managers (SPM). The SPM's will have equal responsibility in outreach and site management. They market the service to the local community and identify residents interested in Green House Calls and sign them up for scheduled appointments. Outreach techniques include event tabling, bill inserts, social and traditional media, neighborhood canvassing, and partnerships with community groups and property management companies. They are also responsible for overseeing the physical site office and coordinating logistics and administration.

The Summer Program Managers are responsible for training and supervising the youth Energy Specialists, of whom there will be 8 at the Vallejo site. The youth are chosen for their professionalism, ability to work in teams, critical thinking skills, and self-motivation. All two-adult staff are trained and supervised by permanent Rising Sun staff who work throughout the year to ensure the program's success.

Energy Specialists work in pairs composed of a minor and a youth aged 18 or over, so that there is always a legal adult on each assignment. Comprehensive field monitoring policies are in place to ensure the quality of the work. A pair of Energy Specialists can visit three to six households a day.

WORK SCHEDULE

Program Design and Planning: February - May 2018

Upon finalizing the contract, Rising Sun will begin program planning and design. Rising Sun will also launch its community marketing and outreach campaign to generate a waitlist of residents for the summer. Rising Sun will also conduct a youth and manager recruitment campaign in the spring, as well as site office setup. Rising Sun will set up the Vallejo site office in late May and early June. Program design and planning includes:

- Marketing and outreach to community renters and homeowners
- Youth recruitment and hiring
- LIFT recruitment and hiring
- Manager recruitment and hiring
- Inventory and purchasing of tools, equipment, and materials
- Preparation of outreach and audit forms
- Site set-up (IT, etc.) and distribution of tools, equipment, and materials

Program Training and Implementation: June - August 2018

CYES program implementation begins with training. Rising Sun will conduct Manager and LIFT trainings, followed by youth training. Youth Energy Specialists will conduct field work for six weeks following training. Program training and implementation includes:

- Manager Training
- Youth Training
- LIFT Training
- Program Implementation (six weeks of field work/Green House Calls – see below)

Green House Calls

CYES Energy Specialists perform Green House Calls that provide renters and homeowners with free energy and water conservation assessments, equipment installation, and education. Because the equipment installed does not alter the infrastructure of a home, renters are eligible for CYES services. The CYES program serves single-family, 2-4 plex, and multi-unit dwellings. Mobile homes are not eligible.

A CYES Green House Call consists of:

- A walkthrough energy assessment of the house with the client, looking for energy- and water-saving opportunities
- Direct installation of free energy and water saving measures; for example:
 - Efficient-flow faucet bath and kitchen aerators
 - Efficient-flow showerheads
 - Screw-in light emitting diodes (LEDs)
 - Smart powerstrips (Tier 2)
 - LED nightlight
 - Additional measures as available
- Solar assessments for single-family homeowners
- Testing gallon per minute (GPM) flow rate tests on all feasible shower, kitchen, and bathroom water fixtures
- Assessment of toilets for leaks and flush volume
- Assessment of refrigerator and water heater temperature settings
- Collection of irrigation information
- Energy and water conservation education, including personalized recommendations
- Customized report to the client documenting work completed and ways to further capture energy savings after the CYES appointment

Program Close and Reporting: August – November 2018

The reporting process begins in late August, after all CYES sites have been properly closed down, and continues through November. Due to the large amount of data collected across CYES cities, the data analysis and translation process takes 2-3 months to complete. Final reports will be distributed to partner cities no later than November 15, 2018. Program close and reporting includes:

- Site breakdown and closeout

- Data analysis and translation
- Create and distribute all reports

DELIVERABLES AND OUTCOMES

Program Design and Planning: February - May 2018

- Develop program structure and work schedule
- Recruit and hire 8 Vallejo and surrounding Solano County youth at \$11 - \$12 per hour
- Recruit and hire three CYES Summer Program Managers to supervise youth and conduct local outreach (may not be from the City of Vallejo)
- Recruit and hire one LIFT (Leader-in-Field-Training); a LIFT should be a returning Energy Specialist and may not be from the City of Vallejo
- Execute client recruitment plan to build waitlist of residents interested in receiving Green House Calls
- Identify a program location space from local partners (City of Vallejo responsibility)
- Network with local partner organizations for outreach
- Solicit and partner with local water district/dept. to secure water measure donations needed for program (showerheads, kitchen aerators, bathroom aerators, water flow bags, toilet dye tablets, and pressure gauges)
- Site setup

Program Training and Implementation: June - August 2018

- Host LIFT orientation
- Implement technical training for CYES Managers
- Implement technical and professional training for LIFT employees
- Implement technical and professional training for youth Energy Specialist employees
- Provide 225 local residents of the City of Vallejo and surrounding Solano County areas with energy and water conservation education and free hardware installation
- Provide ongoing professional development training to youth
- Conduct continuous in-field quality control through ride-alongs, drop-in visits, and client follow-up calls
- Assist City of Vallejo in reaching its Climate Action Plan goals

Program Close and Reporting: August - November 2018

- Move out of and close-out site office
- Generate and distribute a final City report for the City of Vallejo no later than November 15, 2018; the report will include:
 - Number of homes served
 - Number of each measure installed
 - Total energy and water savings
 - Pounds of e-waste removed, and responsibly recycled
 - Number of solar assessments conducted
 - Total number of youth hired
 - Percentage of renters served
 - Percentage of low-moderate income households served

- Breakdown of client demographics

Terms

The effective date of this agreement is May 22, 2018 and its termination date is August 31, 2018 unless sooner terminated as provided herein. This Agreement may be extended by written agreement of all parties.

Amendments

If modifications to this MOU are necessary, such modifications shall constitute amendments which will be reduced to writing and signed by each party.

Indemnification

Rising Sun agrees to accept all responsibility for loss or damage to any person or entity, including City, and to indemnify, hold harmless, and release City, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Rising Sun, that arise out of, pertain to, or relate to Rising Sun's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Memorandum of Understanding. Rising Sun agrees to provide a complete defense for any claim or action brought against City based upon a claim relating to Rising Sun's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Memorandum of Understanding. Rising Sun's obligations under this Section apply whether or not there is concurrent negligence on City's part, but to the extent required by law, excluding liability due to City's conduct. City shall have the right to select its legal counsel at Rising Sun's expense, subject to Rising Sun's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Rising Sun or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

Insurance

With respect to performance of work under this Memorandum of Understanding, Rising Sun shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Appendix B, which is attached hereto and incorporated herein by this reference

Termination

This Agreement may be terminated by either party upon thirty (30) days written notice. In the event this Agreement is terminated prior to completion, a revised set of responsibilities will be drafted and agreed upon by all parties. The Agreement may also be cancelled immediately by mutual written consent.

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

Rising Sun Energy Center,

CITY OF Vallejo,

A Non-Profit Organization

By: _____
Jodi Pincus
Executive Director

DATE: _____

(City Seal)

A Municipal Corporation

By: _____
Greg Nyhoff
City Manager

DATE: _____

ATTEST:

By: _____
Dawn G. Abrahamson
City Clerk

APPROVED AS TO CONTENT:

By: _____
Joanna Altman
Assistant to the City Manager

APPROVED AS TO FORM AND INSURANCE:

By: _____
Claudia Quintana
City Attorney

APPENDIX A
In-Kind Contributions

Site Office

- Location, if known: 505 Santa Clara Street, 3rd Floor (unleased and unoccupied City owned room), Vallejo, CA
 - 800-1,200 square feet
 - April 1st-August 31
 - Monday-Friday
 - 9:00am-7:30pm, with extended hour access on the evenings of July 11th and July 25th from 10:30am-8:30pm
 - Access to bathrooms
 - Safe area/safe building
 - Access to free parking
- Cell phone reception
- High-speed internet service
- Not required, but if possible:
 - 4 desks (or tables for computer stations)
 - One large conference table or smaller student desks for training (15 people)
 - 1 additional larger table or space for storing outreach materials, collateral, paperwork, etc.
 - 18 chairs
 - Janitorial service
 - Building Alarm

Water Measures (preferred items)

Measures given by the city of Vallejo will be exclusively for Vallejo residents

- Showerheads
- Kitchen aerators
- Bathroom aerators
- Water flow bags
- Pressure gauges
- Toilet dye tablets

Other

- Assistance with resident/constituent outreach, including:
 - Bill inserts (not required, but if possible)
 - Website/social media posting
 - Newsletters/other print opportunities
 - Permissions or permits to outreach on city and public property, including solicitor's permits
 - Event connections/ideas
 - Media, property manager, and other local outreach connections
 - Co-branding opportunities
 - Partnership on program kickoff/local PR event

- Provision of connections to youth organizations, schools, and community colleges for youth recruitment; local connections for manager recruitment
- Other support: As determined and approved by the City Manager or designee

APPENDIX B

Insurance Requirements

With respect to performance of work under this Agreement, Rising Sun shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below. Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

City reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Rising Sun from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

1. Workers Compensation and Employers Liability Insurance

- a. Required if Rising Sun has employees as defined by the Labor Code of the State of California.
- b. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- c. Employers Liability with minimum limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.

If Rising Sun currently has no employees as defined by the Labor Code of the State of California, Rising Sun agrees to sign the "Declaration of Sole Proprietor" form and obtain the above-specified Workers Compensation and Employers Liability insurance should employees be engaged during the term of this Agreement or any extensions of the term.

2. General Liability Insurance

- a. Commercial General Liability Insurance on a standard occurrence form, as broad as Insurance Services Office (ISO) form CG 00 01.
- b. Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Umbrella Liability Insurance.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. Any deductible or self-insured retention must be approved in advance by the City.
- d. The City of Vallejo, its Officers, Agents, Employees and Volunteers shall be additional insureds for liability arising out of operations by or on behalf of Rising Sun in the performance of this Agreement.
- e. The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- f. *Required Evidence of Insurance:*

- i. Copy of the additional insured endorsement or policy language granting additional insured status; and
- ii. Certificate of Insurance.

3. Automobile Liability Insurance

- a. Minimum Limit: \$1,000,000 combined single limit per accident. The required limit may be provided by a combination of Automobile Liability Insurance and Commercial Excess or Umbrella Liability Insurance.
- b. Insurance shall cover all owned autos. If Risking Sun currently owns no autos, Consultant agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions of the term.
- c. Insurance shall cover hired and non-owned autos.
- d. *Required Evidence of Insurance:* Certificate of Insurance.

4. Standards for Insurance Companies

Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best's rating of at least A:VII.

5. Documentation

- a. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Rising Sun agrees to maintain current Evidence of Insurance on file with City for the entire term of this Agreement and any additional periods if specified in Sections 1, 2 or 3 above.
- b. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- c. Rising Sun shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- d. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

6. Material Breach

If Rising Sun fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. City, at its sole option, may terminate this Agreement and obtain damages from Rising Sun resulting from said breach. Alternatively, City may purchase the required insurance, and without further notice to Rising Sun, City may deduct from sums due to Rising Sun any premium costs advanced by City for such insurance. These remedies shall be in addition to any other remedies available to City.

CALIFORNIA YOUTH ENERGY SERVICES



In the summer of 2017, Rising Sun partnered with the City of Vallejo for the fourth year to host a CYES program. CYES employed 10 Vallejo youth and served 251 Vallejo residences.

Rising Sun Energy Center, a local nonprofit, partners with cities and PG&E Energy Watch Partnerships to deliver the CYES program. CYES employs local youth to perform energy efficiency and water conservation assessments and installations in local homes – at no cost to the customer. Since 2000, CYES has served 42,667 customers and employed 1,688 young adults. To date, the program has saved over 129.2 million lifetime kWh, over 3.1 million lifetime therms, and 104,630 metric tons of CO² emissions.

CYES employs local young adults in a meaningful, positive work experience where they can make a difference in their community, help the environment, and shape their future success. Our youth Energy Specialists work in teams of two to provide their neighbors with no-cost Green House Calls. In addition to job training, Energy Specialists participate in weekly professional development workshops. CYES youth are empowered to take direct action to mitigate climate change, while also gaining valuable job experience.

YOUTH IMPACT

2017 PROGRAM - WIDE



86%

reported an increase in overall skill development

73%
said their future plans were positively impacted by CYES



44%

increased their eco-literacy

YOUTH DEMOGRAPHICS

2017 PROGRAM - WIDE



55%

said CYES was their first job

91%
said CYES was their first green job



39%

experienced one or more barriers to employment before CYES

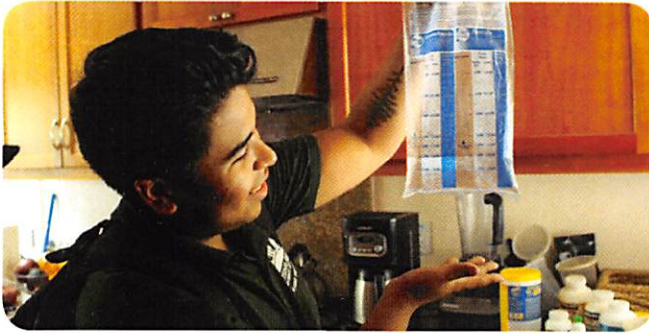


YOUTH TESTIMONIALS

"While working for the CYES program this summer I enhanced my knowledge and understanding of some of the problems facing Vallejo, as well as learning about climate awareness and how it effects my community."

"By participating in the CYES program I have gained more confidence speaking to strangers and the general public. I now feel confident to voice my knowledge."

ENERGY AND WATER SAVINGS



Youth Energy Specialists installed energy- and water-saving devices in local homes, which led to the annual reduction of 44,799.73 kWh, 98.48 therms, and 621,720 gallons of water, preventing 33.9 metric tons of CO² from entering the atmosphere each year. This is equivalent to avoiding CO² greenhouse gas emissions from the following:



3,810

gallons of gasoline consumed



5.1

homes' electricity use for one year



82,997

miles driven by an average passenger vehicle

MATERIALS INSTALLED



1,983

LED light bulbs



456

LED flood light bulbs



146

Tier 2 advanced powerstrips



231

LED night lights



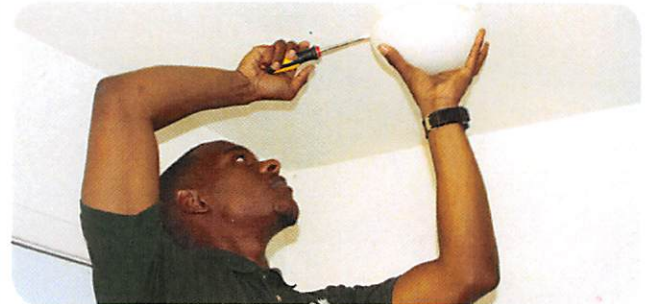
61

kitchen and bathroom aerators



14

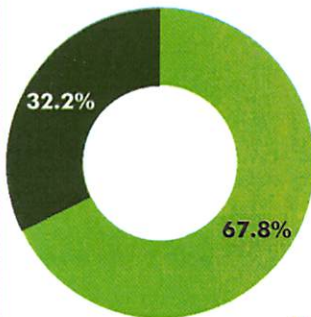
efficient-flow showerheads



HOUSEHOLD DEMOGRAPHICS

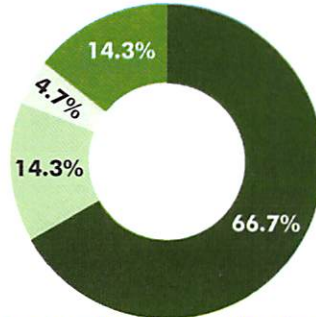
Income

- High
- Low-Moderate



Languages*

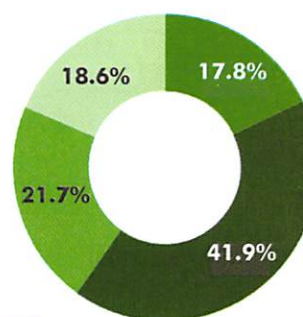
- Spanish
- Vietnamese
- Other
- Filipino



*Languages spoken at home other than English

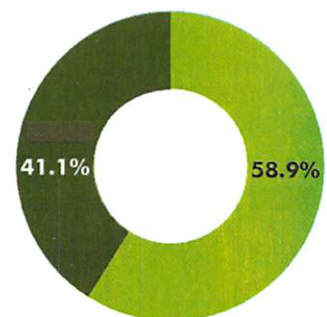
Ethnicity

- African or African American
- Other
- Caucasian
- Hispanic/Latino



Households

- Own
- Rent



CLIENT FEEDBACK

"The Energy Specialists were super respectful, consummate professionals. They were really informative and had many great recommendations. They made a great team."

"These young people were very well trained. They came on time, looked professional, and knew exactly what to do. This is an excellent program."



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Mike Malone, Water Director
SUBJECT: **AGREEMENTS TO REIMBURSE VALLEJO FLOOD AND WASTEWATER DISTRICT FOR THE MARE ISLAND FORCE MAIN PROJECT COSTS**

RECOMMENDATION

Authorize the City Manager to execute agreements to reimburse Vallejo Flood and Wastewater District (VFWD) for the Mare Island Force Main project share for a total agreement amount not to exceed \$7,031,740.

REASONS FOR RECOMMENDATION

The City entered into a reimbursement agreement (“original agreement”) with VFWD on April 7, 2016 for the design of the Mare Island Force Main Project. The design is now complete and the project is ready for construction. These new agreements are necessary to construct the project.

BACKGROUND AND DISCUSSION

VFWD conceived and developed a project to install a sanitary sewer force main and a recycled water line under the Mare Island Strait using a construction method called Horizontal Directional Drilling (HDD). The City decided to partner with VFWD to add potable water pipes using the same method. The original agreement outlined how design costs would be shared between VFWD (the lead agency) and the City.

The design is now complete and the project was advertised for construction on March 26, 2018. Bids were received on May 10, 2018 and VFWD seeks to award the construction project on May 22, 2018 to Garney Pacific, Inc., the lowest responsive and responsible bidder. Their award of the project is contingent upon having additional cost share reimbursement agreements with the City in place for the following activities:

- Reimbursement Agreement for Construction Management (City’s share is \$387,964)
- Reimbursement Agreement for Construction, i.e., the construction contract (City’s share is \$6,523,814)

VFWD cannot award the construction project without having these two agreements to reimburse in place. In addition, the original agreement will be amended to include design services during construction (City’s share is \$119,962) and the amendment will go before City Council for approval in the near future. However, this work is included in the total not to exceed amount of \$7,031,740, so that the funding is secured in advance of the amendment’s approval.

FISCAL IMPACT

Funding for this project has been established in the Mare Island Force Main Project (WT7095) in the City

**Subject: AGREEMENTS TO REIMBURSE VALLEJO FLOOD AND WASTEWATER DISTRICT FOR THE
MARE ISLAND FORCE MAIN PROJECT COSTS**

Water Capital Fund (#404). Current project appropriations of \$5.87M will be increased in April 2018 by \$1.75M to a total project budget of \$7.62M, which is sufficient to cover the reimbursement agreement expenses.

There is no fiscal impact on the General Fund, associated with the approval of this item.

ENVIRONMENTAL REVIEW

This action (authorizing reimbursement agreements) is exempt under the California Environmental Quality Act (“CEQA”) because it is not a project which has potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect change in the environment pursuant to CEQA Guidelines Section 15378.

ATTACHMENTS

1.	2019_The_Covello_Group_Inc
2.	1164_GHD_Inc_Amd_5_Ext_1
3.	Stamped Reimbursement Agreement Construction 050718
4.	Stamped Reimbursement Agreement Covello 050718

CONTACT

Mike Malone, Water Director, (707) 648-4308

Mike.Malone@cityofvallejo.net

1 PO No. _____

Agr No. 2019

2 **AGREEMENT FOR PROFESSIONAL SERVICES**
3 **(specific project) (without construction risk)**

4
5 **BETWEEN VALLEJO SANITATION AND FLOOD CONTROL DISTRICT**

6
7 **AND**

8
9 **THE COVELLO GROUP, INC.**

10
11 This Agreement for Professional Services ("Agreement") is entered into this
12 30th day of June, 2017, by and between Vallejo Sanitation and Flood Control
13 District, 450 Ryder Street, Vallejo, CA, hereinafter called "District," and The
14 Covello Group, a California corporation, hereinafter called "Provider." This Agreement
15 is entered into and is to be performed in Solano County, California.

16 District has undertaken the Mare Island Sewer and Water Main Replacement
17 project and has selected Provider to provide construction management services in
18 connection with said project.

19 **IT IS AGREED AS FOLLOWS:**

20 **ARTICLE 1. - EMPLOYMENT**

21 District does hereby retain Provider as an independent contractor for professional
22 services, upon the terms and conditions set forth in this Agreement. Provider shall
23 perform its services and duties in conformance to and consistent with the standards
24 generally recognized as being employed by professionals in Providers' field of expertise
25 in California. Without limiting the foregoing, Provider shall be responsible for the
26 compliance of Provider's work product with all applicable building codes and other
27 applicable state, federal and local statues, ordinances and regulations.

29 **ARTICLE 2. - SCOPE OF WORK AND CHANGES**

30 Provider will perform the services described in Exhibit “A,” attached hereto and
31 incorporated herein by this reference, subject to the satisfaction of the District Manager.
32 Provider agrees to provide all labor, materials, tools, equipment, transportation, services
33 and other items necessary to complete the work. District, without invalidating this
34 Agreement, may order changes in the work within the general scope of this Agreement
35 consisting of additions, deletions and other revisions, and the Provider’s compensation
36 and the contract time shall be adjusted accordingly. All such changes shall be authorized
37 in writing by District, and shall be undertaken by Provider only upon direction in writing
38 from District and after such changes and the charges or credits therefor, or the method
39 of calculating such charges or credits, have been approved by the District and a
40 memorandum thereof signed by District and Provider. The cost or credit to District
41 resulting from changes in the work shall be determined in accordance with the bid(s), firm
42 price quotation(s) amounts, fees and/or rates set forth in Exhibit “B.” If none of the
43 methods set forth in Exhibit “B” are applicable to the changes, the cost or credit to District
44 shall be determined by mutual agreement in writing.

45 **ARTICLE 3. – REVIEW AND INVESTIGATION BY PROVIDER**

46 Provider has reviewed the work to be provided and has made its own investigation
47 of the work and the physical characteristics of the work site. Provider has determined that
48 it has sufficient information to enter into this Agreement and to perform the work. Provider
49 agrees and acknowledges that District has made no representations or warranties
50 concerning the work to be provided and that Provider has relied solely upon its own review
51 and investigation in entering into this Agreement.

52 **ARTICLE 4. – SCHEDULE**

53 Provider will at all times diligently prosecute the work on all tasks of this
54 Agreement. Provider shall not commence performance of services hereunder until
55 receipt of written notice to proceed. Any actions taken before such written notice are at
56 Provider's sole risk.

57 **ARTICLE 5. - COMPENSATION**

58 Compensation for work hereunder shall be based on the hourly rates of Provider's
59 personnel and equipment assigned to the project and the actual hours required, plus
60 actual and necessary expenses. Billing rates and conditions shall be as set forth in Exhibit
61 "B." Provider shall not be paid more than the total sum of **\$674,720** for work under this
62 Agreement without the prior written authorization of District.

63 **ARTICLE 6. – COMPLIANCE WITH LAWS**

64 Provider shall have full and exclusive responsibility for compliance with all federal,
65 state and local requirements pertinent to its employees, methods and procedures in
66 connection with the work under this Agreement. Provider shall submit to District a
67 completed Internal Revenue Service, Department of the Treasury form W-9 (Request for
68 Taxpayer Identification Number and Certification) before commencing work under this
69 Agreement.

70 **ARTICLE 7. – ASSIGNMENT AND SUBCONTRACTING**

71 This Agreement shall not be assigned by either party, nor may Provider
72 subcontract any portion of the work hereunder, without first obtaining the written consent
73 of the other party.

74

75 **ARTICLE 8. – TERMINATION AND COMPENSATION UPON TERMINATION**

76 Unless earlier terminated as provided below, this Agreement shall terminate upon
77 completion and acceptance by District of all professional services required by the Scope
78 of Work, Article 2 hereof. Acceptance of Provider’s work by District shall not operate as a
79 waiver or release as to any matters that are within Provider’s duties and obligations under
80 this Agreement. Upon termination of this Agreement, whether by way of District’s
81 acceptance of Provider’s services, for the convenience of District, or because of default,
82 the insurance and indemnity obligations of Provider as described in Articles 13
83 (Indemnity) and 14 (Insurance) hereof, as well as the terms of any warranties given by
84 Provider, and the provisions of Articles 9 (Claims) and 10 (Legal Fees) hereof, shall
85 continue in full force and effect. Upon termination, Provider shall, without delay, deliver to
86 District all documents and materials prepared or obtained in the performance of this
87 Agreement.

88 If District decides to abandon or indefinitely postpone the work or services
89 contemplated by this Agreement, District may terminate this Agreement upon written
90 notice to Provider. In such case Provider shall be paid for services satisfactorily rendered
91 prior to the termination, and the reasonable cost of assembling the required materials and
92 documents for delivery to District.

93 Either party may terminate this Agreement in the event of a substantial failure by
94 the other party to fulfill its obligations hereunder; provided, however, that the party alleged
95 to be in default shall be given an opportunity to cure the default as provided below. Notice
96 of intent to terminate shall be in writing and shall be given as provided in Article 17. The
97 notice shall describe the reasons for the intended termination. This Agreement shall not

98 be terminated if the party alleged to be in default gives written notice of its intent to cure
99 the default within five (5) days after service of the notice of intended termination, and, in
100 addition, fully cures the default within fifteen (15) days after service of the notice of
101 intended termination.

102 Upon termination of this Agreement for default by either party, the parties will
103 attempt to negotiate an equitable adjustment in the price provided for in this Agreement.
104 In the case of default by Provider, Provider shall only be allowed, or, if the dispute goes
105 to arbitration, awarded, payment for services satisfactorily rendered prior to the
106 termination, and Provider shall be charged the difference between District's costs to
107 correct and complete the work described in Exhibit "A" and the amount that District would
108 have paid to Provider if Provider had completed the work. District may recover such costs
109 of correcting and completing the work whether or not, at the time of the arbitration, the
110 work has actually been corrected and/or completed. In the case of default by District,
111 Provider shall only be allowed, or, if the dispute goes to arbitration, awarded, payment for
112 services satisfactorily rendered prior to the termination, costs reasonably and necessarily
113 incurred by Provider arising out of obligations and commitments undertaken by Provider
114 as a result of entering into this Agreement, and the reasonable cost of assembling the
115 required materials and documents for delivery to District. In no case, regardless of fault,
116 shall Provider be allowed or awarded amounts for anticipated profit, unperformed
117 services, or indirect costs such as overhead.

118 Nothing in the immediately preceding paragraph shall limit the parties' rights and
119 remedies with regard to claims (1) for damages for death or bodily injury to persons, injury
120 to property, or other loss, arising out of negligence or professional liability, or (2) under

121 the Workers' Compensation laws, or (3) for breach of warranty, and nothing in this
122 Agreement shall waive or abrogate the provisions of the California Government Code
123 regarding claims against public entities.

124 **ARTICLE 9. - CLAIMS**

125 Any controversy or claim arising out of or relating to this Agreement, or the breach
126 thereof, shall be decided by arbitration administered by the American Arbitration
127 Association under its Commercial or Construction Industry Arbitration Rules (as
128 applicable), and judgment on the award rendered by the arbitrator may be entered in any
129 court having jurisdiction thereof. The arbitration shall be held in Solano County,
130 California, unless the parties mutually agree in writing to a different location. The case
131 shall be heard and decided by a single arbitrator, who shall render a reasoned award
132 setting forth the legal, contractual and technical bases thereof.

133 **ARTICLE 10. - LEGAL FEES**

134 In any arbitration or legal proceedings in connection with this Agreement (including
135 a petition to cause judgment to be entered upon an arbitration award) brought by either
136 party against the other to enforce any of the obligations hereunder or arising out of any
137 dispute concerning the terms and conditions of this Agreement, the losing party shall pay
138 the prevailing party such reasonable amounts for attorneys' fees, costs of litigation and
139 other reasonable and necessary expenses incurred by the prevailing party in preparing
140 and presenting its case, as may be set by the arbitrator or by the court.

141 **ARTICLE 11. - INTEGRATION**

142 This Agreement and the attachments hereto represent the entire understanding
143 between District and Provider as to those matters contained herein. No prior or

144 contemporaneous oral or written statement or understanding shall be of any force or
145 effect with respect to those matters covered hereunder. This Agreement may not be
146 modified or altered except in a writing signed by both District and Provider. In case of
147 inconsistency between this Agreement and the attachments hereto, the terms of this
148 Agreement shall govern. Without limiting the generality of the foregoing, no limitation of
149 liability provision contained in the attachments or exhibits hereto shall be valid or binding,
150 *unless it is separately signed or initialed by both District and Provider.*

151 **ARTICLE 12. - PROJECT MANAGER**

152 Provider designates **Edward O'Brien** who shall be responsible for the
153 performance of the work and for all matters relating to this Agreement.

154 Provider shall not replace the aforesaid individual without the consent of and prior
155 written approval of District, provided that such approval shall not be unreasonably
156 withheld and provided the person originally designated by Provider remain in the active
157 employ of Provider.

158 **ARTICLE 13. – INDEMNITY**

159 Provider agrees to indemnify, including the cost to defend, District and its officers,
160 agents and employees, from and against any and all claims, demands, costs or liability
161 that arise out of, or pertain to, or relate to the negligence, recklessness, or willful
162 misconduct of Provider and its agents and subcontractors in the performance of services
163 under this contract; however, this indemnity does not apply to liability 1) for damages for
164 death or bodily injury to persons, injury to property, or other loss, arising from the sole
165 negligence or willful misconduct of District, or District's agents or independent contractors

166 who are directly responsible to the District, or for defects in design furnished by those
167 persons, or 2) to the extent caused by the active negligence of District.

168 **ARTICLE 14. - INSURANCE REQUIREMENTS FOR PROVIDER**

169 Provider shall procure and maintain for the duration of the contract insurance
170 against claims for death or injuries to persons or damages to property that may arise from
171 or in connection with the performance of the work hereunder by the Provider, its agents,
172 representatives, or employees. Provider shall include all approved subcontractors as
173 insureds under its policies or shall furnish separate evidence of coverage and
174 endorsements for each approved subcontractor. All coverage for subcontractors shall be
175 subject to all of the requirements stated herein. With respect to General Liability and
176 Errors and Omissions, coverage shall be maintained for a period of ten (10) years after
177 contract completion.

178 **Minimum Scope of Insurance**

179 Coverage shall be at least as broad as:

- 180 1. Insurance Services Office Commercial General Liability coverage (occurrence
181 Form CG 00 01).
- 182 2. Insurance Services Office Form Number CA 00 01 covering Automobile Liability,
183 Code 1 (any auto).
- 184 3. Workers' Compensation insurance as required by the State of California and
185 Employer's Liability Insurance.
- 186 4. Errors and Omissions Liability insurance appropriate to the Provider's profession.

187 **Minimum Limits of Insurance**

188 Provider shall maintain limits no less than:

189 **General Liability** (including operations, products and completed operations, as
190 applicable):

191 \$1,000,000 per occurrence for bodily injury, personal injury, and property damage. If
192 Commercial General Liability insurance or other form with a general aggregate limit is
193 used, either the general aggregate limit shall apply separately to this project/location or
194 the general aggregate limit shall be twice the required occurrence limit.

195 **Automobile Liability:**

196 \$1,000,000 per accident for bodily injury and property damage.

197 **Excess or Umbrella Liability Coverage:**

198 \$1,000,000, which shall be excess over both the Commercial General Liability and the
199 Auto policies.

200 **Worker's Compensation:**

201 As required by the State of California

202 **Employer's Liability:**

203 \$1,000,000 per accident for bodily injury or disease.

204 **Errors and Omissions Liability:**

205 \$2,000,000 per occurrence.

206 If Provider maintains higher limits than the minimums shown above, District shall be
207 entitled to coverage for the higher limits maintained by Provider.

208 **Deductibles and Self-Insured Retentions**

209 Any deductibles or self-insured retentions must be declared to and approved by District.

210 At the option of District, either: the insurer shall reduce or eliminate such deductibles or
211 self-insured retentions as respects the District, its officers, trustees, officials, employees

212 and volunteers; or Provider shall provide a financial guarantee satisfactory to District
213 guaranteeing payment of losses and related investigations, claim administration, and
214 defense expenses.

215 **Other Insurance Provisions**

216 A. The commercial general liability and automobile liability policies shall contain, or
217 be endorsed to contain, the following provisions:

218 1. The District, its officers, trustees, officials, employees and volunteers shall
219 be covered as additional insureds as respects: liability arising out of work or operations
220 performed by or on behalf of Provider; and automobiles owned, leased, hired or borrowed
221 by Provider.

222 2. For any claims related to Provider's work under this Agreement, Provider's
223 insurance coverage shall be primary insurance as respects the District, its officers,
224 trustees, officials, employees, and volunteers. Any insurance or self-insurance
225 maintained by District, its officers, trustees, officials, employees or volunteers shall be
226 excess of Provider's insurance and shall not contribute with it.

227 3. The inclusion of more than one insured shall not operate to impair the right
228 of one insured against another insured, and the coverage afforded by the policy shall
229 apply as though separate policies had been issued to each insured.

230 4. Each insurance policy required by this Agreement shall be endorsed to state
231 that coverage shall not be canceled by the insurer or Provider, except after thirty (30)
232 days' prior written notice by certified mail, return receipt requested, has been given to
233 District and subsequent coverage reviewed and accepted by the District is provided by
234 Provider.

235 5. Coverage shall not extend to any indemnity coverage for the active
236 negligence of the additional insured in any case where an agreement to indemnify the
237 additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil
238 Code.

239 B. If General Liability and/or Errors and Omissions coverages are written on a claims-
240 made form:

241 1. The retroactive date must be shown, and must be before the date of this
242 Agreement the beginning of contract work.

243 2. Insurance must be maintained and evidence of insurance must be provided
244 for at least **ten (10) years** after completion of the contract work.

245 3. If coverage is canceled or non-renewed, and not replaced with another
246 claims-made policy form with a retroactive date prior to the contract effective date,
247 Provider must purchase extended period coverage for a minimum of ten (10) years after
248 completion of contract work.

249 4. A copy of the claims reporting requirements must be submitted to the
250 District for review.

251 **Acceptability of Insurers**

252 Insurance shall be placed with insurers with a current A.M. Best's rating of no less than
253 A: VII. Exception may be made for the State Compensation Insurance Fund when not
254 specifically rated.

255 **Verification of Coverage**

256 Provider shall furnish District with original certificates and endorsements effecting
257 coverage required by this Article. General Liability coverage shall be provided in the form

258 of an Additional Insured endorsement (CG 20 10 11 85 or equivalent) to Provider's
259 insurance policy, or as a separate owner's policy. All certificates and endorsements shall
260 be received and approved by District before work commences; failure to do so, however,
261 shall not operate as a waiver of these insurance requirements. District reserves the right
262 to require complete, certified copies of all required insurance policies, including
263 endorsements effecting the coverage required by these specifications at any time.

264 **Waiver of Subrogation**

265 Provider hereby agrees to waive subrogation which any insurer of Provider may acquire
266 from Provider by virtue of the payment of any loss. Provider agrees to obtain any
267 endorsement that may be necessary to effect this waiver of subrogation.

268 The Workers' Compensation policy shall be endorsed with a waiver of subrogation
269 in favor of District for all work performed by Provider, its employees, agents and
270 subcontractors.

271 **Subcontractors**

272 Provider shall require and verify that all approved subcontractors maintain insurance
273 meeting all the requirements stated herein.

274 **Event of Claim**

275 Provider shall pay any deductible amount in the event there is a claim for which the insurer
276 is responsible. Provider's indemnification obligation shall apply regardless of whether
277 Provider pays or the Provider's insurance carrier pays the deductible amount.

278 **ARTICLE 15. - OWNERSHIP OF WORK PRODUCT**

279 All work product prepared by Provider pursuant to this Agreement shall become
280 the property of District. The work under this Agreement is work made for hire. Such work

281 product is not intended or represented to be suitable for reuse by District or others on
282 extensions of the services provided for the intended project or for any other project. Any
283 reuse without written permission, or without specific certification or adaptation by Provider
284 for a specific purpose, will be at District's sole risk and without liability to Provider. Any
285 such certification or adaptation will entitle Provider to further compensation at rates to be
286 agreed upon by District and Provider.

287 **ARTICLE 16. – PREVAILING WAGES**

288 **This Article applies only if District and Provider have separately initialed it**
289 **in the space provided at the end of this Article 16.**

290 In no case shall Provider pay its workers less than the general prevailing rate of
291 per-diem wages for work of a similar character in the locality in which the work is
292 performed. Copies of the prevailing rates of per-diem wages for each craft, classification,
293 or type of worker needed to execute this Agreement are on file in the District's office.
294 Provider shall keep certified payroll records meeting all the requirements of California
295 Labor Code section 1776, and shall maintain and make the certified payroll records
296 available for inspection as provided in section 1776.

297

298 **District**

Provider

299

300

By: 

By: _____

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282 extensions of the services provided for the intended project or for any other project. Any
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297

298 **District**

Provider

299

300 **By:_____**

By: _____

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ARTICLE 17. – NOTICES

Any notices required by this Agreement or arising hereunder shall be in writing and shall be personally served on an officer or managing employee of the other party, or sent by certified mail, return receipt requested, to the following addresses, or such other addresses as the respective parties may hereafter designate in writing:

To the District:	To the Provider:
Melissa Morton	Gary Skrel
District Manager	President
Vallejo Sanitation	The Covello Group
and Flood Control District	1660 Olympic Blvd., Suite 300
450 Ryder Street	Walnut Creek, CA 94596
Vallejo, CA 94590	

Notices sent by certified mail shall be considered served three days after they are postmarked.

ARTICLE 18. – BINDING ON SUCCESSORS

This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns.

ARTICLE 19. – WARRANTY OF AUTHORITY

Each person signing this agreement on behalf of a party to this Agreement warrants that he or she has full authority to execute this Agreement on behalf of such party and to bind the party to all the terms contained herein, and agrees that he or she shall defend, indemnify and hold all others parties to this Agreement harmless from any liability, costs and expenses incurred if this warranty is not true or if he or she does not have the authority.

330 **ARTICLE 20. – CONFIDENTIAL INFORMATION**

331 Provider acknowledges that information transmitted by the District, constitutes
332 confidential information. Provider agrees to receive and maintain the confidential
333 information in confidence. Provider will not use the confidential information for its own
334 benefit or disclose it or otherwise make it available to third parties. Provider will take
335 reasonable steps to ensure that its subcontractors, employees, representatives and
336 agents comply with this provision.

337

338 **VALLEJO SANITATION AND**
339 **FLOOD CONTROL DISTRICT**

THE COVELLO GROUP

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BY: 
Melissa Morton, District Manager

BY: _____
Gary Skrel, President

Date: 9/21/17

Date: _____

ATTEST: _____
Holly M. Charléty, District Clerk

This agreement was only altered for scope and provider _____

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335 reasonable steps to ensure that its subcontractors, employees, representatives and
336 agents comply with this provision.


337

338 **VALLEJO SANITATION AND**
339 **FLOOD CONTROL DISTRICT**

THE COVELLO GROUP

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341

342 **BY: _____**
343 **Melissa Morton, District Manager**

BY: 

Gary Skrel, President
CA PE C-43547

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346 **Date: _____**

Date: JUNE 26, 2017

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350 **ATTEST: _____**
351 **Holly M. Charléty, District Clerk**

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This agreement was only altered for scope and provider _____

EXHIBIT A



Scope of Work

Construction Management for the Mare Island Sewer and Water Main Replacement Project

The anticipated Scope of Services include but not limited to some or all of the following services:

1. Pre-Bid
 - a. Review 100% plans and specifications for constructability.
 - b. Final review of the bid package.
 - c. Clearly identify project risks and impacts to project and propose mitigation strategies.
2. Advertising/Bid/Award
 - a. Attend pre-bid meeting and provide assistance as necessary.
 - b. Assist with responses to bidder questions.
 - c. Assist with bid evaluation.
3. Construction and Inspection Services
 - a. Develop construction management plan and clearly define roles.
 - b. Review methods of trenchless construction under Wilson Avenue and identify any potential alternatives to reduce cost (time/money) and/or risk.
 - c. Maintain ongoing interaction and communication with the District, City, and Design Engineer.
 - d. Schedule and conduct meetings including Pre-construction Meeting, Coordination Meetings, Safety Meetings, weekly update meetings and other project meetings as needed. Meetings will have an agenda with objectives and will be followed with a meeting summary.
 - e. Provide on-site construction administration, inspection, and coordination.

281 product is not intended or represented to be suitable for reuse by District or others on
282 extensions of the services provided for the intended project or for any other project. Any
283 reuse without written permission, or without specific certification or adaptation by Provider
284 for a specific purpose, will be at District's sole risk and without liability to Provider. Any
285 such certification or adaptation will entitle Provider to further compensation at rates to be
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294 Provider shall keep certified payroll records meeting all the requirements of California
295 Labor Code section 1776, and shall maintain and make the certified payroll records
296 available for inspection as provided in section 1776.

297

298 **District**

Provider

299

300

By: 

By: _____

- f. Maintain cost accounting and cost control records.
 - g. Review with the District Engineer and City the monthly status reports that include:
 - i. Cost vs. Budget
 - ii. Construction progress vs schedule
 - iii. RFI and Change Order Summary
 - iv. Areas of concern
 - h. Identify work required by the plans and specifications that is not complete.
 - i. Arrange for inspections from other agencies
 - j. Obtain As-built drawings and verify accuracy.
 - k. Finalize contract accounting.
 - l. Complete daily inspection reports.
 - m. Inspect construction activities to ensure that the work is in accordance with the contract documents and applicable regulatory requirements.
 - n. Lead resolution of day-to-day construction issues.
 - o. Photo document to show construction progress and critical activities.
 - p. Review monthly pay requests.
 - q. Review and respond to RFI's.
 - r. Review and approve submittals.
 - s. Track potential changes and potential claims, prepare, negotiate, and process any construction change orders.
 - t. Act as liaison with public agencies, utilities, and other entities during construction.
 - u. Provide outreach to agencies and community.
 - v. Ensure work is sequenced and constructed effectively to avoid delays and claims.
4. Project Close-out
- a. Finalize and resolve all punch list items.
 - b. Finalize all contract bid items.
 - c. Prepare all final reports.
 - d. Generate and maintain as-built drawings
 - e. Review completeness and accuracy of Contractor approved Record Drawings.
 - f. Finalize and deliver all construction files to VSFCD.

District will provide material testing and surveying as needed through existing on-call contracts. A workstation at VSFCD's office at 450 Ryder Street will be provided. Consultant will be required to provide computer, phone, vehicles, and other device or equipment to complete scope of work.

COST PROPOSAL. **Estimated Level of Effort and Preliminary Budget**

Staffing

Covello's Estimated Level of Effort and Preliminary Budget is straightforward and follows this narrative in spreadsheet format. The type of tasks/services requested by the District are most equitably provided on an hourly basis, thus, the overall fees are based on two (2) primary factors: 1) The Scope of Services (related to our tasks and the type of construction) and 2) the duration of the pre-construction, construction and close-out activities. Numerous project conditions can affect these factors, such as weather, the quality and nature of contractor, differing site conditions, etc.

Based on the technical information provided by the District and the estimated construction amount of approximately \$9.2 million for the pipelines, we approached our staffing levels with flexibility in mind.

We staffed the Project based on the assumption a constructability review will be performed in June/July 2017 and that the NTP for construction will be issued in August 2017 with an estimate construction duration of 37 weeks, as prescribed in the RFP. Our staffing plan includes part-time field support for the first several months as the contractor will likely be concentrating on submittals. Once pipeline construction starts in earnest we will maintain a full-time presence, unless conditions dictate otherwise.

We suggest the District consider including a budget allowance for a second inspector if one inspector is not considered adequate to accommodate potential Contractor work crews. We suggest an allowance to cover a three-month period which translates to approximately 500 hours at \$150 per hour, equating to \$75,000.

Our billing rates are inclusive of all ordinary expenses. Charges for minor incidentals are nonexistent.

Expenses

We have included allowances for Direct Expenses. We recognize that the RFP states that an office will be available for the CM's use at the District's facility. We suggest the District consider having the CM provide a field construction trailer and major office equipment (furnishings and copier). We are of the opinion this will provide a more efficient on-site team. We will also need an inspector's vehicle. The costs for these items will be billed against this allowance, at cost, with no markup.

Subconsultants

Based on the RFP and discussions with District staff we have not included any subconsultants. In the event that the District determines that additional subconsultant services are necessary, we are amenable to adding them to our team.

Total Preliminary Budget

We consider our budget a maximum limit, not a billing goal to meet. We strive to have unspent budget at final completion. We accomplish this by budgeting to cover a demanding scenario. We find that our professional approach and integrity eliminates scope creep and the need to go back to the District Board for additional budget authorizations. Our current clients appreciate this approach and can attest to our commitment to finish 'under' budget. This can be verified when you check our references.

We understand the variable nature of construction and public works projects and that is why we encourage our clients to ask questions about our fee schedule and scope. We want them to feel comfortable with the assumptions and associated costs. We commit to remain open and flexible during discussions so we end up with a fee schedule and contract that mutually meets our interests.



Vallejo Sanitation and Flood Control District
Mare Island Sewer and Water Main Replacement Project
Covello Construction Management Services
Proposed Preliminary Work Hours and Budget

19-Apr-17

Personnel/Service	Hours and Hourly Rates			Preliminary Level of Effort (work hour) Forecast												
	Hours	Rate	Amount	Precon		Construction (37 weeks)										Close Out
				Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	
Covello Labor																
Skrel	128	\$ 230	\$ 29,440	16	32	8	8	8	8	8	8	8	8	8	8	
O'Brien	832	\$ 215	\$ 178,880	24	48	80	80	80	80	80	80	80	80	80	40	
Office/Field Engineer	1,560	\$ 115	\$ 179,400	-	-	160	160	160	160	160	160	160	160	160	120	
Inspector	1,280	\$ 150	\$ 192,000	-	-	-	80	160	160	160	160	160	160	160	80	
Other Direct Costs	Months	Rate	Amount													
Vehicle	10	\$ 1,000	\$ 10,000	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Field Office Expense	10	\$ 1,000	\$ 10,000	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
Covello Subtotal			\$ 599,720													
Subconsultant Labor																
None			\$ -													
Subconsultant Subtotal		5%	\$ -													
Total			\$ 599,720													

Notes and Assumptions:

Start of Services 1-Jun-17
 Construction NTP 1-Aug-17
 Final Acceptance 28-May-18

Budget is based on Billing Rates that will remain constant for full period of Contract.

For budgeting purposes, assume construction NTP of August 1, 2017 and 300 calendar days to achieve Final Acceptance of all Work.

Covello's rates include normal operating and home office expenses such as telephone, computers, in-house reproduction and travel in the Bay Area in personal vehicles.



(707) 644-8949 (Admin)
(707) 644-8976 (Billing)
VallejoWastewater.org
450 Ryder Street
Vallejo, CA 94590

Board of Trustees
Bob Sampayan
Pippin Dew-Costa
Erin Hannigan
Jess Malgapo
Robert McConnell
Katy Miessner
Hermie Sunga
Rozzana Verder-Aliga

District Manager
Melissa Morton

April 10, 2018

GHD, Inc.
2235 Mercury Way, Suite 150
Santa Rosa, CA 95407

Attention: Mr. Alex Culick

AGREEMENT 1164, FOR MARE ISLAND FORCE MAIN REPLACEMENT PROJECT, AMENDMENT #5 / EXTENSION #1

Your Service contract for "Mare Island Force Main Replacement Project" dated 07/14/2015 with Vallejo Flood and Wastewater District expires **06/30/2018**. The District would like to increase the "not to exceed" amount by \$239,924 for a total of **\$1,393,202**, and extend the agreement for an additional twelve months. Except as amended hereby, all terms and conditions of the Agreement dated 07/14/2015 and all addenda and amendments thereto previously executed, shall remain in full force and effect. This will extend the current contract through **06/30/2019**. If this is acceptable, please sign below and return by mail to the above address or email to abarnett@vallejowastewater.org. If you have any questions please contact Anna Barnett at (707) 651-7129.

VALLEJO FLOOD AND WASTEWATER DISTRICT

MELISSA MORTON
District Manager

cc: Mark Tomko, District Engineer

Alex Culick, Principal

Date



February 16, 2018

Mark Tomko
District Engineer
Vallejo Flood & Wastewater District
450 Ryder St.
Vallejo, CA 94590

RE: Proposal for Construction Support and Engineering Services during Construction for the Mare Island HDD Project

Dear Mark,

GHD is pleased to submit this proposal to provide Construction Support and Engineering Services during Construction for the Mare Island HDD Project. It is understood that the District will provide construction management and on-site observation for the majority of the construction of the project. Based on our conversations we understand that the District would like to include engineering support services from the design team to support the construction management team, bring expertise related to the horizontal drilling installation of the force mains during construction and to provide the necessary biological and cultural resource support to meet the required environmental mitigations for the project. GHD's proposed services are described in the following scope of work:

Scope of Work

Task 1.0 Construction Phase Services

During construction it is anticipated that GHD will be requested to attend construction meetings, make periodic site visits, provide defined biological monitoring and environmental mitigation measure support and to review and approve submittals, review and respond to Contractor Requests for Information and provide construction engineering services in support of the District construction management and observation team. GHD will provide office engineering (civil, structural, mechanical and cathodic protection) services during construction including:

- Project Management
- Review submittals of shop drawings, materials, test reports, and manufacturer's literature (Assume 95 total submittals).
- Review and respond to contractor requests for information (RFI's) (Assume 50 total RFI's).
- Review change order requests (Assume 4 CO requests).
- Provide as needed engineering support throughout construction.
- Provide periodic site visits to view construction and attend project meetings on site and as requested.



- Provide four days of on site observation for the initial startup of the Horizontal Directional Drilling, provide occasional site visits by Bennet Trenchless to observe and provide consultation related to the HDD throughout the HDD installation. In addition, Bennett Trenchless will provide engineering support for the HDD operation throughout construction.
- Provide as needed geotechnical support through consultation and site visits by Mathy Consulting.
- Provide biological monitoring per the project mitigation measures. This is to support Mitigation Measure EPA – 4.
- Provide Bird and Ridgeway Rail surveys and training as required per the project mitigation measures. This is to support Mitigation Measure EPA – 5.
- Provide archaeological consultation including initial contractor training and as needed support throughout construction. This is to support Mitigation Measure CR-1 and likely NEPA requirements.
- Attend contractor walk through, final inspections and demonstrations/startups.
- Additional services will be provided at the request of the District and compensated on a time and materials basis.

Engineering Fee

GHD can provide the above described scope of services for an estimated additional fee of \$239,924 as estimated in the attached fee estimate. Hours that are included in the fee spreadsheet are estimates of time, may vary depending on the contractor selected, actual number of submittals received, ability of the Contractor to interpret the construction plans and specifications, and are intended to be the basis for the work requested and provided. It is understood by both the District and GHD that the effort will be compensated on a time and materials basis for the actual work requested to be completed and budgets may be moved between tasks to accomplish the work as necessary.

We look forward to continue working with you on this important project. If you have any questions, please feel free to contact me at (707) 540-9022.

Sincerely,
GHD Inc.

A handwritten signature in blue ink, appearing to read "Alex Culick".

Alex Culick, PE
Managing Principal



PROJECT ESTIMATING SHEET

PROJECT NAME: Vallejo Flood & Wastewater District Mare Island Sewer and Water Main Replacement Project - Construction Engineering Services
 PROJECT NUMBER: 840900614
 Estimated by: Alex Culick
 11/16/2017

Task Description	GHD										HOURS	Indirect Costs	FEE	DCM Consulting FEE	Bennet Trenchless FEE	OEI FEE	TBD FEE	Total Fee Including 1.1 Markup
	Culick	Trinh	Kennedy	Burns	Gaspar	Vossler		Maddox	Clerical									
	PM	Sr. Project Engineer	Sr. Traffic Engineer	Structural	Environment Senior Professional	Senior Technical Officer	Field Biologist	Professional Surveyor	Admin									
Task 1 - Construction Phase Services																		
Project Management	40								6		46	\$276	\$11,076					\$11,076
Submittal Review (95)	12	52	24	16	16			16			136	\$816	\$26,016					\$39,506
RFTs(50)	24	60		16	16						116	\$696	\$23,036					\$25,669
Change order review and support	8	24									32	\$192	\$6,672					\$6,672
Engineering support during construction	52	60	8	16	8	4					148	\$888	\$31,368					\$31,368
Provide part-time on-site construction inspection for two pilot bores. Assume 4 days of on-site inspection for each pilot bore at 12 hours per day plus 4 hrs driving to/from site.																		\$25,116
Provide on-site construction inspection as requested/as needed for HDD throughout construction. Assume 6 individual days at 12 hours on-site plus 4 hrs driving.																		\$23,184
Site Visits/Coordination of on site services	32	56		16				16			120	\$720	\$24,600					\$3,024
Geotechnical Support											0	\$0	\$0	\$5,000				\$5,500
Ridgeway Rail Survey/Contractor Training/Bird Surveys					4						4	\$24	\$644			\$11,000		\$12,744
Biological Monitoring - Mitigation Measure EPA-4					4					40	44	\$264	\$6,284					\$6,284
Archaeological Monitoring/Training - Mitigation Measure CR-1/NEPA					4						4	\$24	\$644				\$5,000	\$6,144
Conflict Resolution Support	12	8									20	\$120	\$4,660					\$4,660
Contractor walk through, Start Up and Final Inspection	12	32									44	\$264	\$9,244					\$9,244
Subtotal Hours	192	292	32	64	52	36	40	0	6		714							
Total Fee	\$ 48,960	\$ 54,020	\$ 6,240	\$ 10,560	\$ 8,060	\$ 6,120	\$ 5,400	\$ -	\$ 600		\$4,008	\$144,244	\$5,000	\$65,982	\$11,000			\$239,924

**REIMBURSEMENT AGREEMENT
BETWEEN
VALLEJO FLOOD AND WASTEWATER DISTRICT
AND
CITY OF VALLEJO**

This Reimbursement Agreement (Agreement) is entered into the 22nd day of May 2018, by Vallejo Flood and Wastewater District, a public body, corporate and politic ("District") and the City of Vallejo, a charter city and municipal corporation ("City").

RECITALS

A. The District entered into Agreement with Garney Pacific Inc. (Contractor) to construct the Mare Island Sewer and Water Main Replacement Project, CWF001.

B. The City entered into reimbursement agreements with the District for the design and construction services by GHD, Inc. and construction management services by The Covello Group, Inc.

C. The design, engineering and construction of the force main, recycled water line and potable water line, shall together be referred to herein as the "Project."

D. The City agrees to reimburse the District for a portion of services provided by Contractor under the terms and conditions set forth in this agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM

The term of this agreement shall commence on the above written date, and shall terminate at the completion of the services described in Mare Island Sewer and Water Main Replacement Project plans and specifications, unless terminated earlier as set forth herein.

2. SCOPE

This Agreement sets forth the responsibilities of the City and the District with respect to the services of Contractor for the Mare Island Sewer and Water Main Replacement Project, and some further responsibilities of the parties with respect to the Project.

3. REIMBURSEMENT

City shall reimburse the District for the costs to complete the work for the construction of the Mare Island Sewer and Water Main Replacement Project. The total costs based on Contractor's bid (Exhibit A) is \$12,593,390. Of that sum, the District shall pay \$6,662,650 and the City shall pay \$5,930,740 as detailed in Exhibit B. Additional work, as agreed on by future amendments, shall not exceed 10% or \$1,259,339 (\$666,265 District, \$593,074 City) without approval from the District Board and/or City Council.

Approved as to Form:

By: 
City Attorney

District will invoice the City with supporting documentation after District processes and approves each Capital Project Percentage-Of-Completion Worksheet. The City shall pay each District invoice within 30 days of receiving each District invoice.

4. CHANGE ORDER

City will review any proposed Change Order with the Contractor that directly relates to the water line work or costs that will impact the City's reimbursement and provide a response to the District within 2 working days after receiving the same from the District.

5. PARTNERING

The District will lead the design and construction of the Project, administer the Project, pay all pay estimates arising out of the Project (or take the lead in contesting any such invoices or portions thereof), and have final authority on all decisions required to complete the terms of the Contractor Agreement and change orders thereto, and all other agreements and contracts related to the Project.

The District will include the City in all meetings, correspondence, invoices, and reports relating to the work of Contractor. The City will be expected to be fully involved in all aspects of the Project, and City shall, at its own cost, timely provide all manpower, services, information and documents that may be necessary or desirable to facilitate completion of the Project, all as requested by District.

6. GENERAL PROVISIONS

District and City each agree to timely take all further actions and execute all further documents that may be necessary or convenient to implement the intent of this Agreement.

This Agreement contains the entire agreement and understanding between the parties concerning the subject matter hereof, and it supersedes all prior agreements and representations concerning the subject matter. This Agreement may not be amended except in a writing and signed by both District and City.

7. TERMINATION

The City may terminate this Agreement for any reason upon 30 days' written notice to District. In the event the City terminates this Agreement City shall pay District all amounts then due to District under the terms of paragraphs 3 and 4 hereof, and all further amounts that shall become due under the terms of those paragraphs for all work performed by Contractor to remove the remaining water line work from the project.

8. INDEMNITY

To the fullest extent permitted by law, the Parties agree to save, indemnify, defend, and hold harmless each other from any and all liability, claims, suits, actions, arbitration proceedings, administrative proceedings, and regulatory proceedings, losses, expenses, or any injury or damage of any kind whatsoever, whether actual, alleged or threatened, attorney fees, court costs, and any other costs of any nature without restriction incurred in relation to, as a consequence of, or arising out of, the performance of this Agreement, and attributable to the fault of the other. Following a determination of the percentage of

fault and or liability by agreement between the Parties or a court of competent jurisdiction, the Party responsible for liability to the other will indemnify the other Party to this MOU for the percentage of liability determined.

9. INSURANCE

District shall require Contractor to name as additional insured the City of Vallejo, its officials, employees, agents and volunteers.

10. SIGNATURES

This Agreement shall become effective only upon its approval by the Board of Trustees of the Vallejo Sanitation and Flood Control District and the City Of Vallejo Council.

CITY OF VALLEJO,
a municipal a corporation

VALLEJO FLOOD AND
WASTEWATER DISTRICT,
a California special district

BY: _____
Greg Nyhoff
City Manager

BY: _____
Melissa Morton
District Manager

Date: _____

Date: _____

ATTEST: _____
Dawn G. Abrahamson
City Clerk

ATTEST: _____
Holly M. Charléty
District Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:
Burke, Williams & Sorensen, LLP

By: _____
Claudia Quintana
City Attorney

By: _____
Benjamin L. Stock
District Counsel

**REIMBURSEMENT AGREEMENT
BETWEEN
VALLEJO FLOOD AND WASTEWATER DISTRICT
AND
CITY OF VALLEJO**

This Reimbursement Agreement (Agreement) is entered into the ___th day of May 2018, by Vallejo Flood and Wastewater District, a public body, corporate and politic ("District") and the City of Vallejo, a charter city and municipal corporation ("City").

RECITALS

A. The District entered into Agreement 2019 with The Covello Group, Inc. (Covello) to provide construction management services for the Mare Island Sewer and Water Main Replacement Project.

B. The District and City agreed to use a consultant to provide construction management services.

C. The design, engineering and construction of the force main, recycled water line and potable water line, shall together be referred to herein as the "Project."

D. The City agrees to reimburse the District for a portion of services provided by Covello under the terms and conditions set forth in this agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM

The term of this agreement shall commence on the above written date, and shall terminate at the completion of the services described in Exhibits A, unless terminated earlier as set forth herein.

2. SCOPE

This Agreement sets forth the responsibilities of the City and the District with respect to the services of Covello, described in Exhibit A, and some further responsibilities of the parties with respect to the Project.

3. REIMBURSEMENT

City shall reimburse the District for 50% of the costs to complete the work described in Exhibit A. The total costs based on Covello's scope of work (Exhibit A) is \$674,720. Of that sum, the District shall pay \$337,360 and the City shall pay \$337,360. Additional work, as may be agreed on by future amendments to this Agreement, shall not exceed \$101,208 (15%) without approval from the District Board and City Council.

Approved as to Form:

By: 
City Attorney

District will invoice the City with supporting documentation after District pays each invoice from Covello. The City shall pay each District invoice within 30 days of receiving each District invoice.

4. DESIGN REVISIONS AND ADDENDA

City will review any proposed addendum or amendment to the Covello Agreement and provide a response to the District within 10 working days after receiving the same from the District.

5. PARTNERING

The District will lead the construction of the Project, administer the Project, pay all invoices arising out of the Project (or take the lead in contesting any such invoices or portions thereof), and have final authority on all decisions required to complete the terms of the Covello Agreement and amendments thereto, and all other agreements and contracts related to the Project.

The District will include the City in all meetings, correspondence, invoices, and reports relating to the work of Covello. The City will be expected to be fully involved in all aspects of the Project, and City shall, at its own cost, timely provide all staffing, services, information and documents that may be necessary or desirable to facilitate completion of the Project, all as requested by District.

6. GENERAL PROVISIONS

District and City each agree to timely take all further actions and execute all further documents that may be necessary or convenient to implement the intent of this Agreement.

This Agreement contains the entire agreement and understanding between the parties concerning the subject matter hereof, and it supersedes all prior agreements and representations concerning the subject matter. This Agreement may not be amended except in a writing and signed by both District and City.

7. TERMINATION

The City may terminate this Agreement for any reason upon 30 days' written notice to District. In the event the City terminates this Agreement City shall pay District all amounts then due to District under the terms of paragraphs 3 and 4 hereof, and all further amounts that shall become due under the terms of those paragraphs for all work performed by Covello to remove the water line work from the project.

8. INDEMNITY

To the fullest extent permitted by law, the Parties agree to save, indemnify, defend, and hold harmless each other from any and all liability, claims, suits, actions, arbitration proceedings, administrative proceedings, and regulatory proceedings, losses, expenses, or any injury or damage of any kind whatsoever, whether actual, alleged or threatened, attorney fees, court costs, and any other costs of any nature without restriction incurred in relation to, as a consequence of, or arising out of, the performance of this Agreement, and attributable to the fault of the other. Following a determination of the percentage of fault and or liability by agreement between the Parties or a court of

competent jurisdiction, the Party responsible for liability to the other will indemnify the other Party to this MOU for the percentage of liability determined.

9. INSURANCE

District shall require Contractor to name as additional insured the City of Vallejo, its officers, officials, employees, agents and volunteers.

10. SIGNATURES

This Agreement shall become effective only upon its approval by the Board of Trustees of the Vallejo Sanitation and Flood Control District and the City Of Vallejo City Council.

CITY OF VALLEJO,
a municipal a corporation

VALLEJO FLOOD AND
WASTEWATER DISTRICT,
a California special district

BY: _____
Greg Nyhoff
City Manager

BY: _____
Melissa Morton
District Manager

Date: _____

Date: _____

ATTEST: _____
Dawn G. Abrahamson
City Clerk

ATTEST: _____
Holly M. Charléty
District Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:
Burke, Williams & Sorensen, LLP

By: _____
Claudia Quintana
City Attorney

By: _____
Benjamin L. Stock
District Counsel



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Greg Nyhoff, City Manager
SUBJECT: **RESOLUTION OF SUPPORT OF CALIFORNIA STATE PROPOSITION 68**

RECOMMENDATION

Consider the adoption of a Resolution to support Proposition 68, the California Clean Water and Safe Parks Act appearing on the June 5, 2018 ballot.

REASONS FOR RECOMMENDATION

It has been 15 years since California voters passed a bond to provide funding for natural resources. Given the wildfires in 2017 and years of drought, staff recommends the City Council support Proposition 68 to fund much needed maintenance and preservation. Additionally, this bond would provide new and or improved park facilities for neighborhoods.

BACKGROUND AND DISCUSSION

The City Council adopted the 2018 Legislative Policies and Advocacy Procedures document in January of this year. The document pre-endorses certain issues by the entire city council and was intended to give direction to the City Manager to draft letters to support, oppose or monitor active legislation, in particular assembly and senate bills. The policy document includes language to support efforts for funding and resources, such as solar and habitat restoration, that foster environmental stewardship and sustain the future of Vallejo's natural habitat, and to develop recycled water as an alternative water source, including treatment, storage, and distribution. The document equips staff with the ability to respond quickly to often timely legislation that requires immediate action where there is not adequate time to bring an action item to the City Council for consideration. However, staff does not view the intent of the document to support or oppose initiatives or propositions that will be considered by voters, or for controversial legislation, including increased taxation. Additionally, special interest groups often request a Resolution of endorsement versus a letter. Staff recommends the City Council adopt a Resolution of support for Proposition 68.

The state operates various programs to protect the environment, conserve natural resources, provide flood protection, improve water quality, and offer recreational opportunities for the public. The state also provides grants and loans to local governments, nonprofits, and other organizations for similar purposes. In recent years, the state has spent about \$5 billion annually to support these types of programs. The state primarily relies on a combination of general obligation (GO) bonds, fee revenue, and the state's General Fund to support these programs. (The General Fund is the state's main operating account, which pays for education, prisons, health care, and other services.)

State and local natural resources programs support a variety of purposes, including:

- Natural Resource Conservation. The state provides funds to purchase, protect, and improve natural areas—including wilderness and open-space areas; forests; wildlife habitats; rivers, lakes, and streams; and coastal habitats. State conservation programs often are administered by state conservancies and other departments. These programs often provide grants to local governments or other organizations that carry out projects.
- State and Local Parks. The state operates the state park system, which includes 280 parks. Additionally, the state provides funds to local governments to purchase and maintain local and regional parks, trails, and other recreation areas.
- Flood Protection. The state funds the construction and repair of flood protection projects as part of the state's Central Valley flood management system. This includes the repair and strengthening of levees and projects designed to divert water away from populated areas during large storms. The state also provides funds to local governments to complete similar types of projects throughout the state.
- Safe Drinking Water. The state makes loans and grants for local projects designed to improve access to clean drinking water. This includes projects to install equipment that remove unhealthy pollutants from local water supplies.
- Other Water-Related Projects. The state provides funds for various other projects throughout the state that improve water quality or the reliability of water supplies. For example, the state provides loans and grants to local agencies to construct water recycling and reuse projects, store more water underground (referred to as "groundwater recharge"), and clean up polluted groundwater.

If Proposition 68 is approved by voters, the bond would provide \$1.3 billion for various water-related projects, including to increase flood protection, recharge and clean up groundwater, and provide safe drinking water; \$1.5 billion for a variety of programs generally intended to conserve natural habitats; improve coastal, river, and other ecosystems; and increase the resiliency of the environment to withstand the effects of climate change (such as sea level rise and more frequent droughts and forest fires); and \$1.3 billion would be allocated to support local and state parks and recreation projects, most of which would be used to build or improve local parks. Under some programming, there would be a local cost-share requirement of at least 20 percent of the bond funding awarded. As an example, if Vallejo received a \$100,000 grant to build a new park trail the City would need to provide at least \$20,000 towards the project, where the cost share applies. Full grant guidelines are yet to be determined.

FISCAL IMPACT

There is no fiscal impact to the General Fund or any other fund, associated with the adoption of this resolution, beyond funded staff time.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Reso of Support of Prop 68
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CONTACT

Joanna Altman, Assistant to the City Manager, (707) 648-4362

joanna.altman@cityofvallejo.net

RESOLUTION NO. 18-___ N.C.

**RESOLUTION OF SUPPORT OF PROPOSITION 68:
THE CALIFORNIA CLEAN WATER & SAFE PARKS ACT**

WHEREAS, California faces frequent and intense droughts, devastating wildfires, and growing challenges from climate change that threaten water, parks, coastline, access to the outdoors, and natural resources; and

WHEREAS, the water, parks, and outdoors are what makes California special, and there must be safeguarded and access to our coast, natural areas, forests, and beautiful places preserved for families to hike, camp, swim and play; and

WHEREAS, a clean, reliable water supply is essential to the health of families and strength of the California economy, and supports an \$87 billion outdoor recreation and tourism industry that provides over 700,000 jobs; and

WHEREAS, many communities lack access to safe neighborhood parks for children to play and exercise; and

WHEREAS, it has been 15 years since California passed a bond to provide funding for natural resources; and

WHEREAS, Proposition 68 is a general obligation bond that invests \$4.1 billion in the coming years for some of California's most pressing water, parks, and natural resource needs; and

WHEREAS, Proposition 68 provides \$1.7 billion to ensure clean drinking water, prepare for the next drought, clean up groundwater, capture and recycle more water, and keep toxic pollutants out of California's rivers, lakes and streams that supply clean water; and

WHEREAS, Proposition 68 dedicates \$1.3 billion to create safe parks for every child, improve parks in neighborhoods with the greatest need, repair local and state park facilities, and restore and expand access to outdoor recreation throughout California; and

WHEREAS, Proposition 68 invests \$1.1 billion to protect California's natural resources to prevent wildfires, restore rivers, lakes, streams and natural areas, prevent toxic air pollution, address climate change, and protect our coastline to increase access to our coast and beaches; and

Approved as to Form:

By: 
City Attorney

WHEREAS, all regions of the state will benefit from these investments with strict accountability to ensure funds will be spent efficiently and for intended purposes.

NOW THEREFORE BE IT RESOLVED, that the City Council of the City of Vallejo supports and endorses Proposition 68 on the June 5, 2018 statewide ballot.

PASSED AND ADOPTED by the City Council of the City of Vallejo at the regular meeting held on the 22 day of May 2018 on the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

BOB SAMPAYAN, MAYOR

ATTEST:

DAWN G. ABRAHAMSON, CITY CLERK



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Teri Killgore, Assistant City Manager
Will Morat, Interim Housing & Community Development Manager
SUBJECT: NEIGHBORHOOD STABILIZATION PROGRAM LOAN AGREEMENT FOR THE SONOMA ESTATES PROJECT

RECOMMENDATION

Adopt a resolution (Attachment 1) approving a Neighborhood Stabilization Program (NSP) Loan Agreement in the amount of \$969,612 with Community Housing Development Corporation (CHDC) for the acquisition and development of the Sonoma Estates Housing Project.

REASONS FOR RECOMMENDATION

The City has unspent federal NSP funds available to address the mortgage crisis, which has impacted the City in recent years. CHDC, a non-profit affordable housing developer with experience in the City, has proposed and received Planning Commission approval for a \$6.1 million, 11-unit, for-ownership affordable housing development on vacant land at 759 Sonoma Boulevard, known as the Sonoma Estates Housing Project. The project is consistent with the goals established by the City Council in its current Five Year Consolidated Plan.

On May 3, 2018, the Housing and Community Development Commission recommended a NSP loan agreement for the Sonoma Estates Housing Project in an amount of \$969,612. This site is a tax-delinquent vacant parcel and CHDC must purchase this property no later than May 31, 2018.

BACKGROUND AND DISCUSSION

As of March 31, 2018, the City had an unspent balance of NSP funds of approximately \$1.3 million. These funds must be committed to a project or projects in the near future, as U.S. Department of Housing and Urban Development (HUD) has indicated it intends to require cities with NSP fund balances to “close out” the program, and unspent funds may be recalled by HUD. The Sonoma Estates Housing Project, a \$6.1 million affordable for-ownership housing project on the west side of McLane Street and Sonoma Boulevard in South Vallejo, has been proposed by CHDC, and is eligible for NSP funding assistance. This project was approved by the City's Planning Commission on April 16, 2018. A NSP Loan Agreement with CHDC for the Sonoma Estates Housing Project is included as Attachment 2, and was recommended by the Housing & Community Development Commission on May 3, 2018.

Up to 75 percent of the balance of the City's NSP funds can be allocated for projects that target low- to moderate-income households (up to 120 percent of the area median income). Therefore, the City may allocate up to \$969,612 for the acquisition of the Sonoma Estates Housing Project site and a portion of the construction costs for the development of 11 for-ownership housing units. The NSP Loan Agreement and

deeds of trust require a 15-year affordability covenant on the properties.

Pursuant to HUD requirements, limitations are placed on sales prices of homes constructed or rehabilitated with NSP funds, in order to ensure affordability by first time homebuyers. The current maximum sales price for a newly constructed single family housing unit is \$416,000.

A key requirement of NSP funding is that at least 25 percent of a City's allocation must be expended to benefit very low-income households (50 percent or lower than the area median income). Typically, this requirement is met through the development of an affordable rental housing project (e.g., Temple Art Lofts). The remaining 25 percent balance of the City's NSP funds (\$323,204) will be retained by the City for a potential future project targeting very low-income households.

The Sonoma Estates Housing Project will also require City Home Investment Partnership Program (HOME) funds. The City has prior year and anticipated HOME funds in an estimated amount of \$289,454 that can be allocated to CHDC in its capacity as the City's qualified and designated community housing development organization. Staff anticipates recommending a HOME Agreement with CHDC for the Sonoma Estates Housing Project to the Housing & Community Development Commission and the City Council early in FY 2018-19 after federal funding has been allocated.

Project Costs and City of Vallejo Funding

The total estimated project costs and source of funds for the Sonoma Estates Project, including the proposed allocation of City funds (NSP and HOME) is shown below:

TOTAL ESTIMATED PROJECT COSTS	\$ 6,117,292
CITY OF VALLEJO:	
NSP Funds	\$ 969,612
<u>Anticipated HOME Funds</u>	<u>\$ 289,454</u>
Total City Funding	\$ 1,259,066 (20.6% of total project)
New Markets Tax Credits	\$ 1,283,226
Sonoma Estates NeighborWorks America	
Conventional Loan @.55 LTV	\$ 3,055,300
<u>Sales Proceeds to Project</u>	<u>\$ 519,700</u>
TOTAL FUNDING	\$ 6,117,292
Contingency	\$ 6,692

Highlights of Development Schedule

CHDC projects that: (1) construction will begin on the project by February 1, 2019; (2) construction will be completed by October 1, 2019; and (3) the housing units will be sold and occupied by October 30, 2019.

In the NSP Loan Agreement, and any subsequent HOME Agreement, CHDC will be required to complete the Sonoma Estates Housing Project within a five year period; if it does not, it will be in default of the Agreement(s). At project completion, CHDC will assign subsequent deeds of trust, with the loan from the City for NSP-assisted housing units distributed equally, to first time homebuyers purchasing the units. Assigned deeds of trust and promissory notes will be considered paid in full (forgiven) and reconveyed by City provided that the units remain owner-occupied by an income-qualified first time homebuyer household for at least 15 years.

FISCAL IMPACT

If the Resolution is passed, the approval of a Loan Agreement for the Sonoma Estates Housing Project using available federal NSP funds will encumber \$969,612 of the City’s NSP funding balance of \$1,292,816.

The loan amount of \$969,612 to CHDC will be proportionately transferred to the 11 qualified first-time homebuyers as a purchase subsidy, with the loan and interest forgiven if the property complies with the 15-year affordability covenant.

ENVIRONMENTAL REVIEW

Planning Commission approved the entitlements through a Categorical Exemption under the California State Environmental Quality Act (CEQA) guidelines. Pursuant to CEQA, the acquisition of the land is exempt under of Title 14 Public Resources of the California Code of Regulations Section 15332 (Class 32 Categorical Exemption, “In Fill Development Projects”), therefore no further environmental review was required.

This action item to approve the NPS Loan Agreement is exempt from the CEQA because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

Pursuant to the National Environmental Policy Act (NEPA) Title 24 Code of Federal Regulations Section 58.35(a)5, loan proceeds for the acquisition of the vacant land is categorically excluded. Additional NEPA review will be required for the construction activities before work can begin or funds disbursed for construction/development purposes.

ATTACHMENTS

1.	Council Resolution for NSP Sonoma Estates Loan Agreement_FINAL
2.	Sonoma Estates_NSP Loan_FINAL.doc SE stamped

CONTACT

Will Morat, Interim Housing & Community Development Manager, 707-648-4109
will.morat@cityofvallejo.net

RESOLUTION N.C. 18-_____
OF THE VALLEJO CITY COUNCIL

**APPROVING A NEIGHBORHOOD STABILIZATION PROGRAM
LOAN AGREEMENT IN THE AMOUNT OF \$969,612 WITH COMMUNITY HOUSING
DEVELOPMENT CORPORATION FOR THE ACQUISITION AND DEVELOPMENT OF THE
SONOMA ESTATES HOUSING PROJECT**

WHEREAS, the City of Vallejo has a balance of approximately \$1.3 million in 2008 and 2011 federal Neighborhood Stabilization Program (NSP) funds to address the mortgage crisis for the specific and special purpose of providing hard costs to assist in the redevelopment of foreclosed, abandoned, and tax-delinquent properties, targeting individuals and families with incomes at or below 120 percent of the area median income; and

WHEREAS, Community Housing Development Corporation (CHDC) intends to acquire a fee interest in the real property located at 759 Sonoma Boulevard, Vallejo, California, and desires to use the City's NSP funds to acquire and develop eleven (11) for-ownership affordable housing units for qualified first time homebuyer households, which pursuant to federal requirements must remain affordable for a period of fifteen (15) years; and

WHEREAS, the development of for-ownership affordable housing units is consistent with the goals established by the City of Vallejo in its current Five Year Consolidated Plan; and

WHEREAS, the City has already allocated and committed \$167,116 in unused FY 2017-18 HOME funds for the project that will be expended in the development of the project; and

WHEREAS, the City has assisted in the development in the project by supporting the project development process through the reimbursement of predevelopment costs of approximately \$80,459 in HOME and CDBG funding since Fiscal Year 2015-16; and

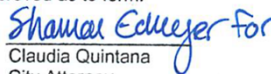
WHEREAS, CHDC is the City of Vallejo's qualified Community Housing Development Organization, and the City will continue to support the project; and

WHEREAS, CHDC must purchase the property by not later than May 31, 2018; and

WHEREAS, on April 1, 2018, the City of Vallejo Planning Commission approved the development; and

WHEREAS, on May 3, 2018, the Housing and Community Development Commission recommended the NSP loan for the project.

Approved as to form:

By: 
Claudia Quintana
City Attorney

**NOW, THEREFORE, BE IT RESOLVED THAT THE CITY OF VALLEJO CITY COUNCIL
HEREBY** approves an NSP Loan Agreement in an amount not to exceed \$969,612, by and

between the City of Vallejo and CHDC, for the Sonoma Estates Housing Project, as shown at Attachment 2 of the Staff Report regarding Sonoma Estates dated May 22, 2018.

BE IT FURTHER RESOLVED that the City Council approves the loan agreement, terms, conditions and stipulations identified in the NSP Loan Agreement attached hereto, and shown as Attachment 2 of the Staff Report regarding Sonoma Estates dated May 22, 2018.

BE IT FURTHER RESOLVED that the City Council authorizes the City Manager to make minor revisions and amendments to the NSP Loan Agreement as needed to allow execution of final documents, including but not limited to a Note, Deed of Trust, and any other documents required, but not to revise the essential business terms of the Agreement, in a form reviewed and approved by the City Attorney.

**LOAN AGREEMENT
CITY OF VALLEJO
NSP PROGRAM**

By and Between

THE CITY OF VALLEJO,
a municipal corporation,

and

COMMUNITY HOUSING DEVELOPMENT CORPORATION,
a California non-profit public benefit corporation

for

Sonoma Estates Housing Project
720-726 Sonoma Boulevard
759 Sonoma Boulevard
NSP Loan Amount = \$969,612

Dated as of _____

Approved as to form:

By: *Shamara Edmeyer* for
Claudia Quintana
City Attorney

LOAN AGREEMENT
Neighborhood Stabilization Program (NSP)
(City of Vallejo, Solano County)
720-726 Sonoma Boulevard
759 Sonoma Boulevard

THIS LOAN AGREEMENT ("Agreement") is entered into as of _____, by and between the **CITY OF VALLEJO, SOLANO COUNTY**, a municipal corporation (the "City"), represented by the City Manager, acting by and through the Housing and Community Development Division ("HCDD"), and **COMMUNITY HOUSING DEVELOPMENT CORPORATION**, a California non-profit public benefit corporation, ("Borrower").

RECITALS

A. City was authorized under a contract with the United States Department of Housing and Urban Development ("HUD") pursuant to Title III of Division B of the Housing and Economic Recovery Act of 1988 ("HERA") to distribute Neighborhood Stabilization Program ("NSP") funds ("Funds") under Agreement for the specific and special purpose of assisting in the redevelopment of abandoned, foreclosed, and tax-delinquent properties. NSP funding will target individuals and families with incomes at or below 120 percent of the area median income.

B. Borrower intends to acquire a fee interest in the real property located at 720-726 and 759 Sonoma Boulevard, Vallejo, California (the "Site" – defined in Exhibit D). Borrower desires to use the Funds to acquire and develop eleven for-sale affordable housing units for qualified first time homebuyer households, (collectively, the "Project").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

ARTICLE 1 DEFINITIONS.

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings:

"Accounts" means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by the City in writing. All Accounts must be maintained in accordance with **Section 2.3**.

"Agreement" means this Loan Agreement.

"Agreement Date" means the date first written above.

"Annual Monitoring Report" has the meaning set forth in **Section 10.3**.

"Approved Plans" has the meaning set for in **Section 5.2**.

"Approved Specifications" has the meaning set forth in **Section 5.2**.

"Authorization" means any authorization, consent, approval, order, license, permit, exemption or other action by or from, or any filing, registration or qualification with, any governmental agency or other person.

"Authorizing Resolutions" means: (a) in the case of a corporation, a certified copy of resolutions adopted by its board of directors; (b) in the case of a partnership (whether general or limited), a certificate signed by all of its general partners; and (c) in the case of a limited liability company, a certified copy of resolutions adopted by its board of directors or members, satisfactory to the City and evidencing Borrower's authority to execute, deliver and perform the obligations under the City Documents to which Borrower is a party or by which it is bound.

"Borrower" means Community Housing Development Corporation, a California non-profit public benefit corporation, and its authorized successors and assigns.

"CFR" means the Code of Federal Regulations.

"Charter Documents" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

"City" means the City of Vallejo, a municipal corporation, represented by the City Manager, acting by and through the Housing and Community Development Division (HCDD). Whenever this Agreement provides for a submission to the City or an approval or action by the City, this Agreement refers to submission to or approval or action by HCDD unless otherwise indicated.

"City Documents" means this Agreement, the Note, the Deed of Trust, the Regulatory Agreement, and any other documents executed or, delivered in connection with this Agreement.

"Completion Date" has the meaning set forth in **Section 5.6**.

"Compliance Term" has the meaning set forth in **Section 3.2**.

"Construction Contract" has the meaning set forth in **Section 5.2**.

"Deed of Trust" means the deed of trust executed by Borrower granting the City a first lien on the Site and the Project to secure Borrower's performance under this Agreement and the Note, in form and substance acceptable to the City.

"Building Division" means the City's Building Division.

"Developer Fees" has the meaning set forth in **Section 12.1**.

"Development Expenses" means all costs incurred by Borrower and approved by the City in connection with the development of the Project, including: (a) hard and soft development costs; (b) the expense of a cost audit; and (c) allowed Developer Fees.

"Disbursement" means the disbursement of all or a portion of the Funding Amount by the City as described in **Article 4**.

"Early Retention Release Contractors" means contractors who will receive retention payments upon satisfaction of requirements set forth in **Section 4.6**.

"Environmental Activity" means any actual, proposed or threatened spill, leak, pumping, discharge, leaching, storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Site.

"Environmental Laws" means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the "Superfund" law) (42 U.S.C. §§ 9601 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq.*); the California Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the "California Superfund" law) (Cal. Health & Safety Code §§ 25300 *et seq.*); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq.*); and Sections 25117 and 25140 of the California Health & Safety Code.

"Event of Default" has the meaning set forth in **Section 17.0**.

“First Time Home Buyer”, pursuant to the HUD definition, means someone who has never owned a home before. An individual who has not owned a home for at least three years is also considered a first time home buyer.

"Funding Amount" has the meaning set forth in **Recital C**.

"Funds" has the meaning set forth in **Recital A**.

"GAAP" means generally accepted accounting principles in effect on the date of this Agreement and at the time of any required performance.

"Governmental Agency" means: (a) any government or municipality or political subdivision of any government or municipality; (b) any assessment, improvement, community facility, or other special taxing district; (c) any governmental or quasi-governmental agency, authority, board, bureau, commission, corporation, department, instrumentality, or public body; or (d) any court, administrative tribunal, arbitrator, public utility, or regulatory body.

"Hazardous Substance" means any material that, because of its quantity, concentration, or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as "hazardous" or "toxic" under any Environmental Law, as well as any asbestos, radioactive materials, polychlorinated biphenyls, and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity normally used in the rehabilitation, operation or maintenance of developments similar to the Project will not be deemed "Hazardous Substances" for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

"HUD" means the United States Department of Housing and Urban Development acting by and through the Secretary of Housing and Urban Development and any authorized agents.

"HUD Requirements" has the meaning set forth in **Section 9.2(e)**.

"In Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will be sufficient to complete acquisition and construction of the Project, as determined by the City in its sole discretion.

"Income Restrictions" means the maximum household income limits for Qualified First Time Home Buyers, as set forth in **Exhibit A**.

"Indemnify" means, whenever any provision of this Agreement requires a person or entity (the "Indemnitor") to Indemnify any other entity or person (the "Indemnitee"), that the Indemnitor will be obligated to defend, indemnify and protect and hold harmless the Indemnitee, its officers, employees, agent, constituent partners, and members of its boards and commissions harmless from and against any and all Losses arising directly or indirectly, in whole or in part, out of the act, omission, event, occurrence or condition with respect to which the Indemnitor is required to Indemnify an Indemnitee, whether the act, omission, event, occurrence or condition is caused by the Indemnitor or its agents, employees or contractors, or by any third party or any natural cause, foreseen or unforeseen; *provided that* no Indemnitor will be obligated to Indemnify any Indemnitee against any Loss arising or resulting from the gross negligence or intentional wrongful acts or omissions of the Indemnitee or its agents, employees or contractors. If a Loss is attributable partially to the grossly negligent or intentionally wrongful acts or omissions of the Indemnitee (or its agents, employees or contractors), the Indemnitor must indemnify the Indemnitee for that part of the Loss not attributable to its own grossly negligent or intentionally wrongful acts or omissions or those of its agents, employees or contractors.

"Indemnitee" has the specific meaning set forth in **Section 21.1** and the general meaning set forth in the definition of "Indemnify."

"Indemnitor" has the meaning set forth in the definition of "Indemnify."

"Laws" means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or Governmental Agency.

"Loan" has the meaning set forth in **Recital C**.

"Loss" or "Losses" includes any loss, liability, damage, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of the City's rights or in defense of any action in a bankruptcy proceeding.

"Maturity Date" has the meaning set forth in **Section 3.1**.

"Median Income" means area median income as determined by HUD pursuant to Section 8 of the United States Housing Act of 1937 for the Vallejo, Solano County area, adjusted for household size.

"Quarterly Project Update" has the meaning set forth in **Section 10.2**.

"Note" means the promissory note executed by Borrower in favor of the City in the original principal amount of the Funding Amount.

"Opinion" means an opinion of Borrower's California legal counsel, satisfactory to the City and its legal counsel, that Borrower is a duly formed, validly existing limited liability company in good standing under the laws of the State of California, has the power and authority to enter into City Documents and will be bound by their terms when executed and delivered, and that addresses any other matters the City reasonably requests.

"Out of Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will not be sufficient to complete acquisition and construction of the Project, as determined by the City in its sole discretion.

"Permitted Exceptions" means liens in favor of the City, real property taxes, and assessments that are not delinquent, and any other liens and encumbrances the City expressly approves in writing in its escrow instructions.

"Project" means the development described in **Recital B**. If indicated by the context, "Project" means the Site and the improvements developed on the Site.

"Project Expenses" means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes, and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project; (b) salaries, wages, and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments, and other payroll taxes or payments and payment of accounting fees; (c) required payments of interest and principal, if any, on any junior or senior financing secured by the Site and used to finance the Project that has been approved by the City, including but not limited to this Loan; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account, and any other reserve account if applicable or if required under this Agreement, or any senior loan documents; and (f) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account). Project Fees are not Project Expenses.

"Project Fees," if applicable, means reasonable annual property management fees increasing by no more than three percent per annum, reasonable annual asset management fees increasing by no more than three percent per annum, and deferred Developer Fees approved by the City.

"Project Income," if applicable, means all income and receipts in any form received by Borrower from the operation of the Project, including fees, deposits, any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established, reimbursements,

and other charges paid to Borrower in connection with the Project. Interest accruing on any portion of the Funding Amount is not Project Income.

"Project Operating Account" has the meaning set forth in **Section 11.1**.

"Regulatory Agreement" means a recorded declaration of restrictions in form and substance acceptable to the City that requires Borrower and the Project to comply with the use restrictions in this Agreement for the Compliance Term, even if the Loan is repaid or otherwise satisfied, this Agreement terminates, or the Deed of Trust is reconveyed.

"Retention" has the meaning set forth in **Section 4.6**.

"Senior Lender" has the meaning set forth in **Section 22**.

"Senior Lien" has the meaning set forth in **Section 22**.

"Site" means the real property described in **Recital B** of this Agreement.

"Table of Sources and Uses" means a table of sources and uses of funds attached hereto as **Exhibit B**, including a line item budget for the use of the Funding Amount, which table may not be adjusted without the City's prior written approval.

"Title Policy" means an ALTA extended coverage lender's policy of title insurance in form and substance satisfactory to the City, issued by an insurer selected by Borrower and satisfactory to the City, together with any endorsements and policies of coinsurance and/or reinsurance required by the City, in a policy amount equal to the Funding Amount, insuring the Deed of Trust and indicating the Declaration of Restrictions as valid liens on the Site, each subject only to the Permitted Exceptions.

1.2 Interpretation. The following rules of construction will apply to this Agreement and the other City Documents.

(a) The masculine, feminine, or neutral gender and the singular and plural forms include the others whenever the context requires. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

(b) Headings are for convenience only and do not define or limit any terms. References to a specific City Document or other document or exhibit mean the document, together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections, and Exhibits refer to this Agreement unless otherwise stated.

(c) Accounting terms and financial covenants will be determined, and financial information must be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other City Documents are the result of arms'-length negotiations between and among sophisticated parties who were represented by counsel, and the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not apply to the construction and interpretation of the City Documents. The language of this Agreement must be construed as a whole according to its fair meaning.

1.3 Websites for Statutory References. The statutory and regulatory materials listed below may be accessed through the following identified websites.

(a) CFR provisions: www.access.gpo/nara/cfr

(b) OMB circulars: www.whitehouse.gov/OMB/circulars

ARTICLE 2 FUNDING.

2.1 Funding Amount. City has reviewed Borrower's proposal and request for Funds and, in reliance on the accuracy of the statements in that application, and upon issuance of a Note and Deed of Trust, has agreed to make a loan of Funds to Borrower (the "Loan") in the amount of Nine Hundred Sixty Nine Thousand Six Hundred Twelve and No/100 Dollars (\$969,612.00) (the "Funding Amount") under this Agreement to fund the acquisition and a portion of the construction costs of the Project. NSP funds may only be used for acquisition, real estate closing and hard construction costs. Certain housing units shall be regulated in accordance with all applicable laws, rules, and regulations regarding the use of NSP Funds for the benefit of low-income persons and in compliance with a Regulatory Agreement. If Project is completed within a five year period, Borrower may assign subsequent Deeds of Trust, and the Loan to Borrower for NSP-assisted units will be distributed proportionately based on the percentage of area median income of buyers, to first time homebuyers purchasing and occupying the units upon completion. Assigned Deeds of Trust and Promissory Notes will be considered paid in full and reconveyed by City provided that units are owner-occupied by an income-qualified first time homebuyer household for at least fifteen years.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds in accordance with the approved Table of Sources and Uses.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to the City as a segregated account that is insured by the Federal Deposit Insurance Corporation

or other comparable federal insurance program. Any interest earned on funds in any Account must be used for the benefit of the Project.

2.4 Records. Borrower must maintain and provide to the City upon request records that accurately and fully show the date, amount, purpose, and payee of all expenditures from each Account authorized under this Agreement and keep all estimates, invoices, receipts, and other documents related to expenditures from each Account. In addition Borrower must provide to the City promptly, following Borrower's receipt, complete copies of all monthly bank statements, together with a reconciliation, for each Account until all funds (including accrued interest) in each Account have been disbursed for eligible uses.

2.5 Conditions to Additional Financing. The City may grant or deny any application by Borrower for additional City financing for the Project in its sole discretion.

ARTICLE 3 TERMS. Borrower's repayment obligations with respect to the Funding Amount will be evidenced and governed by the Note, which will govern in the event of any conflicting provision in this Agreement.

3.1 Maturity Date. Borrower must repay all undisbursed amounts owing under this Agreement, less costs, land and improvement value, on or before the date that is the fifth anniversary of the date of execution of this Agreement (the "Maturity Date"), if Project is not completed and all housing units are not sold and owner-occupied by said fifth anniversary.

3.2 Compliance Term; Regulatory Agreement. Borrower must comply with all provisions of the City Documents relating to the use of the Site and the Project, as set forth in the Regulatory Agreement to be recorded in the official records of Solano County, for the period commencing on the date that the Regulatory Agreement is recorded in the Recorder's Office of Solano County and ending on the fifth anniversary of that date (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed before that date.

3.3 Interest. Upon completion of construction, the outstanding principal balance of the Loan will bear interest at a rate of three percent per annum, simple interest, as provided in the Note. Provided that the Project is transferred to first-time homebuyers qualified under the terms of the NSP program and this Agreement, the interest rate shall be forgiven and no interest rate will apply to the Loan.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, the principal balance of the Loan will bear interest at the default interest rate of 3 percent per annum, or as set forth in the Note. In addition, the default interest rate will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.5 Repayment of Principal. Any outstanding principal balance of the Loan not transferred to homebuyers as a subsidy in covenants or utilized as a development

subsidy will be due and payable on the Maturity Date according to the terms set forth in full in the Note, if applicable.

3.6 Changes in Funding Streams. The City's agreement to make the Loan on the terms set forth in this Agreement and the Note is based in part on Borrower's projected sources and uses of all funds for the Project, as set forth in the Table of Sources and Uses. Borrower covenants to give written notice to the City within thirty (30) days of any significant changes in budgeted funding set forth in documents previously provided to the City. The City reserves the right to modify the terms of this Agreement based upon any new information so provided, in its reasonable discretion.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Generally. Subject to the terms of this Agreement, the City will make Disbursements in an aggregate sum not to exceed the Funding Amount for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses.

4.2 Closing. Unless otherwise agreed by the City and Borrower in writing, Borrower will establish an escrow account with the title company issuing the Title Policy, or any other escrow agent Borrower chooses, subject to the City's approval (the "Escrow Agent"). The parties will execute and deliver to the Escrow Agent written instructions consistent with the terms of this Agreement. In the event the escrow does not close on or before the expiration date of escrow instructions signed by the City, or any other mutually agreed date, the City may declare this Agreement to be null and void.

4.3 Conditions Precedent to Closing. The City will authorize the close of the Loan upon satisfaction of the conditions in this Section.

(a) Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Note; (ii) this Agreement (in duplicate); (iii) the Deed of Trust; (iv) the Authorizing Resolutions, if applicable; (vi) any other City Documents reasonably requested by the City.

(b) Borrower must have demonstrated to the City evidence satisfactory to the City in its sole discretion that Borrower has secured commitments of all outstanding/gap financing sufficient to complete acquisition and construction of the Project.

(c) Borrower must have delivered to the City insurance endorsement and, if requested by the City, copies of policies for all insurance required under **Exhibit F** of this Agreement.

(d) Borrower must have delivered to the City a preliminary report on title for the Site dated no earlier than thirty (30) days before the Agreement Date.

(e) The Regulatory Agreement and Deed of Trust must have been recorded as valid liens in the official records of Solano County, subject only to the Permitted Exceptions.

(f) The Escrow Agent must have committed to provide to the City the Title Policy in form and substance satisfactory to the City.

(g) The City must have reviewed and approved a guaranteed maximum price construction contract for the Project, or other construction document approved at the sole discretion of the City.

(h) As applicable, Borrower must have obtained insurance, performance and completion bonds or other acceptable construction security approved by the City and meeting the requirements of **Exhibit F**.

(i) Borrower must have received all land use approvals required to commence construction of the Project.

4.4 Disbursements. The City's obligation to approve any expenditure of Funds after acquisition is subject to Borrower's satisfaction of the following conditions precedent.

(a) Borrower must have delivered to the City an Expenditure Request in form and substance satisfactory to the City, together with: (i) copies of invoices, contracts, or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. The City may grant or withhold its approval of any line item contained in the Expenditure Request that, if funded, would cause it to exceed the budgeted line item as previously approved by the City.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

(c) With respect to any Expenditure Request that covers construction costs, Borrower must have certified to the City that the Project complies with the labor standards set forth in **Exhibit E, Section 1**, if applicable.

(d) The Loan must be In Balance.

4.5 Loan In Balance. The City may require Borrower to pay certain costs incurred in connection with the Project from sources of funds other than the Loan at any time the City determines in its reasonable discretion that the Loan is Out of Balance. When the City is satisfied in its reasonable discretion that the Loan is again In Balance,

the City will recommence making Disbursements for Expenditure Requests meeting the conditions set forth above.

4.6 Retention. In addition to the other conditions to Disbursements, Borrower acknowledges that the amount of hard costs included in any Expenditure Request associated with construction, when added to previously approved costs, may not exceed ninety percent (90%) of the approved budgeted costs on a line item basis. The City will retain the remaining ten percent (10%) of hard costs associated with construction (the "Retention"). Borrower may request disbursement of the aggregate amount of the Retention only upon satisfaction of the following conditions, unless otherwise approved in writing by the City: (a) completion of construction of the Project in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Building Division, and an architect's or engineer's certificate of completion; (b) timely recordation of a notice of completion; and (c) either expiration of the lien period and the absence of any unreleased mechanics' liens or stop notices or recordation of the lien releases of all contractors, subcontractors, and suppliers who provided labor or materials for the Project. After fifty percent (50%) of the construction of the Project is complete as determined by the City, and upon Borrower's written request, the City may elect to reduce the amount of Retention withheld to a level of no less than five percent (5%) of the hard costs, provided that the following prerequisites have been met: (a) all work required to be performed by all parties for whom the City agrees to release the Retention (the "Early Retention Release Contractors") has been completed in conformance with the terms of the applicable contract documents, the plans and specifications approved by the City, and all applicable Laws; (b) the applicable Early Retention Release Contractors have filed unconditional lien waivers satisfactory to the City; (c) no liens or stop notices have been filed against the Project and no claims are pending; (d) the City determines that the contingency is in balance and adequate to complete the Project; and (e) the Project is on schedule.

4.7 Limitations on Approved Expenditures. The City may refuse to approve any expenditure: (a) during any period in which an event that, with notice or the passage of time or both, would constitute an Event of Default remains uncured, or during the pendency of an uncured Event of Default; or (b) for disapproved, unauthorized or improperly documented expenses. The City is not obligated to approve expenditure of the full Funding Amount unless approved Expenditure Requests support disbursement of the full Funding Amount, and in no event may the aggregate amount of all Funds disbursed to Borrower under this Agreement exceed the Funding Amount.

ARTICLE 5 CONSTRUCTION.

5.1 Selection Requirements. In the selection of all contractors and professional consultants for the Project, Borrower must comply with HUD's procurement requirements and procedures as described in 2 CFR Part 200.

5.2 Plans and Specifications. Before starting any construction on the Site, Borrower must have delivered to the City, and the City must have reviewed and approved, plans and specifications and the construction contract for the Project entered into between Borrower and Borrower's general contractor (the "Construction Contract"). The plans approved by the City must also be approved by the City of Vallejo's Building Division (collectively, the "Approved Plans") prior to the start of any construction on the Site. The Approved Plans must be explicitly identified in the Construction Contract. The specifications approved by the City, including the funder requirements and the technical specifications (the "Approved Specifications"), must also be explicitly identified in the Construction Contract. The Construction Contract may include funder requirements not otherwise addressed in the Approved Specifications. After completion of the Project, Borrower must retain the Approved Plans as well as "as-built" plans for the Project, the Approved Specifications, and the Construction Contract, all of which Borrower must make available to the City upon request.

5.3 Change Orders. Borrower shall construct the improvements in conformance with (i) the plans and specifications approved by the City and authorized under the approved City Building Permit, and (ii) the budget approved by the City. Borrower shall notify the City in a timely manner of any changes in the work required to be performed under this Agreement, including any additions, changes, or deletions to the plans and specifications approved by the City's approved Building Permit. Written authorization and approval from the City must be obtained before any of the following changes, additions, or deletions in work may be performed: (i) change in the work that exceeds Ten Thousand Dollars (\$10,000.00) in cost, or (ii) any material change in building materials or equipment, specifications, or the structural or architectural design or appearance of the improvements as provided and approved in the plans and specifications authorized by the City and permitted under the City Building Permit. Borrower acknowledges that the City's approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless the City agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose.

5.4 Insurance, Bonds, and Security. Before starting any construction on the Site, Borrower must deliver to the City insurance endorsements and bonds or other construction assurance documents as described in **Exhibit F**. At all times, Borrower must take prudent measures to ensure the security of the Site.

5.5 Notice to Proceed. No construction may commence until Borrower has issued a written notice to proceed with the City's approval.

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower must: (a) commence construction on or about February 1, 2019; (b) complete construction by December 31, 2019 (the "Completion Date"), in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Building

Division, and an architect's or engineer's certificate of completion; and (c) achieve occupancy of 100 percent of the units by December 31, 2020.

5.7 Construction Standards. All construction must be performed in a first class manner, substantially in accordance with final plans and specifications approved by the City and in accordance with all applicable codes. All newly constructed Units must meet the requirements of the Model Energy Code most recently published by the Council of American Building Officials. All Units must meet the accessibility requirements under 24 CFR part 8, implementing Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794), and the design and construction requirements under 24 CFR § 100.205, implementing the Fair Housing Act (42 U.S.C. §§ 3601-3619

ARTICLE 6 HOME BUYER SELECTION.

6.1 Initial Home Buyer Selection Plan. No later than six (6) months before the Completion Date, Borrower must deliver to the City for the City's review and approval a written home buyer selection procedure in compliance with the restrictions set forth in **Exhibit A**, all in form and substance acceptable to the City. Borrower may request the City's approval of reasonable alterations to the home buyer selection plan. Borrower must market the units and select home buyers in the manner set forth in the plan approved by the City. Before marketing any units, Borrower must provide the City with updated implementation and contact information.

6.2 Home Buyer Selection Elements. Borrower's plan must include as many of the following elements as are appropriate to the Project, as determined by the City:

(a) The plan must include a reasonable accommodations policy that indicates how Borrower intends to market a unit or units to disabled individuals, including an indication of the types of accessible unit or units in the Project, the procedure for applying said units, and a policy giving disabled individuals a priority in the occupancy of accessible units.

(b) Borrower must advertise available units in local neighborhood newspapers, community-oriented radio stations, and other media that are likely to reach low-income households. All advertising must display the Equal Housing Opportunity logo.

(c) Borrower must provide notice of available units to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that make referrals for affordable ownership housing.

(d) Borrower must provide notice of available units to City.

(e) To the extent practicable, without holding units off the market, the community outreach efforts listed above must take place before advertising available units to the general public.

6.4 Records. Borrower must keep records of: (a) activities implementing the homebuyer selection plan; (b) advertisements; and (c) other community outreach efforts.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

7.1 Term of For Sale Housing Restrictions. Borrower acknowledges and agrees that the covenants and other restrictions set forth in this Article will remain in full force and effect for the Compliance Term, termination of this Agreement, or reconveyance of the Deed of Trust.

7.2 Borrower's Covenant.

(a) Borrower covenants to sell all NSP-assisted units at all times to households certified as qualified households at initial occupancy, as set forth in **Exhibit A**.

(b) A first time home buyer who is a qualified household at initial occupancy may not be required to sell or vacate the unit due to subsequent rises in household income.

7.5 Nondiscrimination. Borrower agrees not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income, or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the marketing or sale of units in the Project.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

(a) Until units have been sold to a qualified home buyer and the property has been deeded over to a new owner, Borrower must maintain or cause to be maintained the Project in a safe and sanitary manner in accordance with local health and building codes, California Health and Safety Code 17920.10, and the applicable provisions of 24 CFR Part 35 and all applicable federal requirements.

(b) Borrower must take prudent measures to ensure the security of the Site. Measures may include erecting a fence; covering and securing all openings in any vacant building and hiring security guards, as appropriate for the circumstances.

8.2 Contracting With Management Agent.

(a) Borrower may contract or permit contracting with a management agent for the performance of the services or duties required in **Section 8.1(a)**, subject to the City's prior written approval of both the management agent and, at the City's discretion, the management contract between Borrower and the management agent, *provided, however*, that the arrangement will not relieve Borrower of responsibility for performance of those duties. Any management contract must contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty days' notice.

(b) The City will provide written notice to Borrower of any determination that the contractor performing the functions required in **Section 8.1(a)** has failed to manage the Project in accordance with this Agreement. If the contractor has not cured the failure within a reasonable time period as determined by the City, Borrower must exercise its right of termination immediately and make immediate arrangements for continuous and continuing performance of the functions required in **Section 8.1(a)**, subject to the City's approval.

ARTICLE 9 GOVERNMENTAL REQUIREMENTS.

9.1 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction of the Project, including those set forth in **Exhibit E**. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement.

9.2 Additional Federal Requirements.

(a) Compliance with Laws. Borrower agrees to abide by all applicable Laws, including HUD regulations, pertaining to this Agreement and to any contracts pertaining to the Project. In the event HUD formally amends, waives or repeals any HUD administrative regulation previously applicable to Borrower's performance under this Agreement, HCDD expressly reserves the right, upon giving notice to HUD and Borrower, to require Borrower's performance as though the regulation were not amended, waived or repealed, subject only to written and binding objection by HUD.

(b) Drug-Free Workplace. Borrower acknowledges that under the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701 *et seq.*), the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on its premises. Borrower agrees that any violation of this prohibition by

Borrower, its employees, agents or assigns will be deemed an Event of Default under this Agreement.

(c) Restrictions on Lobbying Activities.

(i) This Agreement is subject to 31 U.S.C. Section 1352, which provides in part that, with specified exceptions, no appropriated funds may be expended by the recipient of a federal contract, grant, loan or cooperative agreement to pay any person for influencing, or attempting to influence, an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

(ii) If the Funding Amount exceeds \$100,000, Borrower must file with HCDD at the beginning of the Compliance Term and promptly after the occurrence of any change in the facts certified or disclosed:

(A) a certification substantially the same as that attached hereto as **Exhibit G**, and otherwise, in form and content satisfactory to the City and to HUD, that Borrower, its employees, officers and agents have not made, and will not make, any payment prohibited by **Subsection (i)** above; and

(B) a disclosure form, Federal Standard Form-LLL, "Disclosure of Lobbying Activities," if Borrower, its employees, officers or agents have made or agreed to make any payment using funds from a source other than the Funds that would be prohibited under **Subsection (i)** above if payment were made with Funds. The City will file the disclosure form with HUD and retain the certification for the City's records as required by Law.

(d) Debarment or Suspension. Borrower must certify in form and content substantially the same as that attached hereto as **Exhibit G** that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(e) Other HUD Requirements. The following federal requirements are applicable to all activities funded under this Agreement:

(i) the requirements of OMB Circular A-122, relating to allowable costs chargeable to the Funds, and OMB Circular A-110, relating to contractual requirements for nonprofit organizations, as applicable; and

(ii) the provisions of 24 CFR part 84, "Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," and 24 CFR part 570, "Community Development Block Grants."

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS, AND RECORDS.

10.1 Generally.

(a) Borrower understands and agrees that it will be monitored by the City from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Borrower acknowledges that the City may also conduct periodic on-site inspections of the Project. Borrower must cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

(b) Borrower must keep and maintain books, records, and other documents relating to the receipt and use of all Funds, including all documents evidencing any Project Income and Project Expenses. Borrower must maintain records of all income, expenditures, assets, liabilities, contracts, operations, and condition of the Project. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

(c) Borrower must provide written notice of the replacement of its executive director, director of housing development, property management and/or other critical staff within 30 days of each occurrence.

10.2 Quarterly Reporting. Borrower must submit monthly reports (the "HCDD Monthly Project Update") describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments; procuring architects, consultants, and contractors; changes in scope, cost, or schedule; and significant milestones achieved in the past month and expected to be achieved in the coming month. The HCDD Quarterly Project Update must be submitted by email until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.4** below.

10.3 Annual Reporting.

(a) Borrower must file with the City reports annually, at the sale of units, and 12 twelve (12) months after last unit sold, that include audited financial statements with an income and expense statement for the Project covering the applicable reporting period, a statement of balances, deposits, and withdrawals from all Accounts, line item statements of Project Expenses, Project Income, and Project Fees (if any), a completed "Management Report" form from Borrower or its agent that includes a description of marketing activities, no later than one hundred twenty days after the end of Borrower's fiscal year.

(b) If the source of Funds is federal, Borrower must also provide an annual accounting of program income, if any, as defined in applicable federal regulations.

(c) Borrower must deliver to HCDD copies of any operating and financial reports provided to other lenders for the Project promptly after submittal.

10.4 Project Completion Report. Within the specific time periods set forth below after the completion of construction of the Project, Borrower must provide to the City the reports listed below certified by Borrower to be complete and accurate. Subsequent to the required submission of the reports listed below, Borrower shall provide to the City information or documents reasonably requested by the City to assist in the City's review and analysis of the submitted reports:

(a) within 180 days after completion of construction, a project completion report performed by an independent certified public accountant identifying the sources and uses of all Project funds including the Funds;

(b) within 180 days after completion of construction, a report on use of minority and women owned enterprises including race/ethnicity or gender, the type of work, and the dollar value of such work;

(c) within 60 days after 100 percent occupancy, a report on the sale of the units including by race, ethnicity, and single-headed household by gender, also indicating the units by income category; and

(d) within 180 days after completion of construction, a report demonstrating compliance with all requirements regarding HUD Section 3, including documentation of total labor hours worked on the Project, total Section 3 hours worked, total wages paid, total Section 3 wages paid, and the names of all individuals employed to comply with the Section 3 goals, including the total hours worked for each individual and total wages paid to each individual.

10.5 Response to Inquiries. At the request of the City, its agents, employees or attorneys, Borrower must respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, contracts, operations, and condition of the Project, and any other requested information with respect to Borrower or the Project.

10.6 Delivery of Records. At the request of the City, made through its agents, employees, officers, or attorneys, Borrower must provide the City with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

(a) all tax returns filed with the United States Internal Revenue Service, the California Franchise Tax Board, and/or the California State Board of Equalization on behalf of Borrower and any general manager of Borrower;

(b) all certified financial statements of Borrower, the accuracy of which must be certified by an auditor satisfactory to the City; and

10.7 Access to the Project and Other Project Books and Records. In addition to Borrower's obligations under **Sections 2.4, 10.1, 10.2, 10.3, 10.4 10.5, and 10.6** any other obligations to provide reports or maintain records in any City Document, Borrower agrees that duly authorized representatives of the City will have, upon not less than 48 hours prior written notice: (a) access to the Project throughout the Compliance Term to monitor the progress of work on the Project and compliance by Borrower with the terms of this Agreement; and (b) access to and the right to inspect, copy, audit, and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required or until twelve (12) months after last unit sold.

10.8 Records Retention. Borrower must retain all records required for the periods required under applicable Laws.

ARTICLE 11 – This space is reserved

ARTICLE 12 DEVELOPER FEES.

12.1 Amount. Developer is entitled to receive partial fees from the Loan in a total amount not to exceed Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) for developing the Project (“Developer Fees”).

ARTICLE 13 INSURANCE AND BONDS.

13.1 Borrower's Insurance. Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as applicable as set forth in **Exhibit F** throughout the Compliance Term of this Agreement at no expense to the City.

ARTICLE 14 GOVERNMENTAL APPROVALS.

14.1 Compliance. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project.

ARTICLE 15 – This space is reserved

ARTICLE 16 – This space is reserved

ARTICLE 17 DEFAULT.

17.1 Event of Default. Any material breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement or in any of the City Documents that remains uncured upon the expiration of any applicable notice and cure periods contained in any City Document will constitute an "Event of Default," including the following:

(a) Borrower fails to make any payment required under this Agreement within ten (10) days after the date when due; or

(b) Any lien is recorded against all or any part of the Site or the Project without the City's prior written consent except as permitted under Section 16.1 of this Agreement, whether prior or subordinate to the lien of the Deed of Trust or Regulatory Agreement, and the lien is not removed from title or otherwise remedied to the City's satisfaction within thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any City Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(d) Any representation or warranty made by Borrower in any City Document proves to have been incorrect in any material respect when made; or

(e) All or a substantial or material portion of the improvements on the Site is damaged or destroyed by fire or other casualty, and the City has determined upon restoration or repair that the security of the Deed of Trust has been materially impaired or that the repair, restoration or replacement of the improvements in accordance with the

requirements of the Deed of Trust is not economically practicable or is not completed within two (2) years of the receipt of insurance proceeds; or all or a substantial or material portion of the improvements is condemned, seized or appropriated by any non-City Governmental Agency or subject to any action or other proceeding instituted by any non-City Governmental Agency for any purpose with the result that the improvements cannot be operated for their intended purpose; or

(f) Borrower is dissolved or liquidated or merged with or into any other entity; or, if Borrower is a corporation, partnership, limited liability company or trust, Borrower ceases to exist in its present form and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than thirty (30) days; or, if Borrower is an individual, Borrower dies or becomes incapacitated; or all or substantially all of the assets of Borrower are sold or otherwise transferred except as permitted under **Section 17(g)**; or

(g) Without the City's prior written consent, Borrower assigns or attempts to assign any rights or interest under any City Document, whether voluntarily or involuntarily, except as permitted under **Section 17**, not including Borrower's approved affiliate company [REDACTED] that is the same as Borrower; or

(h) Without the City's prior written consent, Borrower voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Borrower or of its right, title or interest in the Project or the Site except as permitted under **Article 17**; or

(i) This space is reserved

(j) Either the Deed of Trust or the Regulatory Agreement ceases to constitute a valid and indefeasible perfected lien on the Site and improvements, subject only to Permitted Exceptions; or

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(l) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of construction or project funding, that has a material adverse impact on the Project; or

(m) Borrower fails to make any payments or disbursements required to bring the Loan In Balance after the City determines that the Loan is out of balance; or

(n) Before a certificate of occupancy is issued for the Project, Borrower ceases construction of the Project for a period of fifteen (15) consecutive working days, and the cessation is not excused under **Section 17.2**; or

(o) Borrower is in default of its obligations with respect to any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods.

(p) Borrower is in default of its obligations under any other agreement entered into with the City of Vallejo, and the default remains uncured following the expiration of any applicable cure periods.

17.2 **Remedies.** During the pendency of an uncured Event of Default, the City may exercise any right or remedy available under this Agreement or any other City Document or at law or in equity. All of the City's rights and remedies following an Event of Default are cumulative, including:

(a) The City at its option may declare the unpaid principal balance of the Note, less land and improvement value returned to the City, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) The City at its option may terminate all commitments to make Disbursements or to release the Site from the Deed of Trust or Regulatory Agreement, or, without waiving the Event of Default, the City may determine to make further Disbursements or to release all or any part of the Site from the Deed of Trust or Regulatory Agreement upon terms and conditions satisfactory to the City in its sole discretion.

(c) The City may perform any of Borrower's obligations in any manner, in the City's reasonable discretion.

(d) The City, either directly or through an agent or court-appointed receiver, may take possession of the Project and enter into contracts and take any other action the City deems appropriate to complete or construct all or any part of the improvements, subject to modifications and changes in the Project the City deems appropriate.

(e) The City may apply to any court of competent jurisdiction for specific performance, or an injunction against any violation, of this Agreement or for any other remedies or actions necessary or desirable to correct Borrower's noncompliance with this Agreement.

(f) Upon the occurrence of an Event of Default described in **Section 17.1(k)**, the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents will become due and payable automatically.

(g) All costs, expenses, charges and advances of the City in exercising its remedies or to protect the Project will be deemed to constitute a portion of the principal balance of the Note, even if it causes the principal balance to exceed the face amount of the Note, unless Borrower reimburses the City within ten (10) days of the City's demand for reimbursement.

17.3 Force Majeure. The occurrence of any of the following events will excuse performance of any obligations of the City or Borrower rendered impossible to perform while the event continues: strikes; lockouts; labor disputes; acts of God; terrorist attacks; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to the City within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

ARTICLE 18 REPRESENTATIONS AND WARRANTIES.

18.1 Borrower Representations and Warranties. As a further inducement for the City to enter into this Agreement, Borrower represents and warrants as follows:

(a) The execution, delivery, and performance of the City Documents will not contravene or constitute a default under or result in a lien upon assets of Borrower under any applicable Law, any Charter Document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

(b) When duly executed, the City Documents will constitute the legal, valid and binding obligations of Borrower. Borrower hereby waives any defense to the enforcement of the City Documents related to alleged invalidity of the City Documents.

(c) No action, suit or proceeding is pending or to the best of Borrower's knowledge, threatened that might affect Borrower or the Project adversely in any material respect.

(d) Borrower is not in default under any agreement to which it is a party, including any lease of real property.

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency. Further, Borrower certifies that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(f) The Loan is In Balance, and the Funding Amount, together with all other committed sources of financing for the Project, are sufficient to complete the Project in accordance with this Agreement.

(g) All statements and representations made by Borrower in connection with the Loan remain true and correct as of the date of this Agreement.

ARTICLE 19 NOTICES.

19.1 Written Notice. All notices required by this Agreement must be made in writing and may be communicated by personal delivery, facsimile (if followed within one (1) business day by first class mail) or by United States certified mail, postage prepaid, return receipt requested. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices must be addressed as follows:

To the City: Housing and Community Development Division
 200 Georgia Street
 Vallejo, CA 94590
 Attn: Program Manager

To Borrower: Community Housing Development Corporation
 1535-A Fred Jackson Way
 Richmond, CA 94801
 Attn: Executive Director

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section.

19.2 Required Notices. Borrower agrees to provide notice to the City in accordance with **Section 17.1** of the occurrence of any change or circumstance that: (a) will have an adverse effect on the physical condition or intended use of the Project; (b) causes the Loan to be out of balance; or (c) will have a material adverse effect on Borrower's operation of the Property or ability to repay the Loan.

ARTICLE 20 HAZARDOUS SUBSTANCES.

20.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the Agreement Date, the following statements are true and correct except as disclosed in the or otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

20.2 Covenant. Unless the City otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to the City notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect promptly following Borrower's discovery.

ARTICLE 21 INDEMNITY.

21.1 Borrower's Obligations. Borrower must Indemnify the City and its respective officers, agents and employees (individually or collectively, an "Indemnitee") against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 18** above); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the

Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any onsite or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by the City under, the City Documents; (f) the occurrence, before the expiration of the Compliance Term, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after the Compliance Term, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before the Compliance Term; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any covenant permitted under **Sections 9.1**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower must answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement.

21.2 No Limitation. Borrower's obligations under **Section 21.1** are not limited by the insurance requirements under this Agreement.

ARTICLE 22 GENERAL PROVISIONS.

22.1 Subordination. The Deed of Trust and/or Regulatory Agreement may be subordinated to other financing secured by and used for development of the Project (in each case, a "Senior Lien"), but only on condition that *all* of the following conditions are satisfied:

(a) All of the proceeds of the proposed Senior Lien, less any transaction costs, must be used to provide acquisition, escrow costs, construction, development and/or permanent financing for the Project.

(b) The terms of the proposed Senior Lien and any subordination agreement must be reviewed and approved by the City and approved as to form by the City Attorney's Office.

(c) The proposed lender (each, a "Senior Lender") must be a state or federally chartered or regulated financial institution, insurance company, a nonprofit corporation or a public entity that is not affiliated with Borrower or any of Borrower's affiliates, other than as a depositor or a lender.

(d) Borrower must demonstrate to City's reasonable satisfaction that subordination of the Deed of Trust and/or Regulatory Agreement is necessary to secure adequate acquisition, construction, or permanent financing to ensure the viability of the Project. To satisfy this requirement, Borrower must provide to the City, in addition to any other information reasonably required by the City, evidence demonstrating that the proposed amount of the Senior Loan is necessary to provide adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project, and adequate financing for the Project would not be available without the proposed subordination.

(e) The subordination agreement(s) must be structured to minimize the risk that the Deed of Trust and/or Regulatory Agreement would be extinguished as a result of a foreclosure by the Senior Lender or other holder of the Senior Lien. To satisfy this requirement, the subordination agreement must provide the City with adequate rights to cure any defaults by Borrower, including: (i) providing the City or its successor with copies of any notices of default at the same time and in the same manner as provided to Borrower; and (ii) providing the City with a cure period at least equal to that provided to Borrower to cure any default.

(f) The subordination(s) described in this Section may be effective only during the original term of the Senior Loan and any extension of its term approved in writing by the City.

(g) No subordination may limit the effect of the Deed of Trust and/or Regulatory Agreement before a foreclosure.

(h) Following review and approval by City and approval as to form by the City Attorney's Office, the Director of City HCDD or his/her successor or designee will be authorized to execute the approved subordination agreement without the necessity of any further action or approval.

22.2 No Third Party Beneficiaries. Nothing contained in this Agreement, nor any act of the City, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

22.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against the City by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

22.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by the City and Borrower with regard to the subject matter of this Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on the City or Borrower.

22.5 City Obligations. The City's sole obligation under this Agreement is limited to providing the Funds as described in this Agreement, up to the Funding Amount. Under no circumstances, including breach of this Agreement, will the City be liable to Borrower for any special or consequential damages arising out of actions or failure to act by the City in connection with any of the City Documents.

22.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and the City and its officers, representatives, agents and employees on account of any act, error or omission of Borrower in the performance of this Agreement or any other City Document and the development and operation of the Project; and (c) all costs and expenses relating to Borrower's performance of obligations under the City Documents, the delivery to the City of documents, information or items under or in connection with any of the City Documents and taxes, fees, costs or other charges payable in connection with the execution, delivery, filing and/or recording of any City Document or document required under any City Document.

22.7 No Inconsistent Agreements. Borrower warrants that it has not executed and will not execute any other agreement(s) with provisions materially contradictory or in opposition to the provisions of this Agreement.

22.8 Inconsistencies in City Documents. In the event of any conflict between the terms of this Agreement and any other City Document, the terms of this Agreement control unless otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

22.9 Governing Law. This Agreement is governed by California law without regard to its choice of law or rules.

22.10 Joint and Several Liability. If Borrower consists of more than one person or entity, each is jointly and severally liable to the City for the faithful performance of this Agreement.

22.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the City Documents to obtain the City's prior written consent to any assignment or other transfer of Borrower's interests in the Loan, the Site or the ownership interests in Borrower.

22.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement, reasonable fees of attorneys in the City Attorney's office will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter of law for which the City Attorney's services were rendered, who practice in the City of Vallejo in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. An award of attorneys' fees and costs will bear interest at the default rate under the Note from the date of the award until paid.

22.13 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

22.14 Time. Time is of the essence in this Agreement. Whenever the date on which an action must be performed falls on a Saturday, Sunday or federal holiday, the date for performance will be deemed to be the next succeeding business day.

22.15 Further Assurances. Borrower agrees to: (a) pursue in an effective and continuous manner; (b) use best efforts to achieve; and (c) take all actions reasonably required by the City from time to time to confirm or otherwise carry out the purpose of this Agreement.

22.16 Binding Covenants. The provisions of the City Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, except that the same will terminate and become void automatically at the expiration of the Compliance Term of this Agreement. Any attempt to transfer any right, title or interest in the Property in violation of these covenants will be void.

22.17 Consent. Except as expressly provided otherwise, whenever consent or approval of a party is required in any City Document, that party agrees not to withhold or delay its consent or approval unreasonably.

22.18 Counterparts. This Agreement may be executed in any number of counterparts, all of which will constitute but one agreement.

22.19 Borrower's Personnel. The Project shall be implemented only by competent personnel under the direction and supervision of Borrower.

22.20 Borrower's Board of Directors. Borrower shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in Borrower's bylaws and other governing documents, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Borrower's board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

22.21 Exhibits. The following exhibits are attached to this Agreement and incorporated by reference:

EXHIBITS

- A NSP Income Guidelines
- B Table of Sources and Uses of Funds
- C Development Schedule
- D Legal Description of Property
- E Governmental Requirements
- F Insurance Requirements
- G Lobbying/Debarment Certification Form

22.22 City's Recourse. The City's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Note.

22.23 Status of Site. The City agrees and acknowledges that as of the date hereof, the Borrower has not acquired fee title to the Site. All of the Borrower's obligations, representations and warranties regarding the use, maintenance, operation and condition of the Site are expressly conditioned upon the acquisition of the Site by the Borrower and shall not become effective until the Borrower has acquired fee title to the Site.

SIGNATURES ON NEXT PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at Vallejo, California, as of the date first written above.

COMMUNITY HOUSING DEVELOPMENT CORPORATION,
a California non-profit public benefit corporation

THE CITY OF VALLEJO,
A Municipal Corporation

By: _____
NAME
TITLE

By: _____
Greg Nyhoff
Executive Director

DATE: _____

DATE: _____

ATTEST:

By: _____
Dawn Abrahamson
City Clerk

(City Seal)

APPROVED AS TO CONTENT:

Will Morat
Interim Housing & Community Development
Manager

APPROVED AS TO FORM:

Donna Mooney
Chief Assistant City Attorney

EXHIBIT A

NSP Income Guidelines

Income Restrictions. Maximum household annual income is 120 percent of Area Median Income as defined by HUD.

EXHIBIT B
Table of Sources and Uses of Funds

VALLEJO AGGREGATE BUDGETS:

prepared: 4/21/18

CONSTRUCTION COSTS:

Activity/Costs:	SONOMA ESTATES	TOTAL	
		DEVELOPMENT COSTS	
Land/Acquisition	\$ 370,000.00	\$	370,000.00
Holding Costs-inc		\$	-
Escrow Closing Costs	\$ 10,000.00	\$	10,000.00
Construction Costs	\$ 2,475,000.00 \$225K	\$	2,475,000.00
Off-Site / Site Work	\$ 475,000.00	\$	475,000.00
Landscaping	\$ 200,000.00	\$	200,000.00
Contingency @5%	\$ 176,500.00	\$	176,500.00
General Conditions-7%	\$ 247,100.00	\$	247,100.00
Soft Costs:		\$	-
Architect / Eng	\$ 85,000.00	\$	85,000.00
Soils Surveys PreDev	\$ 30,000.00	\$	30,000.00
Construction Testing	\$ 20,000.00	\$	20,000.00
Construction Mngs	\$ 25,000.00	\$	25,000.00
Local Permits/Fees	\$ 495,000.00	\$	495,000.00
Construction Interest	\$ 200,000.00	\$	200,000.00
Loan Fees	\$ 50,000.00	\$	50,000.00
Finance & Soft Contingency	\$ 75,000.00	\$	75,000.00
Insurance/Condo/SFR	\$ 110,000.00	\$	110,000.00
Legal/LLMD Est.	\$ 25,000.00	\$	25,000.00
Taxes Carry Cost	\$ 10,000.00	\$	10,000.00
Appraisals	\$ 10,000.00	\$	10,000.00
Escrow Closing on Sales	\$ 45,000.00	\$	45,000.00
Consultants	\$ 10,000.00	\$	10,000.00
Internal Audit	\$ 5,000.00	\$	5,000.00
Marketing/Models	\$ 5,000.00	\$	5,000.00
Commissions 4%	\$ 132,000.00	\$	132,000.00
LLAD Reserves	\$ 15,000.00	\$	15,000.00
Developer Fee	\$ 750,000.00	\$	750,000.00
Admin Expenses	\$ 60,000.00	\$	60,000.00
TOTAL HARD/SOFT	\$ 6,110,600.00	\$	6,110,600.00
TOTAL DEVELOPMENT	\$ 6,110,600.00	\$	6,110,600.00
TOTAL COST P/U-W FEE	\$ 555,509.09		

SOURCES:

	\$ -	\$ -	*Notes:
CITY OF VALLEJO			
a). HOME Funds	\$ 289,545.00		
b). NSP Funds	\$ 969,612.00		
NewMarketsTax Credits	\$ 1,283,226.00		NMTC in put projected at .21% of Credits
TOTAL DEV SUBSIDY	\$ 2,542,383.00		
Construction Loans:			
Sonoma Estates @.55LTV	\$ 3,055,300.00	Neighborworks Conventional Loa	\$ 3,055,300.00
Sonoma Court Yd @.55LTV	\$ -	Representing 55%LTV	
Sales Proceeds to Project:	\$ 519,700.00		
Total Loan Funds in Project:	\$ 3,575,000.00		
TOTAL SOURCES	\$ 6,117,383.00		
TOTAL PROJECT COSTS:	\$ 6,110,600.00		
Overage/Shortage Proceeds	\$ 6,783.00		

Total Sources of Funding **HUD LIMITS**
Affordable Sales Prices:
Sonoma Estates 11 sonoma

PROFORMA SALES PRICES -- 2018	
HUD LIMITS	
\$ 325,000.00	\$ 3,575,000.00
	\$ -
	\$ 3,575,000.00
Loan Repayment	\$ (3,055,300.00)
	\$ 519,700.00

HUD LIMITATIONS OF SALES PRICES:
New Construction FY 2017 \$ 416,000.00
Unadjusted Median Value \$ -
New Construction FY Est. 2018 \$ 450,000.00

EXHIBIT C
Development Schedule

SONOMA ESTATES DEVELOPMENT SCHEDULE:

<u>Event</u>	START DATE	FINISH DATE
1. Close of Escrow		5/25/2018
2. Project Development:		
Final Civil Plan to City for Review	6/5/2018	6/15/2018
Caltrans Permitting Process	6/5/2018	7/5/2018
Legal Encroachment Process	6/1/2018	6/30/2018
3. Architect DD's/Team Selection	6/15/2018	9/1/2018
4. General Contractor Selection	7/15/2018	8/15/2018
5. City of Vallejo Project Submittal to Building	9/1/2018	11/30/2018
6. Building Dept Approval	12/1/2018	
7. Start of Construction	2/1/2019	
8. Construction Completion	10/1/2019	
9. Sales - Homebuyer Closings	10/1/2019	
10. Estimated Occupancy	12/30/2019	

EXHIBIT D
Legal Description

(To be attached)

EXHIBIT E
Governmental Regulations

1. Prevailing Wages. Every contract for the rehabilitation or construction of housing that includes eleven (11) or more Units assisted with Funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. §§ 276a-276a-5), as supplemented by Dept. of Labor regulations (29 CFR part 5) to all laborers and mechanics employed in the development of any part of the housing, and contracts involving their employment will be subject to the provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-332), as supplemented by Dept. of Labor regulations (29 CFR part 5). The prevailing wage requirements of this Section apply to all laborers and mechanics employed in the development of the Project, including portions other than the assisted Units.

2. Environmental Review. The Project must meet the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. § 4321), related authorities listed at 24 CFR Section 51.100 and parts 50 and 58 and the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations.

3. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or the City who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of 24 CFR § 84.42, Governmental Conduct Code, and Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that the City may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to the City's satisfaction, in the City's sole discretion.

4. Disability Access. Borrower must comply with all applicable disability access Laws, including the Americans with Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to the City a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Borrower must satisfy the requirements and regulations of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq.*) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. Non-Discrimination in City Contracts.

(a) Borrower May Not Discriminate. In the performance of this Agreement, Borrower agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Borrower, in any of Borrower's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Borrower.

7. False Claims. Any borrower, grantee, contractor, subcontractor or consultant who submits a false claim will be liable to the City for three times the amount of damages the City sustains because of the false claim and for the cost, including attorneys' fees and costs, of a civil action brought to recover any of those penalties or damages. In addition, the City may obtain a civil penalty of up to \$10,000 for each false claim. A borrower, grantee, contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the borrower, grantee, contractor, subcontractor or consultant:

(a) knowingly presents or causes to be presented to any officer or employee of the City a false claim or request for payment or approval;

(b) knowingly makes, uses or causes to be made or uses a false record or statement to get a false claim paid or approved by the City;

(c) conspires to defraud the City by getting a false claim allowed or paid by the City;

(d) knowingly makes, uses or causes to be made or uses a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or

(e) is the beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

8. Public Disclosure.

(a) Borrower understands and agrees that under the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*), this Agreement and any and all records, information and materials submitted to the City hereunder are public records subject to public disclosure. Borrower hereby authorizes the City to disclose any records, information and materials submitted to the City in connection with this Agreement as required by Law. Further, Borrower specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Borrower's performance under this Agreement as a passive meeting. Further, Borrower specifically agrees that any meeting of the governing body of its general partner/manager that addresses any matter relating to the Project or to Borrower's performance under this Agreement will be conducted as a passive meeting.

EXHIBIT F
Insurance Requirements

(To be attached)

EXHIBIT G
Lobbying/Debarment Certification Form

(To be attached)



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Terrance Davis, Public Works Director
SUBJECT: **AGREEMENT TO REIMBURSE IN-N-OUT BURGER FOR TRAFFIC SIGNAL**

RECOMMENDATION

Authorize the City Manager to execute an agreement to reimburse In-N-Out Burgers for up to 85% of the cost of the traffic signal, estimated to be \$430,000. The maximum authority to reimburse is 20% above the estimated price, which is \$516,000.

REASONS FOR RECOMMENDATION

This reimbursement agreement with In-N-Out allows for the traffic signal improvements required for development to proceed.

BACKGROUND AND DISCUSSION

On August 21, 2017, the City of Vallejo Planning Commission through Resolution No. PC 17-14, approved the construction of an In-N-Out Burger Restaurant located at 720 Admiral Callaghan Way.

As a Condition of Approval for the project, the City has required the developer to construct a traffic signal at the intersection of Admiral Callaghan and Rotary Way. A portion of the traffic signal improvements, which are required to mitigate the traffic impacts created by the project, also benefits the residents of the City of Vallejo by improving general traffic flow control in the area.

In-N-Out has agreed to design, install, and construct the traffic signal improvements, provided it is reimbursed for their share of the cost of improvements in excess of those required to mitigate the traffic impacts of the project by the City.

FISCAL IMPACT

There is no fiscal impact on the General Fund associated with the approval of this item. Approval of this traffic signal reimbursement agreement will obligate the City to pay In-N-Out 85% of the total project cost from the Traffic Impact Mitigation Fee Fund. The estimated total project cost of the traffic signal improvements is \$430,000. Economic conditions at the time of bidding and construction conditions could result in a final cost that is higher or lower than the estimate.

ENVIRONMENTAL REVIEW

This action is exempt under the California Environmental Quality Act ("CEQA") because it is not a project

which has potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect change in the environment pursuant to CEQA Guidelines Section 15378. The traffic improvement that will be undertaken by In-n-Out is a mitigation measure identified in the environmental review for the development.

ATTACHMENTS

1.	Agreement
----	-----------

CONTACT

Allan Panganiban, Interim City Engineer (707) 648-4686

Allan.Panganiban@cityofvallejo.net

AGREEMENT FOR REIMBURSEMENT OF TRAFFIC SIGNAL IMPROVEMENTS COSTS

THIS AGREEMENT FOR REIMBURSEMENT OF TRAFFIC SIGNAL IMPROVEMENTS COSTS ("Agreement") is made and entered into this ____ day of _____, 2018 (the "Effective Date"), by and between the CITY OF VALLEJO, a municipal corporation (hereinafter referred to as "City"), and IN-N-OUT BURGERS, a California corporation (hereinafter referred to as "Developer") (collectively, "Parties"), for the reimbursement of traffic signal improvement costs.

WITNESSETH

WHEREAS, Developer has constructed, or will soon construct, certain improvements related to that project known as "IN-N-OUT BURGERS" which is a drive through restaurant (the "Project"), located at 720 Admiral Callaghan Way, Vallejo, California. The real property upon which the Project will be located is more particularly described and/or depicted on Exhibit A attached hereto (the "Developer Property"); and

WHEREAS, the City has conditioned its approval of the Project on the construction of a traffic signal at the intersection of Admiral Callaghan and Rotary Way, which improvements are more particularly described in Exhibit B, attached hereto and incorporated herein (the "Traffic Signal Improvements"); and

WHEREAS, while a portion of the Traffic Signal Improvements is required to mitigate the traffic impacts created by the Project, the Traffic Signal Improvements will also benefit the residents of the City of Vallejo; and

WHEREAS, Developer agrees to design, install and construct (total project cost) the Traffic Signal Improvements, provided it is reimbursed for the cost of design, installing and constructing improvements in excess of those required to mitigate the traffic impacts of the Project ("Excess Improvements") by the City; and

WHEREAS, Developer estimates that the total project cost of the Traffic Signal Improvements is Four Hundred Thirty Thousand dollars (\$430,000.00), but the parties recognize that the economic conditions at the time of bidding and construction conditions could result in a final cost that is higher or lower than the estimate; and

WHEREAS, Developer is constructing the Project and must promptly complete portions of the Traffic Signal Improvements. It is uneconomical and impractical for the City to bid the Excess Improvements separately from the Project and the portion of the Traffic Signal Improvements required to mitigate the impacts of the Project; and

WHEREAS, in consideration of the benefits the Traffic Signal Improvements will provide to the residents of the City of Vallejo as a whole, the City has agreed to share in the financial cost to complete the Traffic Signal Improvements.

Approved as to Form:

By: 
City Attorney

7. Until acceptance of the work by the CITY, the Developer shall have the charge and care of the work and of the materials to be used therein. The Developer shall bear the risk of injury, loss or damage to materials or work until acceptance of the work by the City. City shall accept the work promptly following Developer's completion of the Traffic Signal Improvements in accordance with the plans and specifications approved by the City Engineer.
8. Insurance shall conform to the following requirements: the Developer shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Developer, his/her agents, representatives, employees or subcontractors. Such insurance shall not be construed to relieve the Developer of any liability in excess of such coverage. Developer shall name CITY as additional insured.

a. Minimum Scope of Insurance Coverage shall be at least as broad as:

- i. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).
- ii. Insurance Services Office form number CA 0001 (Ed. 1na) covering Automobile Liability, code 1 "any auto" and endorsement CA 0025.
- iii. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

b. Minimum Limits of Insurance

The Developer shall maintain limits no less than:

- i. General Liability: \$2,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- ii. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- iii. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

c. Intentionally omitted

d. Other Insurance Provisions

The policies are to contain, or be endorsed to contain the following provisions:

i. General Liability and Automobile Liability Coverage

1. The CITY, its officers, directors, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Developer, including the insured's general supervision of the Developer; products and completed operations of the Developer, premises owned, occupied or used by the Developer. The coverage shall contain no special limitations on the scope of protection afforded to the Developer, its officers, officials, employees or volunteers and the City, its officers, directors, officials, employees and volunteers.
2. The Developer's insurance coverage shall be primary insurance as respects the CITY, its officers, directors, officials, employees, and volunteers. Any insurance or self- insurance maintained by the CITY, its officers, directors, officials, employees or volunteers shall be excess of the Developer's insurance and shall not contribute with it.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the CITY, its officers, directors, officials, employees or volunteers.
4. The Developer's coverage applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

ii. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the Developer for the CITY, its officers, directors, employees and sub-consultants.

iii. All Coverage

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the CITY.

e. Acceptability of Insurers

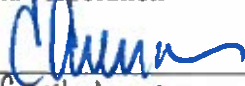
Insurance is to be placed with insurers with a Best's rating of no less than A:VII.

11. Nothing in this Agreement shall be interpreted as creating any form of partnership, joint venture, or other relationship between City and Developer.
12. This Agreement supersedes and cancels any and all prior or contemporaneous negotiations, arrangements, representations and understandings, oral or written, if any, between the parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the Effective Date.

DEVELOPER

IN-N-OUT BURGERS, a
California corporation

By: 
Name: Carl Arena
Title: Vice President of
Real Estate

CITY OF VALLEJO

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: City Clerk

APPROVED AS TO FORM:

By: _____
Name: _____
Title: City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Los Angeles)

On April 17, 2019, before me, Lori Brazzill, Notary Public, personally appeared Carl Arena who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Lori Brazzill
Notary Public

[Notary Seal]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of _____)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[Notary Seal]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of _____)

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

[Notary Seal]

EXHIBIT A
DEVELOPER PROPERTY

[See attached]

Real property in the City of Vallejo, County of Solano, State of California, described as follows:

A PORTION OF PARCEL X, AS SHOWN ON THAT CERTAIN PARCEL MAP IN THE CITY OF VALLEJO, COUNTY OF SOLANO, STATE OF CALIFORNIA FILED JULY 22, 1981 IN BOOK OF PARCEL MAPS, PAGE 54 IN THE OFFICE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS.

COMMENCING AT THE SOUTHWEST CORNER OF SAID PARCEL X BEING A POINT ON THE EASTERLY RIGHT OF WAY LINE OF ADMIRAL CALLAGHAN LANE AS SHOWN ON SAID PARCEL MAP;

THENCE NORTH 09°25'39" WEST ALONG THE WESTERLY LINE OF SAID PARCEL X AND SAID EASTERLY RIGHT OF WAY LINE 152.73 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 1,000.00 FEET;

THENCE NORTHERLY 31.21 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 01°47'17" TO THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION;

THENCE SOUTH 84°31'51" EAST 40.36 FEET;

THENCE SOUTH 81°06'39" EAST 102.68 FEET;

THENCE SOUTH 89°47'04" EAST 48.00 FEET;

THENCE NORTH 29°30'28" WEST 20.27 FEET;

THENCE SOUTH 89°47'04" EAST 40.00 FEET;

First American Title Insurance Company

1402.06
Owner's Policy (6-17-06)

Policy Page 6
Policy Number: 654194

THENCE NORTH 29°30'28" WEST 50.00 FEET;

THENCE SOUTH 89°47'04" EAST 3.75 FEET;

THENCE NORTH 29°30'28" WEST 133.00 FEET;

THENCE NORTH 89°47'04" WEST 34.75 FEET;

THENCE NORTH 30°00'37" EAST 42.20 FEET;

THENCE NORTH 29°30'28" WEST 62.50 FEET;

THENCE NORTH 89°47'04" WEST 109.71 FEET; TO A POINT ON THE WESTERLY LINE OF SAID PARCEL X AND SAID EASTERLY RIGHT OF WAY LINE. SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 548.00 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS SOUTH 89°46'22" WEST;

THENCE SOUTHERLY 45.65 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 04°46'22"; THENCE SOUTH 05°00'00" EAST ALONG THE WESTERLY LINE OF SAID PARCEL X AND SAID EASTERLY RIGHT OF WAY LINE 157.55 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE EAST HAVING A RADIUS OF 1,000.00 FEET PASSING THROUGH THE TRUE POINT OF BEGINNING.

THE AREA OF THE ABOVE DESCRIBED LEGAL DESCRIPTION CONSISTS OF APPROXIMATELY 42,511 SQUARE FEET OR 0.976 ACRES.

PORTION OF ASSESSOR'S PARCEL NUMBER 0069-340-370

APN: 0069-340-370 and 0069-340-380

EXHIBIT B
TRAFFIC SIGNAL IMPROVEMENT PLANS

[See attached]

AGREEMENT FOR REIMBURSEMENT OF TRAFFIC SIGNAL IMPROVEMENTS COSTS

THIS AGREEMENT FOR REIMBURSEMENT OF TRAFFIC SIGNAL IMPROVEMENTS COSTS ("Agreement") is made and entered into this ___ day of _____, 2018 (the "Effective Date"), by and between the CITY OF VALLEJO, a municipal corporation (hereinafter referred to as "City"), and IN-N-OUT BURGERS, a California corporation (hereinafter referred to as "Developer") (collectively, "Parties"), for the reimbursement of traffic signal improvement costs.

WITNESSETH

WHEREAS, Developer has constructed, or will soon construct, certain improvements related to that project known as "IN-N-OUT BURGERS" which is a drive through restaurant (the "Project"), located at 720 Admiral Callaghan Way, Vallejo, California. The real property upon which the Project will be located is more particularly described and/or depicted on Exhibit A attached hereto (the "Developer Property"); and

WHEREAS, the City has conditioned its approval of the Project on the construction of a traffic signal at the intersection of Admiral Callaghan and Rotary Way, which improvements are more particularly described in Exhibit B, attached hereto and incorporated herein (the "Traffic Signal Improvements"); and

WHEREAS, while a portion of the Traffic Signal Improvements is required to mitigate the traffic impacts created by the Project, the Traffic Signal Improvements will also benefit the residents of the City of Vallejo; and

WHEREAS, Developer agrees to design, install and construct (total project cost) the Traffic Signal Improvements, provided it is reimbursed for the cost of design, installing and constructing improvements in excess of those required to mitigate the traffic impacts of the Project ("Excess Improvements") by the City; and

WHEREAS, Developer estimates that the total project cost of the Traffic Signal Improvements is Four Hundred Thirty Thousand dollars (\$430,000.00), but the parties recognize that the economic conditions at the time of bidding and construction conditions could result in a final cost that is higher or lower than the estimate; and

WHEREAS, Developer is constructing the Project and must promptly complete portions of the Traffic Signal Improvements. It is uneconomical and impractical for the City to bid the Excess Improvements separately from the Project and the portion of the Traffic Signal Improvements required to mitigate the impacts of the Project; and

WHEREAS, in consideration of the benefits the Traffic Signal Improvements will provide to the residents of the City of Vallejo as a whole, the City has agreed to share in the financial cost to complete the Traffic Signal Improvements.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, THE RECEIPT AND ADEQUACY OF WHICH IS HEREBY ACKNOWLEDGED BY THE PARTIES, IT IS AGREED AND COVENANTED AS FOLLOWS:

1. The Parties agree that the foregoing recitals are true and correct and fully incorporated herein.
2. Developer shall construct and install the Traffic Signal Improvements in accordance with plans and specifications approved by the City Engineer and subject to the terms of this Agreement.
3. Developer shall bid the work to install the Traffic Signal Improvements and select the lowest responsible bidder. The developer shall submit for inspection to the City the bid packet and bids prior to the start of construction. The developer shall also submit for inspection to the City the certified payroll to verify the prevailing wage rates payments prior to acceptance by the City of Vallejo.
4. Upon the completion of the Traffic Signal Improvements and acceptance by the City of Vallejo, Developer shall submit to the Director of Public Works documentation establishing the actual costs associated with the design, permitting and construction of the Traffic Signal Improvements (the "Traffic Signal Costs" or "Reimbursable Costs"), which costs may include, but are not limited to costs for design, traffic signal equipment, construction, and inspection and all invoices and other documentation as reasonably required by the Director of Public Works which support the Reimbursable Costs actually incurred. City shall reimburse Developer for the Reimbursable Costs as provided in this Agreement.
5. Within thirty (30) days following City's receipt of documentation of Reimbursable Costs, City agrees to refund to Developer a portion of the traffic impact fees for the Project previously paid by Developer to the City, or offset traffic impact fees for the Project if not yet paid by Developer to City, in an amount equal to eighty-five percent (85%) of the Reimbursable Costs (the "City's Pro Rata Share of Reimbursable Costs"). If the City's Pro Rata Share of Reimbursable Costs exceeds the total traffic impact fees for the Project, then City shall pay the difference to Developer within thirty (30) days following City's receipt of documentation of Reimbursable Costs. This portion reflects the benefits that the Traffic Signal Improvements provides to residents of the City of Vallejo at large.
6. Each party shall indemnify, protect and hold harmless the other party, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, or liability of any kind or nature, including but not limited to reasonable attorney fees and litigation costs, which the indemnified party, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of other party's negligent or wrongful acts or omissions in performing or failing to perform under the terms of this Agreement, excepting only liability arising out of the indemnified party's own negligence or wrongful conduct.

7. Until acceptance of the work by the CITY, the Developer shall have the charge and care of the work and of the materials to be used therein. The Developer shall bear the risk of injury, loss or damage to materials or work until acceptance of the work by the City. City shall accept the work promptly following Developer's completion of the Traffic Signal Improvements in accordance with the plans and specifications approved by the City Engineer.

8. Insurance shall conform to the following requirements: the Developer shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Developer, his/her agents, representatives, employees or subcontractors. Such insurance shall not be construed to relieve the Developer of any liability in excess of such coverage. Developer shall name CITY as additional insured.
 - a. Minimum Scope of Insurance Coverage shall be at least as broad as:
 - i. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).
 - ii. Insurance Services Office form number CA 0001 (Ed. 1 na) covering Automobile Liability, code 1 "any auto" and endorsement CA 0025.
 - iii. Workers' Compensation insurance as required by the Labor Code of the State of California and Employers Liability insurance.

 - b. Minimum Limits of Insurance

The Developer shall maintain limits no less than:

 - i. General Liability: \$2,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
 - ii. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
 - iii. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.

 - c. Intentionally omitted

d. Other Insurance Provisions

The policies are to contain, or be endorsed to contain the following provisions:

i. General Liability and Automobile Liability Coverage

1. The CITY, its officers, directors, officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Developer, including the insured's general supervision of the Developer; products and completed operations of the Developer, premises owned, occupied or used by the Developer. The coverage shall contain no special limitations on the scope of protection afforded to the Developer, its officers, officials, employees or volunteers and the City, its officers, directors, officials, employees and volunteers.
2. The Developer's insurance coverage shall be primary insurance as respects the CITY, its officers, directors, officials, employees, and volunteers. Any insurance or self- insurance maintained by the CITY, its officers, directors, officials, employees or volunteers shall be excess of the Developer's insurance and shall not contribute with it.
3. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the CITY, its officers, directors, officials, employees or volunteers.
4. The Developer's coverage applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

ii. Workers' Compensation and Employers Liability Coverage

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by the Developer for the CITY, its officers, directors, employees and sub-consultants.

iii. All Coverage

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the CITY.

e. Acceptability of Insurers


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

11. Nothing in this Agreement shall be interpreted as creating any form of partnership, joint venture, or other relationship between City and Developer.
12. This Agreement supersedes and cancels any and all prior or contemporaneous negotiations, arrangements, representations and understandings, oral or written, if any, between the parties relating to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the Effective Date.

DEVELOPER

IN-N-OUT BURGERS, a
California corporation

By: 
Name: Carl Arena
Title: Vice President of Real Estate

CITY OF VALLEJO

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: City Clerk

APPROVED AS TO FORM:

By: _____
Name: _____
Title: City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of Los Angeles)

On April 17, 2018, before me, Lori Brazzill, Notary Public, personally appeared Carl Arena who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Lori Brazzill
Notary Public

[Notary Seal]

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
) ss.
County of _____)

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

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Notary Public

[Notary Seal]

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State of California)
) ss.
County of _____)

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

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WITNESS my hand and official seal.

Notary Public

[Notary Seal]

ACKNOWLEDGMENT

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State of California)
) ss.
County of _____)

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WITNESS my hand and official seal.

Notary Public

[Notary Seal]

EXHIBIT A
DEVELOPER PROPERTY
[See attached]

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First American Title Insurance Company

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THE AREA OF THE ABOVE DESCRIBED LEGAL DESCRIPTION CONSISTS OF APPROXIMATELY 42,511 SQUARE FEET OR 0.976 ACRES.
PORTION OF ASSESSOR'S PARCEL NUMBER 0069-340-370

APN: 0069-340-370 and 0069-340-380

EXHIBIT B
TRAFFIC SIGNAL IMPROVEMENT PLANS

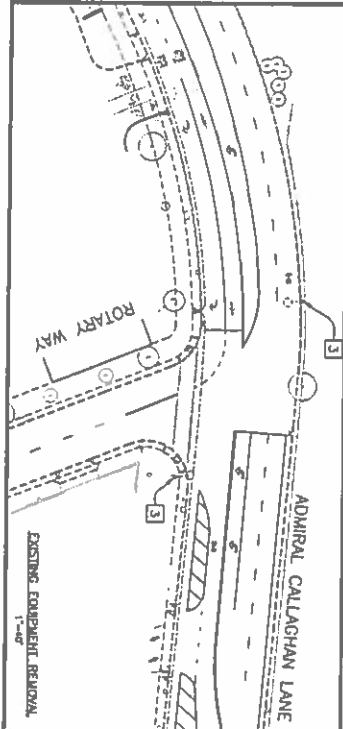
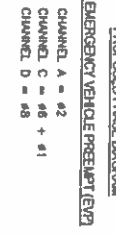
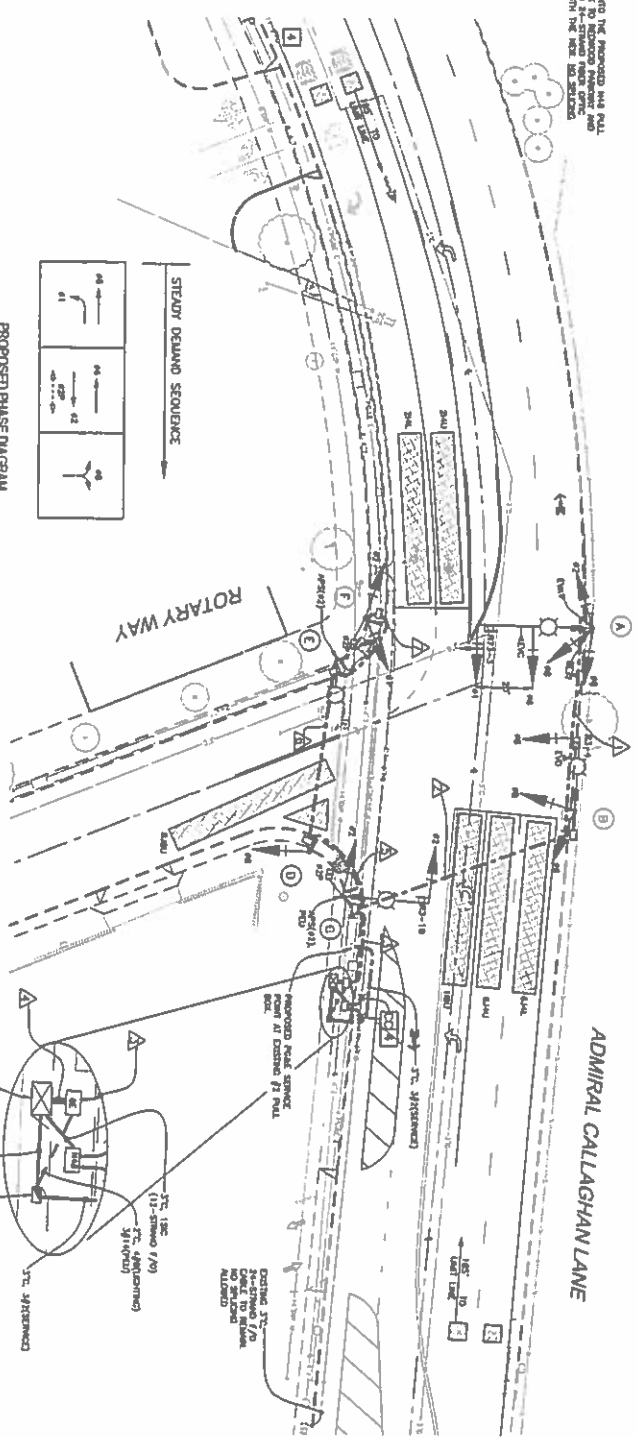
[See attached]

PROJECT NOTES:

1. ALL SIGNALS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST AMERICAN CONSULTING ENGINEERS ASSOCIATION (ACEE) STANDARD SPECIFICATIONS FOR HIGHWAY SIGNALS AND THE LATEST AMERICAN CONSULTING ENGINEERS ASSOCIATION (ACEE) STANDARD SPECIFICATIONS FOR TRAFFIC SIGNALS.
2. ALL SIGNALS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST AMERICAN CONSULTING ENGINEERS ASSOCIATION (ACEE) STANDARD SPECIFICATIONS FOR HIGHWAY SIGNALS AND THE LATEST AMERICAN CONSULTING ENGINEERS ASSOCIATION (ACEE) STANDARD SPECIFICATIONS FOR TRAFFIC SIGNALS.
3. THE CONTRACTOR SHALL VERIFY THE EXISTING INTERSECTION SIGNALS AND SIGNALS AND THE PROPOSED NEW SIGNALS SHALL BE INSTALLED IN ACCORDANCE WITH THE LATEST AMERICAN CONSULTING ENGINEERS ASSOCIATION (ACEE) STANDARD SPECIFICATIONS FOR HIGHWAY SIGNALS AND THE LATEST AMERICAN CONSULTING ENGINEERS ASSOCIATION (ACEE) STANDARD SPECIFICATIONS FOR TRAFFIC SIGNALS.

GENERAL NOTES:

1. THESE PLANS ARE ACCURATE FOR ELECTRICAL WORK ONLY.
2. WORK ON THESE PLANS SHALL BE APPROVED IN COMPLIANCE WITH THE CITY OF VALLEJO DEPARTMENT OF TRANSPORTATION DIVISION OF PUBLIC WORKS AND THE ELECTRICAL DIVISION OF THE CITY OF VALLEJO DEPARTMENT OF PUBLIC WORKS.
3. LOCATIONS OF SIGNALS, PAUL SIGNALS, INTERSECTION SIGNALS, SIGNALS, SIGNALS, AND THE SIGNALS SHALL BE LOCATED IN THE FIELD PER TO REGULATIONS.
4. ALL NEW PAUL SIGNALS SHALL BE LOCATED IN THE FIELD PER TO REGULATIONS.
5. LOOP DETECTORS SHALL BE INSTALLED AT THE INTERSECTION WITHIN THE SIGNALS AND THE SIGNALS SHALL BE INSTALLED IN THE FIELD PER TO REGULATIONS.
6. ALL SIGNALS SHALL BE 12" AND HAVE INDICATORS. ALL VEHICLE AND TRUCK DETECTORS SHALL BE THE LED TYPE.
7. THE CONTRACTOR SHALL VERIFY THE EXISTING AND UNDERGROUND UTILITIES AND THE RESPONSIBILITY OF THE CONTRACTOR TO VERIFY AND UNDERGROUND UTILITIES SHALL BE THE CONTRACTOR'S RESPONSIBILITY.
8. ALL SIGNALS SHALL BE INSTALLED IN THE FIELD PER TO REGULATIONS.
9. ALL SIGNALS SHALL BE INSTALLED IN THE FIELD PER TO REGULATIONS.
10. ALL SIGNALS SHALL BE INSTALLED IN THE FIELD PER TO REGULATIONS.
11. SET CITY OF VALLEJO STANDARD SPEC. 7-18 FOR TRAFFIC SIGNALS.
12. A TRAFFIC SIGNAL SHALL BE PROVIDED TO THE CITY BEFORE SIGNAL APPROVAL.
13. EXISTING SIGNALS SHALL REMAIN AT THE SAME SIGNAL TYPE OR.



PLANS PREPARED FOR CONSTRUCTION
DEPARTMENT OF PUBLIC WORKS - ENGINEERING DIVISION
CITY OF VALLEJO

TJKM
TRAFFIC SIGNALS
1425 Franklin Park Lane SW
Portland, OR 97201
Phone: 503-253-1234
Fax: 503-253-1234
www.tjkm.com

ADAM D. ELLIOTT
REGISTERED PROFESSIONAL ENGINEER
No. 12345
N.E. 15th St.
Portland, OR 97201

CITY OF VALLEJO
ADAMIRAL CALLAGHAN LANE AT ROTARY WAY
TRAFFIC SIGNAL INSTALLATION
DRAWING NO. 085-083
SHEET 15-1 OF 3
DATE: 4/7/18
SCALE: 1"=30'

FILE NO.: 11-454

STRIPING NOTES

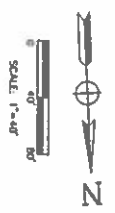
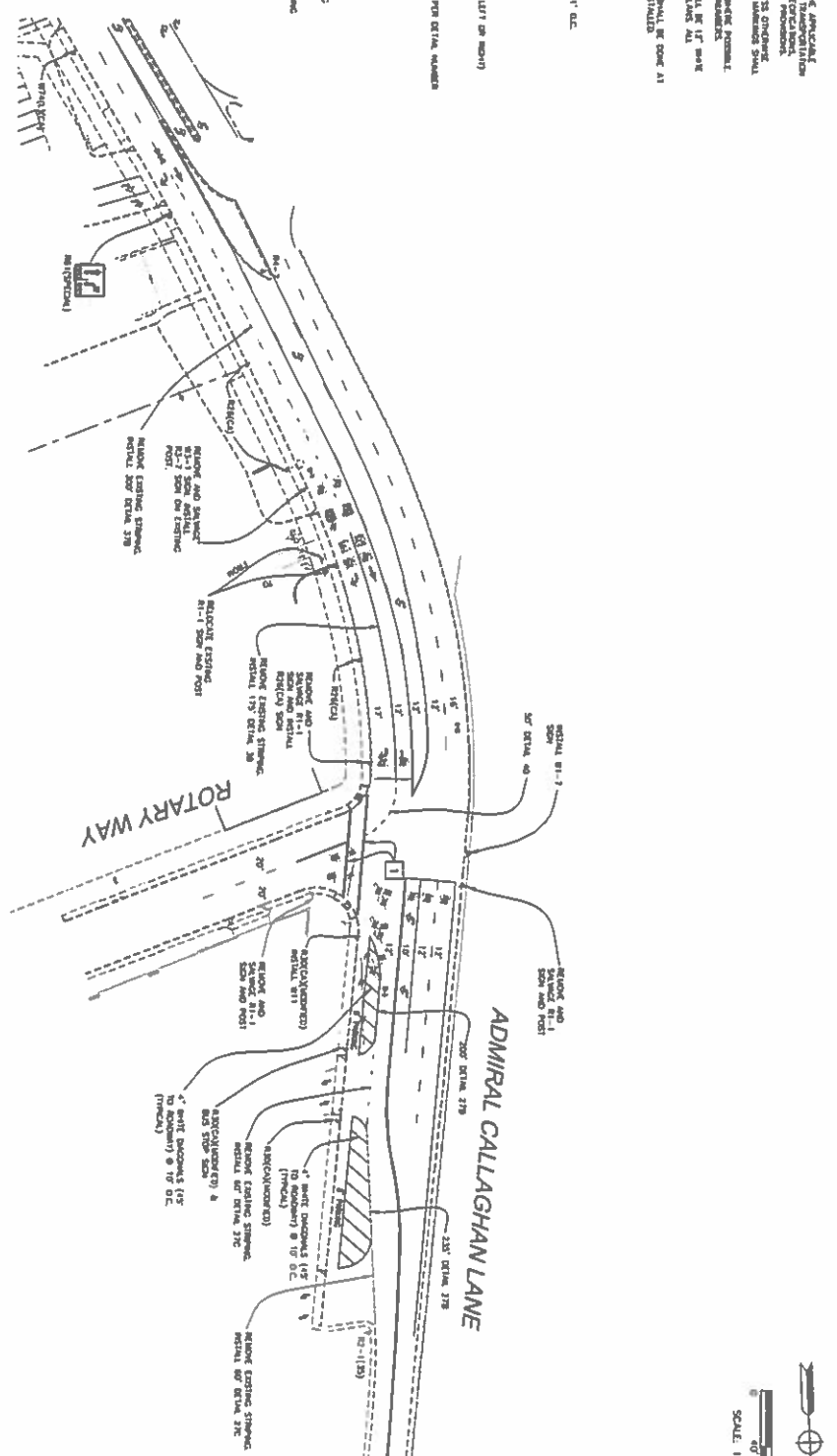
1. SIGNING AND STRIPING SHALL COMPLY TO THE AMERICAN SOCIETY OF CIVIL ENGINEERS (ASCE) STANDARD SPECIFICATIONS FOR HIGHWAY SIGNING AND STRIPING, LATEST EDITION, AND THE CALIFORNIA MANUAL OF PRACTICE FOR HIGHWAY SIGNING AND STRIPING, LATEST EDITION.
2. ALL STRIPING SHALL BE APPROVED BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) AND THE CALIFORNIA HIGHWAY PATROL (CHP) BEFORE CONSTRUCTION.
3. ALL STRIPING SHALL BE APPROVED BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) AND THE CALIFORNIA HIGHWAY PATROL (CHP) BEFORE CONSTRUCTION.
4. ALL STRIPING SHALL BE APPROVED BY THE CALIFORNIA DEPARTMENT OF TRANSPORTATION (CALTRANS) AND THE CALIFORNIA HIGHWAY PATROL (CHP) BEFORE CONSTRUCTION.
5. THE REMOVAL OF STOP SIGNS AND LICENSES SHALL BE DONE AT THE DISCRETION OF THE ENGINEER.

PROJECT NOTES

1. DETAIL 1" BY 1" WHITE CROSSHAIR STRIPS AT 11' O.C.

LEGEND

- Existing SIGN
- Existing PARALLEL MARKING (TYPE IV OR IVT) OR MARK
- EXISTING PARALLEL MARKING (TYPE IV)
- EXISTING 1" BY 1" WHITE CROSSHAIR STRIPS PER DETAIL NUMBER
- EXISTING STRIPING TO REMAIN
- REMOVE EXISTING STRIPING
- REMOVE EXISTING STRIPING
- REMOVE TYPE IV MARK MARKING
- REMOVE TYPE IV-10 MARKING
- REMOVE "SHOULDER" PARALLEL MARKING
- REMOVE "WET CLEAR" PARALLEL MARKING



BEFORE EXCAVATING
CALL U.S.A.
UNDERGROUND SERVICE ALERT
TWO WORKING DAYS BEFORE ALL
PLANNED WORK OPERATIONS

<p>CITY OF VALLEJO</p>	
<p>ADMIRAL CALLAGHAN LANE AT ROTARY WAY</p>	
<p>SIGNING AND STRIPING PLAN</p>	
<p>DESIGNED: ESB</p>	<p>DATE: 7/1/18</p>
<p>SCALE: 1"=40'</p>	<p>SHEET: 55-1 OF 3</p>
<p>PROJECT NO: 085-083</p>	<p>PRODUCT NO: 085-083</p>

FILE NO.: 11-454



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/23/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Insurance Services West, Inc. 707 Wilshire Blvd., Suite 2600 Los Angeles CA 90017-0460		CONTACT NAME: PHONE A/C, No, Ext): (866) 283-7122 FAX A/C, No): (847) 953-5390 E-MAIL ADDRESS:	
		INSURER(S) AFFORDING COVERAGE INSURER A: Zurich American Insurance Company 16535 INSURER B: American Zurich Insurance Company 40142 INSURER C: Continental Insurance Company 20443 INSURER D: INSURER E: INSURER F:	NAIC #
INSURED In-N-Out Burger 4199 Campus Drive 9th Floor Irvine CA 92612			

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> SIR \$150,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJ-ECT <input checked="" type="checkbox"/> LOC			GLO9137898-11	6/1/2017	6/1/2018	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000
							MED EXP (Any one person)	\$ Excluded
							PERSONAL & ADV INJURY	\$ 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			BAP3808168-13	6/1/2017	6/1/2018	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			L4017439061	6/1/2017	6/1/2018	EACH OCCURRENCE	\$ 1,000,000
							AGGREGATE	\$ 1,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	WC3808167-13	6/1/2017	6/1/2018	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

RE: With respects to In-N-Out Agreement for reimbursement of traffic signal improvements.

City of Vallejo, its officers, directors, officials, employees and volunteers are included as additional insured excluding Workers' Compensation and Employer's Liability as required by written contract but limited to the operations of the Insured under said contract, and always subject to the policy terms, conditions and exclusions, but only with respects to negligence of In-N-Out Burgers, or its associates. Primary and non-contributory per the attached additional insured endorsement.

CERTIFICATE HOLDER**CANCELLATION**

City of Vallejo
 555 Santa Clara Street
 Vallejo, CA 94590
 Attn: Terrance Davis, Director of Public Works

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
 Aon Risk Insurance Services West, Inc.



ZURICH

Additional Insured – Automatic – Owners, Lessees Or Contractors

Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer No.	Add'l. Prem	Return Prem.
GLO 9137898-11	06-01-2017	06-01-2018	06-01-2017	75272-000		

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured: In-N-Out Burger
Address (including ZIP Code): 4199 Campus Drive
Irvine, CA 92612

This endorsement modifies insurance provided under the:
Commercial General Liability Coverage Part

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization whom you are required to add as an additional insured on this policy under a written contract or written agreement. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf,

in the performance of your ongoing operations or "your work" as included in the "products-completed operations hazard", which is the subject of the written contract or written agreement.

However, the insurance afforded to such additional insured:

1. Only applies to the extent permitted by law; and
2. Will not be broader than that which you are required by the written contract or written agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services including:

- a. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- b. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

C. The following is added to Paragraph 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit of Section IV – **Commercial General Liability Conditions:**

The additional insured must see to it that:

1. We are notified as soon as practicable of an "occurrence" or offense that may result in a claim;
2. We receive written notice of a claim or "suit" as soon as practicable; and
3. A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured if the written contract or written agreement requires that this coverage be primary and non-contributory.

D. For the purposes of the coverage provided by this endorsement:

1. The following is added to the Other Insurance Condition of Section IV – **Commercial General Liability Conditions:**

Primary and Noncontributory insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured provided that:

- a. The additional insured is a Named Insured under such other insurance; and
 - b. You are required by written contract or written agreement that this insurance be primary and not seek contribution from any other insurance available to the additional insured.
2. The following paragraph is added to Paragraph 4.b. of the Other Insurance Condition of Section IV – **Commercial General Liability Conditions:**

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by a written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

E. This endorsement does not apply to an additional insured which has been added to this policy by an endorsement showing the additional insured in a Schedule of additional insureds, and which endorsement applies specifically to that identified additional insured.

F. With respect to the insurance afforded to the additional insureds under this endorsement, the following is added to Section III – **Limits Of Insurance:**

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the written contract or written agreement referenced in Paragraph A. of this endorsement; or
2. Available under the applicable Limits of Insurance shown in the Declarations, whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms and conditions of this policy remain unchanged.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Mike Malone, Water Director
SUBJECT: **GRANT AGREEMENT WITH THE U.S. BUREAU OF RECLAMATION**

RECOMMENDATION

Adopt a resolution authorizing the City Manager to execute a grant agreement with the U.S. Bureau of Reclamation and provide matching funds of \$1 million.

REASONS FOR RECOMMENDATION

The City is applying for two WaterSMART grants, and the applications for these grants require inclusion of a Council resolution supporting grant proposals within 30 days of the application submittal date. The Council resolution documents the governing body's support of the application. The Council resolution, acknowledges support of the applications, authorizes the City Manager to accept funding, delegates authority to the City Manager to enter into a contract, recognizes that City of Vallejo (the City) is capable of providing the amount of funds and/or in-kind contributions specified in the funding plan, and commits the City to work with the U.S. Bureau of Reclamation to meet established deadlines. The resolution does not obligate the City to accept funding. The City has the discretion to accept or decline potential funding after award.

BACKGROUND AND DISCUSSION

The U.S. Bureau of Reclamation through the WaterSMART Water and Energy Efficiency Grant Program annually invites states, Indian tribes, water districts, and other organizations to apply for funding assistance. The program targets projects that conserve water, increase water efficiency, increase use of renewable energy, improve energy efficiency, benefit endangered and threatened species, facilitate water markets, reduce climate related impacts on water, or prevent any water related crisis or conflict.

The WaterSMART Water and Energy Efficiency Grants for Fiscal Year 2018 has an estimated budget of \$16 million depending on final Fiscal Year 2017 appropriations. Grants up to \$1 million per applicant are available. Applicants can submit multiple applications, but no more than \$1 million will be awarded to any one applicant. Applicants must provide at least a 50 percent cost per project. Projects in Funding Group I (up to \$300K) must be completed within two years of award; and Projects in Funding Group II (up to \$1 million) must be completed within three years.

The City staff has identified two projects that meet the objectives of the WaterSMART Water and Energy Grant Program: the Automated Meter Installation Project, which installs water meters, a meter-reading network. a The Water Conservation Infrastructure Replacement Project provides grant funding to replaces aging water mains. These projects will save water and energy.

The first application that meets the objectives of the WaterSMART Water and Energy Grant Program under Funding Group I, the Automated Meter Installation Project, involves replacing approximately 2,400 existing

manually-read meters of the City’s approximately 39,000 meters. A meter-reading network for those meters will also be installed, which will collect the meter data remotely without the need for staff to manually read the meters. The network includes an online portal where customers can log in to manage their water usage. This will provide savings in water, energy, and staff time, compared to the existing manually-read meters.

Project funding will be used to purchase and install the meters and the meter-reading network. Project cost is approximately \$600,000. The project is anticipated to begin in the fall of 2018. The City will submit an application under Funding Group I for \$300,000 with a 50 percent cost share.

The second application that meets the objectives of the WaterSMART Water and Energy Grant Program under Funding Group II, the Water Conservation Infrastructure Replacement Project, will replace approximately 4,700 linear feet of the City’s aging water main pipes with new pipes. This will provide water and energy saving capabilities by decreasing the amount of water lost due to leakage in the affected areas.

Project funding will be used to purchase and install the new water main pipes. The project cost is approximately \$1.4 million. The project is anticipated to begin in the fall of 2018. The City will apply to U.S. Bureau of Reclamation for \$700,000 with a 50 percent cost share.

FISCAL IMPACT

Funding of \$1 million to fulfill the requirement to match the grant for both the meter and pipeline replacement projects are available in the Water Enterprise Fund through existing appropriations. Expenditures in future fiscal years are subject to Council authorization of annual budget appropriations. There is no fiscal impact on the General Fund associated with the adoption of this resolution.

ENVIRONMENTAL REVIEW

This action is exempt under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15301 because it involves repair or maintenance of publicly owned facilities.

ATTACHMENTS

1.	Resolution
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CONTACT

Mike Malone, Water Director (707) 648-4308

Mike.Malone@cityofvallejo.net

Richard Wilson, Engineering Manager (707) 648-4309

Richard.Wilson@cityofvallejo.net

**AUTHORIZING THE CITY MANAGER TO ENTER INTO GRANT AGREEMENTS
WITH THE U.S. BUREAU OF RECLAMATION**

WHEREAS, the City of Vallejo (the “City”) desires to finance a portion of the costs of the Water Conservation Infrastructure Replacement Project (the “Infrastructure Project”) and the Automated Meter Installation Project (the AMI Project).

WHEREAS, the City intends to finance the cost of the Project or portions of the Project with monies provided by the U.S. Bureau of Reclamation (“Reclamation”).

NOW, THEREFORE, BE IT RESOLVED that the City Manager (the “Authorized Representative”) or his designee is hereby authorized and directed to sign and file, for and on behalf of the City, two Water SMART Water and Energy Efficiency Program Grant Applications for financing the costs of the Infrastructure Project and the AMI Project from Reclamation.

BE IT FURTHER RESOLVED that this Authorized Representative, or his designee, is authorized to certify that the City has and will comply with the financial requirement that the City provide matching funding of \$700,000 for the Infrastructure Project and \$300,000 for the AMI Project, and will comply with the legal obligations associated with the receipt of Water SMART Water and Energy Efficiency Grant financial assistance.

BE IT FURTHER RESOLVED that the City has the capacity to provide funding and/or in-kind contributions specified in the funding plans.

BE IT FURTHER RESOLVED that the City will work with Reclamation to meet established deadlines for entering into a cooperative agreement.

BE IT FURTHER RESOLVED that this Resolution shall be effective upon its adoption.

Approved as to Form:

By: 
City Attorney



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Teri Killgore, Assistant City Manager
SUBJECT: **EMERGENCY ORDINANCES ON RECREATIONAL MARIJUANA CULTIVATION, DISTRIBUTION AND MANUFACTURING**

RECOMMENDATION

Hold a public hearing, and introduce and adopt two emergency ordinances amending the Vallejo Municipal Code (VMC) Chapter 7.200 and Title 16 on recreational marijuana cultivation, manufacturing and distribution regulations and zoning to become effective May 23, 2018, so long as they receive at least five affirmative votes. In the alternative, introduce the ordinances on a nonemergency basis tonight, then hold a second reading and adopt the ordinances on June 12, 2018, with an effective date of July 12, 2018. Receive a verbal update on the work of the Marijuana Ad-Hoc Sub-Committee.

REASONS FOR RECOMMENDATION

On February 6, 2018, the City Council held a study session on adult-use or “recreational” marijuana business in Vallejo. The City Council concluded the meeting with direction to staff to return with emergency ordinances to amend Title 16 (Attachment 1) and Chapter 7.200 (Attachment 2) to allow “recreational” cultivation, distribution and manufacturing to the same zones as adopted by the City Council in December 2017.

BACKGROUND AND DISCUSSION

Discussion

The initial direction of the City Council in June 2017 was to address supply-chain operations for medicinal marijuana. The City Council took several actions over the last year to permit medicinal and recreational dispensing, distribution and delivery operations, and adopted medicinal cultivation, manufacturing and distribution uses in the zoning code (Title 16 Vallejo Municipal Code) along with health and safety regulations in Chapter 7.200, establishing a dual-permitting approach.

During presentation of the last action on February 27, 2018, staff indicated that amendments to these recently adopted ordinances would proceed to review by the Planning Commission on April 16 and would be forwarded to the City Council for consideration tonight. If approved, the ordinance would establish land use regulations for recreational marijuana manufacturing, distribution, and cultivation uses in the same context as previously approved for medical on December 12, 2017.

The Planning Commission held a public hearing and adopted a resolution (Attachment 3) making consistency findings with General Plan 2040, and recommended that the City Council approve the code amendments to establish zoning for recreational marijuana cultivation, distribution, and manufacturing.

The draft ordinances tonight essentially eliminate “medical” in reference to marijuana cultivation, marijuana distribution, and marijuana manufacturing throughout Title 16 and Chapter 7.200 so that a business can be either or both medical and recreational, and establishes new recreational permits to operate (R-MFG, R-DST, R-CLT) from the City.

The zoning districts would remain the same in VMC Sections 16.33.030, 16.34.030, and 16.110.021, eliminating reference to “medical” and would permit marijuana cultivation, distribution, and manufacturing uses, subject to limitations, in the Intensive Use – Limited (IU-L), Intensive Use (IU), and Planned Development Industrial (PDI) zones. These zoning districts and uses are consistent with the General Plan 2040 designations and surrounding manufacturing uses. Attachment 4 depicts the three zones as defined in Title 16 and the General Plan 2040 designations.

All such uses would require a minor use permit or conditional use permit, along with a local marijuana permit to operate M-MFG, R-MFG, M-DST, R-DST, M-CLT, or R-CLT which is described in Chapter 7.200, and the appropriate State license under MAUCRSA. As was adopted with the medical marijuana regulations, only those local marijuana dispensaries that were in possession of a permit to operate (MMD) in Vallejo as of October 1, 2017, could apply for and obtain recreational marijuana permits.

Next Steps

Staff has engaged with the operators and the City Council Ad-Hoc Committee on Marijuana, and anticipates returning in Fall 2018 with amendments to Title 7 and Title 16 to establish a dual-permitting structure for dispensing (retail), regulations associated with the transfer of ownership (sale of business), relocation and expansion, and further refinements of marijuana dispensing regulations.

Three existing dispensaries are located within the White Slough Specific Plan area. A decision will come down from the Bay Conservation and Development Commission (BCDC) as to whether the interpretation and/or addition of certain use types can be made administratively in connection with the interim zoning policy or will require a full amendment of the plan. At the time of writing this report, a decision has not been made.

Background

In July 2015, the City Council adopted an ordinance adding Chapter 7.100 to the Vallejo Municipal Code establishing requirements for limited immunity from civil prosecution for land-use violations for medical marijuana dispensaries. In October 2015, the state legislature adopted the Medical Marijuana Regulation & Safety Act (now MCRSA). The Act protects local control and taxing of medical marijuana activity while establishing statewide regulations.

An ad hoc Medical Marijuana Stakeholder and Expert Group (MMSEG) representing the MMD industry, patients, and the greater Vallejo community was appointed by City Council on March 8, 2016. MMSEG has provided input to staff about community concerns, and patient and business needs and desires related to cultivation, manufacturing, delivery, and testing of marijuana. MMSEG meetings were noticed and open to the public consistent with the Brown Act.

In November 2016, California voters passed Proposition 64, the Adult Use Marijuana Act (AUMA), making

marijuana use for recreational purposes legal. On December 13, 2016, the City Council received a legislative update on the provisions of AUMA, highlighting local control component of adult-use marijuana operations including retail (dispensing, as well as cultivation, delivery, distribution, manufacturing, and testing).

Recent changes to State law came with the passage of SB 94 in June 2017, the Medical and Adult Use Cannabis Regulatory and Safety Act (MAUCRSA), which eliminated a number of differences between the Medical Cannabis Regulatory and Safety Act (MCRSA) and the Adult Use of Marijuana Act (AUMA, Proposition 64). MAUCRSA preserves the authority of cities to adopt business and land use regulations for commercial marijuana business activities or ban them altogether. It defines a range of business license types, including: retail, cultivation, manufacturing, distribution, delivery, and testing laboratories. MAUCRSA was amended in September 2017, most significantly to allow recreational marijuana business on the same premises as medical marijuana business. The state agencies overseeing the industry issued emergency regulations and began issuing temporary licenses for marijuana activities on January 1, 2018.

On June 7, 2017, the City Council held a special meeting to provide policy direction to staff on marijuana businesses in Vallejo and formed a Marijuana Ad-Hoc Sub-Committee of the City Council to direct further amendments. Following this meeting, and after several meetings with the Ad-Hoc Committee, a post on Open City Hall and a public meeting, an ordinance was considered by the City Council on August 22, 2017, amending VMC Chapter 7.100 related to medical marijuana dispensing for the purpose of providing permits to those in possession of a limited immunity letter.

On December 12, 2017, the City Council took action to amend Vallejo Municipal Code Chapter 7.100 on medical marijuana dispensing, Chapter 7.200 regulating medical marijuana cultivation, distribution and manufacturing, and Title 16 establishing medical marijuana cultivation, manufacturing and distribution uses within particular zones/general plan designations to become effective January 1, 2018. Additional information is available online at www.cityofvallejo.net/MMDCCompliance.

On February 6, 2018, a special study session of the City Council was held to discuss the adult use or recreational marijuana in Vallejo. The City Council directed staff to return with amendments to Chapter 7.100 to permit recreational dispensing and delivery service as soon as possible. On February 27, 2018, the City Council adopted an emergency ordinance.

FISCAL IMPACT

The adoption of the proposed ordinances will impact the General Fund but the exact impact of the ordinances are unknown at this time. The projected Measure C general fund tax revenue in the FY 2017-18 Adopted Budget is \$2.4 million. Increased interest from other local jurisdictions and addition of business types could both negatively and positively impact Vallejo tax revenues. Recent addition of recreational dispensing indicates an increase month-over-month in tax revenues from February to March 2018 of nearly \$70,000. Revenues from March 2018 were the highest to date. Given the volatility of this newly legal industry, it will continue to be difficult to predict future revenues.

March 2017	March 2018	Total FY 16-17	Total YTD FY 17-18
\$218,258	\$231,656	\$2,519,863	\$1,860,509

ENVIRONMENTAL REVIEW

Adoption of the proposed amendments to the Vallejo Municipal Code is exempt from the California Environmental Quality Act (CEQA). Section 26055(h) of the California Business & Professions Code states: "Without limiting any other statutory exemption or categorical exemption, Division 13 (commencing with Section 21000) of the Public Resources Code does not apply to the adoption of an ordinance, rule, or regulation by a local jurisdiction that requires discretionary review and approval of permits, licenses, or other authorizations to engage in commercial cannabis activity. To qualify for this exemption, the discretionary review in any such law, ordinance, rule, or regulation shall include any applicable environmental review pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code. This subdivision shall become inoperative on July 1, 2019." Future land use applications for marijuana use will be subject to CEQA review.

ATTACHMENTS

1.	Title 16 recreational cultivation distribution manufacturing May 2018 stamped strikethrough final
2.	7.200 emergency amendment May 2018 recreational stamped strikethrough final
3.	Planning Commission Resolution
4.	Map of Zoning and General Plan Designations

CONTACT

Joanna Altman, Assistant to the City Manager, (707) 648-4362

joanna.altman@cityofvallejo.net

ORDINANCE NO. ____ N.C. (2d)

**AN EMERGENCY ORDINANCE OF THE CITY OF VALLEJO MUNICIPAL CODE AMENDING
TITLE 16 RELATED TO RECREATIONAL MARIJUANA USES**

[Deleted text is shown in ~~strikethrough~~
Added text is shown in ***bold italic***]

WHEREAS, it is the purpose and intent of this chapter to accommodate the needs of the seriously ill and protect their health and safety, while protecting neighborhood character and specifically neighborhoods, children, and businesses from negative impacts and comply with state law and federal guidelines; and

WHEREAS, it is the intent of this chapter to regulate the recreational, cultivation, distribution and manufacturing of marijuana in a manner which is responsible and protects the health, safety, and welfare of the City of Vallejo, its residents, environs and neighborhoods. It is the intent of the City of Vallejo to have strong and effective development standards that work with regulatory and enforcement systems that addresses public safety, health, and other law enforcement interests through robust procedures that are effective in practice; and

WHEREAS, studies indicate the use of marijuana by minors is harmful to their health and brain development. Furthermore, nothing in state law or federal guidelines permits the distribution of marijuana to minors. Notwithstanding the foregoing, all persons who choose to be involved with marijuana do so entirely at their own risk that their involvement may constitute a violation of federal or state law; and

WHEREAS, the City Charter at Section 316 provides that no ordinance shall become effective until 30 days after adoption, with the exception of an emergency ordinance adopted in the manner provided by the Charter; and

WHEREAS, the City Charter at Section 312 provides that any ordinance declared by the Council to be necessary as an emergency measure for preserving the public peace, health or safety and containing a statement of the reasons for its urgency may be introduced and adopted at the same meeting if passed by at least five affirmative votes; and

Approved as to Form:

By: 
City Attorney

WHEREAS, the state legislature passed the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) in June 2017 and minor amendments through AB 133 in September 2017, which set forth a state licensing framework for commercial marijuana activity and deeming

the activity permitted by state license not unlawful so long as permitted pursuant to local authorization; and

WHEREAS, the state licensing agencies issued emergency regulations on November 16, 2017, and the Office of Administrative Law issued a final decision on the adoption of the regulations before January 1, 2018; and

WHEREAS, the City Council added Chapter 7.200 and amended Title 16 of the Vallejo Municipal Code in December 2017 to permit dispensaries to engage in medical marijuana cultivation, distribution, and manufacturing pursuant to local requirements; and

WHEREAS, the City seeks to allow the dispensaries to engage in recreational marijuana cultivation, distribution, and manufacturing pursuant to local requirements; and

WHEREAS, the City Council finds that immediate adoption will increase protection of the public and the environment from the harms associated with an unregulated commercial marijuana market and prevent access to marijuana by persons under age 21 who do not possess a valid physician's recommendation; and

WHEREAS, the City Council finds that immediate adoption of the ordinance and making the ordinance effective May 23, 2018, is necessary for the preservation of the public peace, health and safety.

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

SECTION 1. Sections 16.04.113, 16.04.313, and 16.04.314 of the Vallejo Municipal Code are hereby added to read as follows:

“16.040.113 – Canopy.

“Canopy” means (1) The designated area(s) at a licensed premises that will contain plants at any stage of growth; (2) Canopy shall be calculated in square feet and measured around the outermost perimeter of each separate and discrete area of marijuana cultivation at the dripline of the canopy, including all of the space(s) within the boundaries; (3) Canopy may be noncontiguous but each unique area included in the total canopy calculation shall be separated by an identifiable boundary such as an interior wall or open space; and (4) If plants are being cultivated using a shelving system, the surface area of each level shall be included in the total canopy calculation.”

“16.04.313 – Marijuana.

“Marijuana” has the same meaning as cannabis, cannabis concentrate, cannabis products, and edible cannabis product as defined in California Business & Professions Code Section 26001.

Words or phrases related to marijuana uses, wherever used in this Chapter, shall be given the definitions specified in Chapter 7.200, Cultivation, Distribution, and Manufacturing of Marijuana.

~~16.04.314 – Marijuana, medical.~~

~~“Medical marijuana” means marijuana or a marijuana product intended to be sold for use pursuant to the Compassionate Use Act of 1996 (Proposition 215), found at Section 11362.5 of the California Health & Safety Code, by a medical marijuana patient who possesses a State of California licensed and board certified physician’s recommendation or identification card issued pursuant to State law.”~~

~~Words or phrases related to medical marijuana uses, wherever used in this Chapter, shall be given the definitions specified in Chapter 7.200, Cultivation, Distribution, and Manufacturing of Medical Marijuana.~~

SECTION 2. Section 16.06.020 of the Vallejo Municipal Code is hereby amended to read as follows:

16.06.020 - Listing of use classifications.

D. Industrial Use Types:

- Custom manufacturing
- General industrial
- Heavy industrial
- Live/work
- ~~Medical m~~ **Marijuana cultivation**
- ~~Medical m~~ **Marijuana distribution**
- ~~Medical m~~ **Marijuana manufacturing**

SECTION 3. Sections 16.06.544, 16.06.545, and 16.06.546 of the Vallejo Municipal Code are hereby added to read as follows:

16.06.544 – ~~Medical m~~ Marijuana cultivation.

The ~~medical~~ marijuana cultivation use type refers to commercial activity involving the planting, growing, harvesting, drying, curing, grading, or trimming of ~~medical~~ marijuana.

16.06.545 – ~~Medical m~~ Marijuana distribution.

The ~~medical~~ marijuana distribution use type refers to the procurement, sale, and transport of ~~medical~~ marijuana and ~~medical~~ marijuana products between holders of state licenses and local permits, but excludes retail sales to ~~medical~~ marijuana customers.

16.06.546 – ~~Medical m~~ Marijuana manufacturing.

The ~~medical~~ marijuana manufacturing use type refers to the non-volatile production, preparation, propagation, or compounding of ~~medical~~ marijuana or ~~medical~~ marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, at a

fixed location that packages or repackages ~~medical~~ marijuana or ~~medical~~ marijuana products or labels or re-labels its container.

SECTION 4. Section 16.33.030 of the Vallejo Municipal Code is hereby amended to read as follows:

16.33.030 - Permitted uses subject to limitations.

The following use types are permitted subject to complying with the intent and purpose of this chapter and to the applicable provisions of Chapter 16.57 (the letter in parentheses following the use type refers to the subsection of Section 16.57.020 which applies):

- A. Commercial Use Types.
 - 1. Animal sales and services: kennels (D);
 - 2. Automotive and equipment: cleaning (F);
 - 3. Food and beverage retail sales (L);
 - 4. Retail sales: adult uses (R).
- B. Industrial Types.
 - 1. ~~Medical m~~ Marijuana cultivation (II);
 - 2. ~~Medical m~~ Marijuana distribution (II);
 - 3. ~~Medical m~~ Marijuana manufacturing (II).

SECTION 5. Section 16.34.030 of the Vallejo Municipal Code is hereby amended to read as follows:

16.34.030 - Uses subject to limitations.

The following use types are permitted subject to complying with the intent and purpose of this chapter and to the applicable provisions of Chapter 16.57 (the letter in parenthesis following the use type refers to the subsection of Section 16.57.020 which applies):

- A. Civic Use Types.
 - 1. Administrative services.
 - 2. Clinic services.
 - 3. Community education (X).
- B. Commercial Use Types.
 - 1. Animal sales and services: kennels (D);
 - 2. Animal sales and services: veterinary (small animals - outdoor kennels and runs) (E);
 - 3. Automotive and equipment: cleaning (F);
 - 4. Eating and drinking establishments (J), (K);
 - 5. Food and beverage retail sales (L);
 - 6. Transient habitation: emergency shelter for homeless (FF);
 - 7. Wholesaling, storage, and distribution: light (S).
- C. Industrial Types.
 - 1. ~~Medical m~~ Marijuana cultivation (II);
 - 2. ~~Medical m~~ Marijuana distribution (II);

3. ~~Medical m~~ **Marijuana** manufacturing (II).

SECTION 6. Section 16.57.020 of the Vallejo Municipal Code is hereby amended to read as follows:

16.57.020 - Applicability.

The following limitations shall apply to uses indicated by the corresponding letter in parentheses in the previous sections entitled "Permitted uses subject to limitations."

- II. Where this code conflicts with Title 16 and MAUCRSA design and development standards, the more restrictive standards shall apply. ~~Medical m~~ **Marijuana** cultivation, distribution, and manufacturing uses are allowed subject to approval of a minor use permit as set forth in Chapter 16.82, as long as all applicable district requirements are met, together with the following requirements:

1. Regulatory Permits. ~~Medical M~~ **marijuana** cultivation (~~PM-CLT~~) **or (R-CLT)**, distribution (~~PM-DST~~) **or (R-DST)** and manufacturing (~~PM-MFG~~) **or (R-MFG)** uses must obtain and maintain all required State and local permits and licenses including the local permit required under Chapter 7.200 of this Code. Revocation of the State marijuana license (e.g. Microbusiness license) or the local permit under Chapter 7.200 of this Code shall be grounds for revocation of the minor use permit for the ~~medical~~ marijuana cultivation, distribution, and manufacturing use. Valid and applicable State and local licenses and permits shall be publicly displayed at all times during hours of operation.
2. Locational Limitation. Any ~~medical~~—marijuana, cultivation, distribution, or manufacturing use may not be located within a six hundred-foot radius of a school providing instruction in kindergarten or any grades 1 through 12, day care center, or youth center as defined in Health & Safety Code Section 11353.1. The distance specified in this section shall be the horizontal distance measured in a straight line from the property line of the school or center to the closest property line of the lot on which the permittee is to be located without regard to intervening structures.
3. Development and Operational Standards. Cultivation, distribution and manufacturing uses shall comply with site development standards specified in the applicable zoning district (i.e., Section 16.33.060 in the Intensive Use-Limited District, Section 16.34.060 in the Intensive Use District, and Section 16.110.030 in the Planned Development Industrial District). Such uses shall also comply with the following standards:
 - a. General:
 - i. All activities shall occur within a secure fence at least eight (8) feet in height that fully encloses the area. The fence must include a lockable gate(s) that is locked at all times, except for during times of active ingress/egress.
 - ii. No person under age 18 shall be allowed on the property.
 - iii. The site shall not be open to the general public.
 - iv. No transactions outside, or partially outside of an enclosed building are permitted. No transactions which are performed through walk-up or drive-through service are allowed.
 - v. No use, inhalation, smoking, eating, ingestion, or otherwise consumption of marijuana on the Property, including the parking areas of the property.

- vi. No exhibition or product sales area or retail sales are allowed on the premises.
- b. Cultivation:
 - i. The canopy shall not exceed ten thousand square feet; and
 - ii. All medical marijuana cultivation shall occur indoors, completely enclosed in a structure with opaque walls, and shall not be visible from any public right-of-way
- bc. Lighting:
 - i. Exterior perimeter lighting shall be in place prior to operation;
 - ii. Exterior lighting shall be code compliant LED fixtures or high efficacy luminaries, and shall have an illumination intensity of between one and four foot candles;
 - iii. Lights shall be directed and shielded so as not to illuminate into adjoining properties;
 - iv. Lights shall have a housing to protect against breakage;
 - v. Broken or burnt out lights shall be replaced within five calendar days;
 - vi. Transitional lighting shall be incorporated in exterior areas going to and from buildings or uses within a site; and
 - vii. Trees and shrubs shall not interfere with the distribution of lighting as required by this section.
- cd. Off-street parking: as prescribed in Chapter 16.62.
- de. Signs:
 - i. A sign shall be posted on the door or in view of the entrance stating that no person under the age of 18 is allowed on site; and
 - ii. A sign shall be posted stating that the use or consumption of marijuana or marijuana products on or near the premises is prohibited; and
 - iii. A sign shall be posted stating loitering on or near the premises is prohibited; and
 - iv. Signs shall be limited to one wall sign and/or monument sign. Wall signs shall be pin mounted or individually mounted channel letters not to exceed fifty square feet in total area. Monument signs may not exceed six feet in height and twenty-five total square feet, and must have landscaping along the base of the sign. Wall sign must face the principle building frontage adjacent to the public right-of-way.
 - v. A sign shall be posted outside the facility in full public view containing City contact information for both in case of an emergency situations and City contact information for public concern of operations.
 - vi. Other requirements as prescribed in Chapter 16.64.
- ef. Fencing, screening and landscaping:
 - i. All fencing shall be eight feet tall, solid fence, masonry or board-on-board as approved by the Planning Manager or designee.
 - ii. Shrubs located next to pedestrian walkways and other vulnerable areas as determined by the planning manager or his or her designee shall not exceed 3 feet in height at maturity;
 - iii. Trees shall be pruned up to 6 feet above ground;
 - iv. Trees and shrubs shall be pruned back from windows, doors and walkways;
 - v. Decorative stone, brick, and other masonry material shall be grouted to prevent removal by hand;
 - vi. Entrances to the site and parking lots shall be defined with landscaping or entry feature;

- vii. Outdoor waste and recycle bins shall be contained within a locked structure to prevent unauthorized entry; and
- viii. Other requirements as prescribed in Chapter 16.70.
- fg. Noise:
 - i. The use of generators is prohibited, except as short-term temporary emergency back-up systems; and
 - ii. Other requirements as prescribed in Section 16.72.030.
- gh. Odor control: A sufficient odor-absorbing ventilation and exhaust system shall be installed to ensure that odor generated by the use is not detected outside the property, anywhere on adjacent properties or public rights-of-way, or within any other unit located within the same building as the medical marijuana use.
- hi. Maintenance:
 - i. Property shall be maintained free of debris, litter and trash; and
 - ii. Comply with Chapter 7.54, Property Maintenance.
- ij. Other performance standards: comply with all requirements prescribed in Chapter 16.72.

SECTION 7. Section 16.62.100 of the Vallejo Municipal Code is hereby amended to read as follows:

16.62.100 - Table of off-street parking requirements and standards.

TABLE OF OFF-STREET PARKING REQUIREMENTS

Industrial Use Types	
Custom Manufacturing	P
General Manufacturing	P
Heavy Industrial	P
<i>Marijuana</i>	<i>P</i>
Medical-Marijuana Cultivation	P
Medical-Marijuana Distribution	P
Medical Marijuana Manufacturing	P

TABLE OF OFF-STREET PARKING STANDARDS
(Section 16.62.100)

Standard	Requirement

P	<p>four spaces for first 5,000 square feet of floor area and one space for each additional 2,000 square feet of floor area, or one space for each one and one-half employees, whichever is greater</p>
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SECTION 8. Section 16.110.021 of the Vallejo Municipal Code is hereby added to read as follows:

16.110.021 - Permitted uses subject to limitations.

The following use types are permitted subject to the applicable provisions of Chapter 16.57 (the letter in parentheses following the use type refers to the subsection of Section 16.57.020 which applies).

A. Industrial Types.

1. ~~Medical m~~ **Marijuana** cultivation (II);
2. ~~Medical m~~ **Marijuana** distribution (II);
3. ~~Medical m~~ **Marijuana** manufacturing (II).

SECTION 9. Section 16.110.030 of the Vallejo Municipal Code is hereby amended to read as follows:

16.110.030 - Development standards.

As part of the planned development permit procedures, as described in Chapter 16.116, a set of development standards shall be submitted to the planning division. These development standards will be evaluated on the following criteria:

- A. Size, configuration, orientation and location of the site;
- B. Circulation patterns, including delineation of arterial, collector and local streets, pedestrian access, public transit;
- C. Topography of the site, including vegetation, soils, proposed grading, slopes;
- D. Preservation of natural resources, including ridgetops, riparian areas, unique features, trees, drainage;
- E. Relationship to surrounding area, including visual and land use compatibility;
- F. Architecture;
- G. Landscaping;
- H. Availability of public improvements and facilities;
- I. Development intensity;
- J. Intent and purpose of the proposed project, including consistency with the Vallejo general plan and stated purpose of this district.

Note: The Screening and Landscaping Regulations (Chapter 16.70) and the Site Development Standards Chapter 16.75) are not applicable to this district. However, minor use permits involving ~~medical~~—marijuana, cultivation, distribution, and manufacturing uses are subject to specific regulations and standards contained in those chapters.

SECTION 10. Severability. If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each one all provisions hereof, irrespective of the fact one or more provisions may be declared invalid.

SECTION 11. Effective Date. This Emergency Ordinance shall take effect and be in full force and effect on May 23, 2018.

Adopted by the City Council of the City of Vallejo as an emergency ordinance at a regular meeting held on May 22, 2018 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

BOB SAMPAYAN, MAYOR

ATTEST:

DAWN G. ABRAHAMSON, CITY CLERK

ORDINANCE NO. _____ N.C. (2d)

**AN EMERGENCY ORDINANCE AMENDING CHAPTER 7.200 OF THE
VALLEJO MUNICIPAL CODE ESTABLISHING REGULATORY
REQUIREMENTS FOR RECREATIONAL MARIJUANA CULTIVATION,
DISTRIBUTION, AND MANUFACTURING**

WHEREAS, the City recognizes that the issuance of permits for cultivation, manufacturing and/or distribution of medical marijuana is a valid governmental interest to ensure access to medical marijuana by those sick people who have a doctor's recommendation or identification card in compliance with state law while ensuring that the impacts of those businesses on the neighborhood are regulated, as detailed in staff reports; and

WHEREAS, the City Charter at Section 316 provides that no ordinance shall become effective until 30 days after adoption, with the exception of an emergency ordinance adopted in the manner provided by the Charter; and

WHEREAS, the City Charter at Section 312 provides that any ordinance declared by the Council to be necessary as an emergency measure for preserving the public peace, health or safety and containing a statement of the reasons for its urgency may be introduced and adopted at the same meeting if passed by at least five affirmative votes; and

WHEREAS, the state legislature passed the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) in June 2017 and minor amendments through AB 133 in September 2017, which set forth a state licensing framework for commercial marijuana activity and deeming the activity permitted by state license not unlawful so long as permitted pursuant to local authorization; and

WHEREAS, MAUCRSA required state licensing agencies to begin issuing state licenses by January 1, 2018, and provides that the state licensing agencies may adopt emergency regulations which shall be deemed an emergency and necessary for the immediate preservation of the public peace, health, safety, or general welfare; and

WHEREAS, the state licensing agencies issued emergency regulations on November 16, 2017, and the Office of Administrative Law issued a final decision on the adoption of the regulations before January 1, 2018; and

Approved as to Form:

By: 
City Attorney

WHEREAS, the City Council added Chapter 7.200 and amended Title 16 of the Vallejo Municipal Code in December 2017 to permit dispensaries to engage in medical marijuana cultivation, distribution, and manufacturing pursuant to local requirements; and

WHEREAS, the City seeks to allow the dispensaries to engage in recreational marijuana cultivation, distribution, and manufacturing pursuant to local requirements; and

WHEREAS, the City Council finds that immediate adoption will increase protection of the public and the environment from the harms associated with an unregulated commercial marijuana market and prevent access to marijuana by persons under age 21 who do not possess a valid physician’s recommendation; and

WHEREAS, the City Council finds that immediate adoption of the ordinance and making the ordinance effective May 23, 2018, is necessary for the preservation of the public peace, health and safety.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF VALLEJO DOES ORDAIN as follows:

SECTION 1. Vallejo Municipal Code Chapter 7.200 is hereby amended to read as follows:

Chapter 7.200
Cultivation, Distribution, and
Manufacturing of ~~Medical~~ Marijuana

- 7.200.010 Purpose and Intent
- 7.200.020 Definitions
- 7.200.030 Marijuana Business Permit Required; Unlawful to Make False Statements
- 7.200.040 Approval of permit to operate
- 7.200.050 Renewal of permit to operate (~~P-MFG~~)(~~P-DST~~)(~~P-CLT~~)
- 7.200.060 No Vested or Non-Conforming Rights.
- 7.200.070 Regulatory requirements for ~~Medical~~ Marijuana Cultivation, Manufacturing and/or Distribution Activity.
- 7.200.080 Additional Operating Conditions for (~~P-MFG~~) ~~Medical~~ Marijuana Manufacturing Permittees
- 7.200.090 Revocation of Permit to operate (~~P-MFG~~)(~~P-DST~~)(~~P-CLT~~),
- 7.200.100 Appeal of Denial or revocation of a permit to operate (~~P-MFG~~)(~~P-DST~~)(~~P-CLT~~)
- 7.200.010 Purpose and Intent.

It is the purpose and intent of this chapter to exercise local police power and authority to the full extent allowed by the California Constitution and Medicinal and Adult-Use Cannabis Regulation

and Safety Act of 2017, facilitate safe access to and regulate certain businesses involved in the manufacturing, cultivation and distribution of ~~medical~~ marijuana, and prevent the proliferation of noncompliant illegal marijuana businesses and negative secondary effects associated with them including crime, code violations, and strain on municipal staff and resources. This ordinance is not intended to conflict with federal or state law. Nothing in this ordinance purports to permit activities that are otherwise illegal under federal, state, or local law.

7.200.020 Definitions.

In addition to specific definitions listed below, words or phrases, wherever used in this Chapter, shall have the same meaning as those listed in Chapter 7.100 ~~Medical~~ Marijuana.

“Distribution” means the procurement, sale, and transport of marijuana and marijuana products between licensees.

“Licensee” means a person who holds both a state license (e.g. Microbusiness license) and a local permit under the jurisdiction of a city or county.

“Manufacturing” refers to the non-volatile production, preparation, propagation, or compounding of ~~medical~~ marijuana or ~~medical~~ marijuana products either directly or indirectly or by extraction methods, or independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, at a fixed location that packages or repackages ~~medical~~ marijuana or ~~medical~~ marijuana products or labels or re-labels its container.

The following words or phrases when used in this section shall be construed as defined in the Medicinal and Adult-Use Cannabis Regulation and Safety Act of 2017 and regulations promulgated by the state implementing agencies: “Cultivation,” “Cultivation Site,” “Volatile Solvent.”

7.200.030 Permit to Operate Required; Unlawful to Make False Statements

A. Any Marijuana Cultivation, Distribution or Manufacturing business, shall operate in conformance with all applicable laws set forth in this chapter, the Vallejo Municipal Code, and applicable California state law and regulations. ***The permits issued by the city are (M-MD) Medical Marijuana Dispensary, (M-MFG) Medical Marijuana Manufacturing, (M-DST) Medical Marijuana Distribution, (M-CLT) Medical Marijuana Cultivation, (R-MD) Recreational Marijuana Dispensary, (R-MFG) Recreational Marijuana Manufacturing, (R-DST) Recreational Marijuana Distribution, (R-CLT) Recreational Marijuana Cultivation.***

B. Only persons who have been issued a permit to operate a ~~Medical~~ Marijuana Dispensary (~~P~~-M-MD) ***or (R-MD)*** pursuant to Section 7.100.050 may apply for and receive a permit to conduct the following activities: Medical Marijuana Manufacturing (~~P~~M-MFG), Distribution

~~(PR-DST), and/or~~ Cultivation (~~PR-CLT~~), **Recreational Marijuana Manufacturing (R-MFG), Distribution (R-DST), Cultivation (R-CLT)**. It shall be unlawful for any person to engage in, conduct or carry on, in or upon any premises within the City of Vallejo any Marijuana Manufacturing, Distribution or Cultivation activity without a ~~(P-MFG), (P-DST) and/or (P-CLT)~~ permit authorizing the activity, or in violation of all applicable local and state laws. Each ~~Medical~~ Marijuana Dispensary that has been issued a permit to operate (~~P-M-MD~~) **or (R-MD)** may apply for one each of the following permits to operate: a ~~(PM-MFG), a (PM-DST) or a (PM-CLT),~~ **(R-MFG), (R-DST), (R-CLT)** and is limited to one location in addition to the ~~MM~~**Dispensary** location.

C. The applications for a permit to operate ~~(P-MFG)(P-DST)(P-CLT)~~ shall be submitted to the City Manager's office on a form provided by the city. The application shall be accompanied by a fee in an amount to be set by city council resolution. The following items shall accompany the application:

1. A copy of the current permit to operate ~~(P-M-MD)~~ **or (R-MD)**.
2. Property address for the proposed activity and preliminary assessment by the Planning Manager that Title 16 requirements can be met at the location. The cultivation, manufacture, and distribution of marijuana pursuant to this Chapter may, but does not have to, be located on the same site as a permitted medical marijuana dispensary so long as the use is permitted pursuant to Title 16 and meets the requirements of this Code and State law.
3. The name, address, telephone number, title and function(s) of each Manager. For each Manager, a fully legible copy of one (1) valid government-issued form of photo identification, such as a driver's license.
4. A copy of section 7.200.050, containing a statement dated and signed by each Manager, under penalty of perjury, he or she has read, understands and shall ensure compliance with all requirements.
5. A statement of whether edible ~~medical~~ marijuana is prepared onsite and, if so, evidence of approval from Solano County Department of Resource Management.
6. A security plan for the proposed location, including a description of the physical presence of licensed and uniformed security guards required to be present including their number, location and specific hours on site, and a theft prevention plan which includes locked exterior doors and windows during the times the business is closed.
7. A summary criminal history, also known as LiveScan, prepared for each Manager at each site. LiveScan must be run no more than 21 calendar days prior to the date of submission and it must demonstrate there are no pending charges or convictions for any crime including without limitation theft, fraud, or assault within the previous 10 years, and that the individual is not currently on parole or probation for the sale or distribution of a controlled substance.

D. If any of the application requirements are not met, the city manager shall notify the applicant of the deficiency within 30 calendar days of submission of the application, after which the applicant will have 14 calendar days from receipt of notice to correct the deficiency. If the

deficiency is not corrected within 14 calendar days, the City manager may deny the permit and notify the applicant of this determination in writing.

E. A permit to operate ~~(P-MFG)~~~~(P-DST)~~~~(P-CLT)~~ is valid for one year from the date of issuance and must be renewed on or before June 30 of every year thereafter.

F. Annually with the application to renew the applicable permit(s) to operate ~~(P-MFG)~~ ~~(P-DST)~~ ~~(P-CLT)~~ and tax certificate, the Medical Marijuana Dispensary shall submit any updates to or revisions to the initial information provided in the application as contained in section 7.200.030 C.

7.200 .040 Approval of permit to operate

The city manager in his or her reasonable discretion, may grant a permit to operate ~~(P-MFG)~~~~(P-DST)~~~~(P-CLT)~~ to any person who possesses a ~~P-(M-MD)~~ *or (R-MD)* and meets all the applicable requirements of this chapter, and all other applicable zoning, tax, local laws and state laws. A permitted ~~Medical~~ Marijuana Dispensary that is otherwise eligible for a permit to cultivate, distribute or manufacture under this chapter, and that has applied for but not yet been issued a minor use permit, or other necessary license or entitlement, may nevertheless obtain a conditional permit to operate *medical or recreational manufacturing, distribution and/or cultivation*~~(P-MFG)~~~~(P-DST)~~~~(P-CLT)~~ contingent upon subsequent approvals by the planning commission, city council, or other regulatory body. The applicant must forward a copy of any state license (e.g. Microbusiness license) and any correspondence received from the state regarding an applicant’s state license to the city manager or his/her designee within seven calendar days of receipt.

7.200.050 Renewal of permit to operate ~~(P-MFG)~~~~(P-DST)~~~~(P-CLT)~~

A. Applications for the renewal of a permit to operate *medical or recreational manufacturing, distribution and/or cultivation* ~~(P-MFG)~~ ~~(P-DST)~~ ~~(P-CLT)~~ shall be filed with the city manager at least 60 calendar days before the expiration of the current permit. Any permittee who fails to obtain a renewal on or before expiration of a current permit shall be required to submit a new application and pay the fee for the new application.

B. Any person seeking to obtain a renewal of a permit under this chapter shall file an application under penalty of perjury on the required form with the City manager. The application shall be accompanied by a nonrefundable fee established by the City Council. An applicant for renewed permit shall update the information last submitted and provide any new and/or additional information as may be reasonably required by the City manager to determine whether the permit should be renewed.

C. It is unlawful for any person knowingly to make any false, misleading or inaccurate statement or representation in any form, record, filing or documentation required to be maintained, filed or provided to the City under this chapter or any applicable section of the Vallejo Municipal Code. A violation of this subsection may be prosecuted as a misdemeanor punishable by imprisonment in the county jail not exceeding six months, or by a fine not exceeding one

thousand dollars (\$1,000), or by both.

7.200.060 No Vested or Non-Conforming Rights.

Issuance of a permit to operate (~~P-MFG~~) (~~P-DST~~) (~~P-CLT~~) pursuant to this chapter does not create, confer, or convey any vested or nonconforming right or benefit or land use entitlement running with the land regarding any medical marijuana cultivation, distribution, or manufacturing business.

7.200.070 Regulatory requirements for ~~Medical~~ Marijuana Cultivation, Manufacturing and/or Distribution Activity.

Each applicant for a permit to operate under this chapter (~~P-MFG~~) (~~P-DST~~) (~~P-CLT~~), shall demonstrate initial and continuing compliance with the following requirements:

- A. The applicant has met or can meet all applicable requirements of Title 16 (zoning ordinance). Any permit to operate under this chapter shall be contingent upon obtaining and maintaining compliance with a minor use permit (or any other applicable land use entitlement or approval under Title 16), obtaining all local approvals (including but not limited to building permits and certificates of occupancy if applicable), and paying all required fees.
- B. All taxes and fees paid to the City are current.
- C. The property complies with all applicable Building and Fire Code provisions, the Property Maintenance Ordinance, and the Property is maintained free of debris, litter and trash.
- D. All transactions shall designate Vallejo as the point of sale and be completed through a single, fully integrated point of sale software system acceptable to the Finance Director.
- E. Inspections by a representative of the City may be conducted anytime during the business's regular business hours, to the full extent allowed by state and federal law.
- G. An applicant or permittee may only do business, apply for local and state licenses, advertise and dispense under one name, which must be the name on their local permits and on their state license.
- H. A person holding a ~~P-(M-MD)~~ or **(R-MD)** shall maintain, own or control no more than two locations within the city of Vallejo in which he/she conducts business under a permit to operate **medical or recreational manufacturing, distribution, and/or cultivation.** (~~P-MFG~~) (~~P-DST~~) (~~P-CLT~~) pursuant to this chapter.

7.200.080 Additional Operating Conditions for (~~P-MFG~~) Medical Marijuana Manufacturing Permittees

- A. Manufacturing Permittee may only conduct non-volatile extractions, repackaging and relabeling, infusions and extractions.

- B. No Manufacturing of any kind other than as described by Permittee in the permit application may be conducted.

7.200.090 Revocation of Permit to operate (~~P-MFG~~)(~~P-DST~~)(~~P-CLT~~),

- A. The City Manager may revoke a permit if any of the following conditions apply:
 - 1. Failure or inability to comply with the provisions of Chapter 7.200 or 7.100 or any other applicable provision of the Vallejo Municipal Code or applicable state law;
 - 2. Failure to provide information required by City;
 - 3. Conviction of an offense listed in Section 7.100.080(A)(7) of the Vallejo Municipal Code;
 - 4. Suspension or revocation of a required state license pursuant to MAUCRSA ;
 - 5. Failure to pay City marijuana tax; or
 - 6. Failure to maintain valid State seller's permit.
- B. No revocation shall occur unless the City Manager has issued a written warning sent by U.S. mail to the holder of the permit to operate and the permit holder has failed to comply within 30 calendar days of mailing.

7.200.100 Appeal of Denial or revocation of a permit to operate (~~P-MFG~~)(~~P-DST~~)(~~P-CLT~~)

- A. Any person aggrieved by the decision of the City Manager or his/her designee to deny or revoke the permit to operate (~~P-MFG~~)(~~P-DST~~)(~~P-CLT~~) may appeal the City Manager or his/her designee's written decision within 14 calendar days of the date of issuance.
- B. The appeal shall be heard by a hearing officer selected by the City. The hearing officer shall render a written decision affirming or reversing the decision of the City Manager or his/her designee.
- C. Any person aggrieved by the decision of the hearing officer may seek judicial review of the decision by filing a petition with a court of competent jurisdiction pursuant to Code of Civil Procedure Section 1094.5 and 1094.6.

SECTION 2. Severability

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact one or more provisions may be declared invalid.

SECTION 3. Effective Date

This Emergency Ordinance shall take effect and be in full force and effect on May 23, 2018.

CITY OF VALLEJO PLANNING COMMISSION

RESOLUTION NO. PC 18-04

**A RESOLUTION OF THE PLANNING COMMISSION EXPRESSING
INTENT TO FORWARD A RECOMMENDATION TITLE 16 (ZONING
ORDINANCE) OF THE VALLEJO MUNICIPAL CODE
REGARDING MARIJUANA USES**

BE IT RESOLVED by the City Planning Commission of the City of Vallejo as follows:

WHEREAS, the City Council on February 6, 2018, directed staff to amend Vallejo Municipal Code Zoning Ordinance to allow adult-use recreational, manufacturing, cultivation, and distribution; and

WHEREAS, this resolution of intention finds that the amendments to the Vallejo Municipal Code Zoning Ordinance are consistent to the City of Vallejo's General Plan 2040 as the amendments will generate new tax revenue, support adult-use recreational manufacturing, distribution and cultivation of an existing Marijuana industry, allowing the industry to operate in a code compliant manner located in prescribed zoning districts; and

WHEREAS, this resolution of intention finds that the amendments to the Vallejo Municipal Code Zoning Ordinance are consistent to the City of Vallejo's General Plan 2040 policies and zoning map; and

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

NOW THEREFORE BE IT RESOLVED, that the City Planning Commission hereby directs staff to prepare ordinances amending Title 16 of the Vallejo Municipal Code to address adult-use recreational and forward these ordinances to City Council for emergency adoption.

BE IT FURTHER RESOLVED, that the City of Vallejo hereby declares its intention to revise Titles 16 of the Vallejo Municipal Code to accommodate this request.

ADOPTED by the City Planning Commission of the City of Vallejo at a regular meeting held on April 16, 2018 by the following vote:

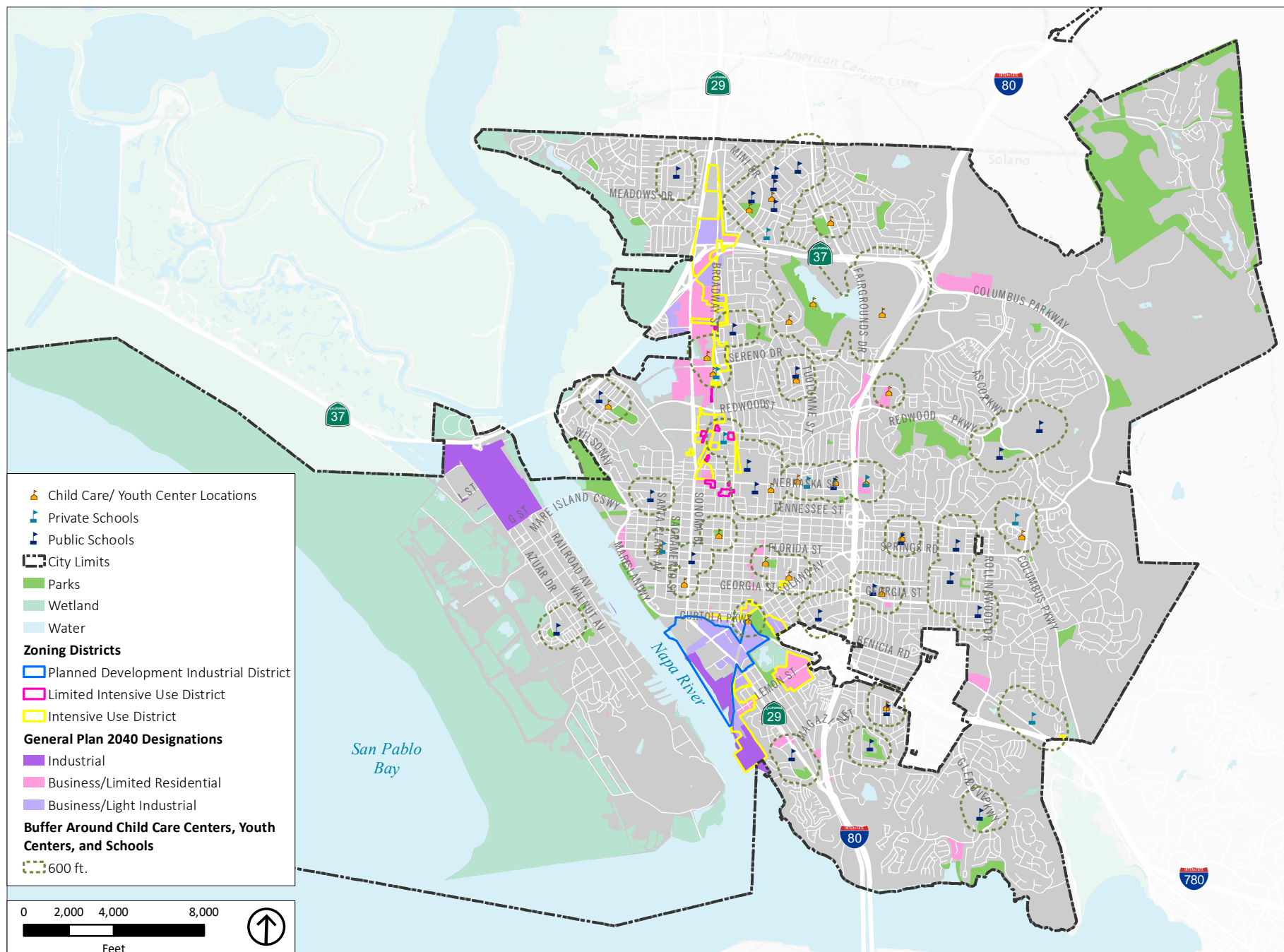
AYES: Chair Cortez, Vice-Chair Schussel, Commissioner Matulac, Platzer, Cohen-Thompson, Diohep
NOES: None
ABSENT: Commissioner Kinney
ABSTAIN: None



ROBERTO CORTEZ, CHAIRPERSON
City of Vallejo Planning Commission



AFSHAN HAMID, SECRETARY
City of Vallejo Planning Commission



Source: ESRI, 2017; City of Vallejo, 2017; PlaceWorks, 2017.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Teri Killgore, Assistant City Manager
Will Morat, Interim Housing & Community Development Manager
SUBJECT: INTRODUCTION OF AMENDMENTS TO THE MOBILE HOME PARKS RENT CONTROL ORDINANCE

RECOMMENDATION

Introduce an ordinance amending Vallejo Municipal Code (VMC) Chapter 5.64 on Mobile Home Parks Rent Control.

REASONS FOR RECOMMENDATION

On October 10, 2017, City Council adopted VMC Chapter 5.64 to reinstate rent and vacancy control in mobile home parks, in place of an ordinance that was inadvertently repealed in June 2016. As part of the October 2017 discussion, City Council directed staff to meet with park owners and tenants in an effort to reach a consensus on several areas of the proposed ordinance, including the Consumer Price Index (CPI) for annual rent increases, the appropriate hearing body, and vacancy control. On March 27, 2018, City Council provided further feedback and direction to staff.

The recommended amendments to VMC Chapter 5.64 (Attachment 1) propose the following key changes:

1. Limits annual rent increases to an average between the CPI – All Urban Consumers (CPI-U = 2.2%) and the CPI – San Francisco-Oakland-San Jose (3.6%), which would average 2.9%
2. Limits mobile home space rent increases for new tenants to 50 percent of the Fair Market Rent (FMR) for a 2-bedroom housing unit in Solano County as identified by the U.S. Department of Housing and Urban Development (HUD) (50% of \$1,341 = \$670.50)
3. Removes the vacancy control exclusion for “in-place” transfers
4. Utilizes a professional hearing officer

BACKGROUND AND DISCUSSION

Annual Rent Increase - CPI

Park owners asked for the CPI - San Francisco-Oakland-San Jose (10-year average = 2.6%), which is typically higher than the national CPI-U (10 year average = 1.9%), to be used as a basis for annual rent increases (the City currently uses CPI - San Francisco-Oakland-San Jose for its fee schedule). However,

**Subject: INTRODUCTION OF AMENDMENTS TO THE MOBILE HOME PARKS RENT CONTROL
ORDINANCE**

tenants had mixed opinions, and did not want a CPI that would enable landlords to raise rents higher than permitted under the current ordinance (CPI-U). Upon review of all feedback, including comments from City Council at the October 10, 2017 and March 27, 2018 meetings, staff recommends using the average between the CPI – San Francisco-Oakland-San Jose (Current – 3.6%) and the CPI-U (Current – 2.2%), which would currently be 2.9%.

Vacancy Control

Under the current ordinance, park owners may only increase the space rent by five percent when the mobile home is removed from the space. Staff does not recommend flat rates among all parks. As is true with all housing rentals, factors such as location and local housing market should have a role in how much rent a park owner can charge for the space.

Staff recommends that the ordinance allow park owners to charge new tenants 50 percent of the FMR for a 2-bedroom unit in Solano County, as identified by HUD, and as utilized by the Vallejo Housing Authority, in accordance with 24 Code of Federal Regulations § 888. The current FMR for a 2-bedroom unit in Solano County is \$1,341, which would allow for a maximum space rent for new tenants of \$670.50. FMRs are reviewed and revised on an annual basis by HUD to reflect local market conditions and pricing.

Additionally, staff recommends removing the exclusion of “in-place” transfers, thus allowing park owners to charge the space rent to any new tenant, regardless of whether the mobile home is moved from the space.

Hearings

The original ordinance appoints the City’s seven member Housing and Community Development Commission as the hearing body to hear petitions and rent reviews. Concerns raised at the October 10, 2017 and March 27, 2018 City Council meetings suggested that due to the unique issues around mobile homes and the technical nature of fair rate of return hearings, a professional hearing officer, as is used in other jurisdictions, is a preferred alternative.

Staff recommends the use of a professional hearing officer with experience in mobile home rent regulations to hear any public hearings related to mobile home rents, fair rate of return reviews, or other grievances filed in accordance with the terms and provisions of VMC 5.64. The costs for a hearing officer will be a fee of \$2,500 to be paid by the park owner, in advance of a scheduled hearing, in the event a petition, review or other grievance requires a hearing. The City will be solely responsible for soliciting a pool of qualified hearing officers and selecting the hearing officer for individual cases.

Reinstatement of Rent Control

The adoption of the ordinance in October 2017 re-established rent control for mobile homes parks in the City. Unreasonable rent increases that were initiated prior to the October 10, 2017 adoption of the ordinance have since been rescinded by the park owners, and to date staff have not identified excessive rent increases that would justify a retroactive reinstatement of the 2016 ordinance.

FISCAL IMPACT

Introducing the amended ordinance as stated in Attachment 1 will not have a net fiscal impact on the City's General Fund. Hearing officers, if required on a case-by-case basis according to the terms of the proposed ordinance, would be paid in full through fees charged to park owners affiliated with the specific hearing requests.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Recommended Amended Ordinance_052218.docx SE stamp
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CONTACT

Will Morat, Interim Housing & Community Development Manager, 707-648-4109

will.morat@cityofvallejo.net

**AN ORDINANCE OF THE CITY OF VALLEJO MUNICIPAL CODE
AMENDING CHAPTER 5.64 TO
ESTABLISH RENT CONTROL FOR MOBILE HOME PARKS**

WHEREAS, on October 10, 2017, the City Council adopted Vallejo Municipal Code Ordinance 5.64 Establishing Rent Control for Mobile Home Parks; and

WHEREAS, Council directed further research and analysis into the specific index to use for Cost of Living Increases, establishing a process for hearings related to the ordinance, and levels of vacancy control; and

WHEREAS, establishing an inflation index, a hearing process, and vacancy control within the City of Vallejo will protect tenants from unreasonable rent increases, allow park owners to receive a fair return on their investment, and creates a fair and transparent process for grievances.

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

SECTION 1. Chapter 5.64 is hereby amended as follows:

Chapter 5.64
MOBILE HOME PARKS RENT CONTROL

Sections:

5.64.020	Definitions
5.64.040	Annual Rent Increases
5.64.050	Capital Improvement/Replacement Rent Increases
5.64.070	Vacancy Control Provision
5.64.080	Rent Review Based on Fair Return Petition
5.64.090	Petition for a Hearing
5.64.095	Hearing Fee
5.64.100	Hearings – Open to Public
5.64.110	Hearings - Conduct
5.64.120	Hearings - Conclusions
5.64.130	Time for Compliance
5.64.140	Appeals
5.64.150	Enforcement
5.64.170	Judicial Review
5.64.190	Injunctive Relief

5.64.020 Definitions.

Approved as to form:

By: *Shamari Edmeyer for*
Claudia Quintana
City Attorney

“Capital improvements” means those new improvements which directly and primarily benefit and serve the existing mobile home park tenants by materially adding to the value of the mobile home park, appreciably prolonging its useful life or adapting it to new uses, and which are required to be amortized over the useful life of the improvements pursuant to the provisions of the Internal Revenue Code and the regulations issued pursuant thereto. “Capital improvement costs” shall mean all costs reasonably and necessarily related to the planning, engineering, and construction of capital improvements and shall include debt service costs, if any, incurred as a direct result of the capital improvement.

“Capital replacement” means the substitution, replacement, or reconstruction of a piece of equipment, machinery, streets, sidewalks, utility lines, landscaping, structures, or part thereof, of a value of five thousand dollars or more which materially benefits and adds value to the mobile home park. “Capital replacement costs” means all costs reasonably and necessarily related to planning, engineering, and construction of capital replacements and shall include debt services costs, if any, incurred as a direct result of the capital replacement.

“City Clerk” means the City Clerk of the city or his/her designee.

“City Council” means all the elected officials or their designee.

“City Manager” means the City Manager of the city or his/her representative.

“Debt service costs” means the periodic payment or payments due under any security or financing device which is applicable to the mobile home park including any fees, commissions, or other charges incurred in obtaining such financing.

“Hearing Officer” means a person: 1) who is neither a mobile home owner nor has an ownership interest in a mobile home park; 2) who is a qualified conflict resolution professional; and 3) who the City Manager determines has an appropriate level of experience and knowledge of federal and state law relating to the regulation of mobile homes and mobile home rent control.

“Maintenance and operation costs” means all expenses, exclusive of costs of debt service, costs of capital improvements, and costs of capital replacement, incurred in the operation and maintenance of the mobile home park, including but not limited to: real estate taxes, business taxes and fees (including fees payable by park owners under this chapter), insurance, sewer service charges, utilities, janitorial services, professional property management fees, pool maintenance, exterior building and ground maintenance, supplies, equipment, refuse removal, and security services or systems.

“Mobile home park” or “park” means any facility which provides spaces for mobile homes for residential purposes, and which has spaces for two or more mobile homes.

“Mobile home park owner,” “park owner,” or “owner” means the owner, lessor, operator or manager of a mobile home park within the purview of this chapter.

“Mobile home tenant” or “tenant” means any person legally owning and/or occupying a mobile home dwelling unit pursuant to ownership thereof or a rental or lease arrangement with the owner thereof.

“Services” means those facilities which enhance the use of the rental lot or space, including, but not limited to, repairs, replacement, maintenance, painting, heat, hot and cold water, utilities, security devices, laundry facilities and privileges, janitorial service, refuse removal, telephone service, and meeting, recreational, and other facilities in common areas of the mobile home park in which the spaces or lots are located.

“Space rent” or “rent” means the consideration, including any bonus, benefits or gratuity demanded or received in connection with the use and occupancy of a mobile home space in a mobile home park, or for the transfer of a lease for park space, services and amenities, subletting and security deposits, but exclusive of any amounts paid for the acquisition or use of the mobile home dwelling itself.

5.64.040 Annual Rent Increases.

A park owner shall be limited to one Cost of Living Adjustment (COLA) rent increase within a twelve-month period pursuant to this chapter. Said rent increase will not be subject to a hearing ~~by the Housing and Community Development Commission~~ or any action by the city, tenants, or other parties under the provision of this chapter, if the following conditions are met:

- A. The park owner has not increased rents under this section in the previous twelve months.
- B. The percentage increase in the rent shall not exceed 100% of *the average between: 1) the annual percentage increase in the U.S. Consumer Price Index for all Urban Consumers (CPI-U), and 2) the annual percentage increase in the U.S. Consumer Price Index for the San Francisco-Oakland-San Jose*, or within this ordinance to be known as the COLA. The percentage increase shall be determined by calculating the percentage by which the COLA last published as of the date of the notice of the increase exceeds the COLA last published as of the date of the prior rent increase notice for the space. The amount of any increase shall be rounded downward or upward to the nearest .25%
- C. A park owner shall establish an “anniversary date” for COLA increases, and all rent increases in a park shall be noticed *to take effect* on this same date in each year that a rent increase is desired. The park owner shall provide each tenant with written notice *to take effect on the anniversary date* of the amount of the proposed rent increase within the period provided for in Civil Code Section 798.30, as amended from time to time. The notice shall also include whether or not the owner opines that the increase is exempt from a hearing under this section and the reason(s) for such an opinion. At the same time, a copy of the notice shall be provided to the Housing Manager as the City Manager’s designee. The calculations showing the amount of anticipated increase and how the increase was determined shall be posted in an area of the mobile home park office where

it can be easily seen by the park tenants. After a park notices an increase *to take effect on the same date* on any spaces in a park under this section, no other such increases may be instituted in the park for a twelve-month period.

- D. No landlord shall increase rent under this section if:
1. He/she has failed to comply with any provision of this chapter and/or regulations issued thereunder by the City Council; or
 2. He/she has failed to comply substantially with the city health and building codes, and/or any applicable state or local housing, health and safety codes.
- E. Rent increases that do not meet the conditions described above are subject to a hearing under this chapter.

5.64.050 Capital Improvement/Replacement Rent Increases.

A park owner may pass-through the costs of capital improvements and replacements under this section when the improvements/replacements were completed no more than twelve months prior to the date any notice of a rent increase is given. These pass-through rent increases shall be temporary and have an end date, and shall be identified separately and listed on rent statements along with their date of expiration.

The costs must be averaged on a per space basis, and amortized over a period of not less than sixty months, and shall be excluded from the rent amount on which calculations of future rent increases are based and shall not be adjusted by the COLA.

The amount of the rent increase shall not exceed the pro rata share of capital improvement/replacement costs on an amortized basis, and may include an interest rate on the cost of the capital improvement/replacement equal to the average rate for thirty-year fixed rate mortgages plus one percent. The average rate shall be the rate Freddie Mac last published in its weekly Primary Mortgage Market Survey (PMMS) as of the date of the effective date of the rent increase.

- A. New Capital Improvements. Improvements that did not previously exist in the park shall be deemed a “new capital improvement,” unless the park owner was required to make the improvement in order to comply with a local, state or federal ordinance, code, or regulation. Prior to initiating the service or incurring the capital improvement cost, the owner must:
1. Consult with the mobile home owners regarding the nature and purpose of the improvements and the estimated cost of the improvements; and
 2. Obtain the prior written consent to the proposed capital improvement from one (1) adult mobile home owner listed on the lease/rental agreement in a majority of the occupied mobile home spaces. Each space shall only have one vote.

- B. Capital Replacements. Capital improvements that are not “new capital improvements” shall be deemed capital replacements. If not otherwise prohibited by law, an owner may pass through to the mobile home owner the cost of the capital replacement, as a temporary rent increase

The right to said increase is subject to the following conditions:

1. The owner shall give notice of the proposed pass-through to each affected mobile home owner no later than twelve months after completion of the capital replacement work.
2. If, pursuant to Section 5.64.090 of this chapter, at least fifty-one percent of the spaces in a park file a petition for a hearing on the proposed pass-through with the City Clerk within thirty days of the date the park owner gives notice of the pass-through, the proposed increase shall not go into effect unless and until the ~~Housing and Community Development Commission~~ **Hearing Officer** hears the appeal and decides for the increase.
3. Upon being heard by the ~~Housing and Community Development Commission~~ **Hearing Officer**, the pass-through shall be permitted unless substantial evidence on the record demonstrates that the capital replacement was not necessary to comply with a local, state, or federal ordinance, code, or regulation, or for safety reasons, or that the cost of the capital replacement exceeded the typical cost of the replacement by that industry’s standards. The park owner shall have the burden of proving the necessity for and reasonable cost of the capital replacements. If the cost is deemed excessive, the amount considered for the pass-through shall be reduced to a reasonable amount.

The ~~Housing and Community Development Commission~~ **Hearing Officer** may deny or reduce a pass-through if the improvement/replacement was necessitated by the park owner’s unreasonable deferral of maintenance.

4. A park owner may not obtain a capital replacement pass-through pursuant to this section if a rent adjustment for the capital replacement cost has been granted pursuant to a fair return petition under Section 5.64.080.

5.64.070 Vacancy Control Provision.

When a mobile home is transferred by the home owner to another person, **either** with the mobile home remaining on the space (an “in-place transfer”), ~~no increase in rent shall be imposed until the anniversary date of the COLA, and then the increase shall not exceed the amount of the rent increase applied to other tenants in the park. When a~~ **or if the** mobile home is sold and removed and the space it occupied becomes vacant and subsequently occupied by a new tenant, the amount of the space rent charged to the new tenant shall not be increased more than ~~five (5)~~ **fifty (50) percent of the published Fair Market**

Rent for a two (2) bedroom unit in Solano County as identified by the U.S. Department of Housing and Urban Development, and as utilized by the Vallejo Housing Authority, in accordance with 24 Code of Federal Regulations § 888. The new tenant may be subject to the COLA on the next anniversary date unless otherwise prohibited by the lease/rental agreement.

In accordance with Civil Code Section 798.17(a)(1), if a rental agreement for a new tenancy is in excess of 12 months (subject to other provisions of the Civil Code), the rental agreement shall be exempt from any ordinance, rule, regulation, or initiative measure adopted by the City which establishes a maximum amount that a landlord may charge for rent.

Any person who is a prospective home owner must be offered the option of renting a mobile home space in a manner which will permit the prospective homeowner to receive the benefits of this chapter. Such a person cannot be denied the option of a tenancy of twelve months or less in duration. The park owner/management shall inform the prospective homeowner of their options under this clause, and shall provide a copy of this ordinance along with any rental application

5.64.080 Rent Review Based on Fair Return Petition.

A park owner may request an additional rent increase in order to obtain a fair return by filing a petition with the City Clerk.

Within ten days of the date of the filing, the park owner must meet and confer with the park tenants affected by the potential rent increase and their representative(s). The owner must notify the tenants in writing of the desire to meet and confer, and shall include with the notification a copy of the petition on file with the City Clerk. The City Clerk shall be provided with a copy of the notice given to the tenants; without the notice, the Clerk cannot certify the petition as complete.

Within fourteen days of receiving the petition, the City Clerk shall review the petition and either certify that it is complete or notify the park owner that additional information is required. The Clerk shall give prompt notice of his/her certification decision to the park owner and to any park tenant who has filed a request for such notices concerning his/her park.

If the tenants disagree with the rent increase request petition, they may request a review by filing a petition in accordance with the provisions of Section 5.64.090.

If the petition is complete, and the tenants do not file a petition to request a review, the City Clerk shall schedule a hearing with the ~~Housing and Community Development Commission~~ **Hearing Officer** to review the park owner's request for an additional rent increase. The hearing will be subject to the provisions of Sections 5.64.100, 5.64.110, and 5.64.120 of this chapter, and will consider the following:

- A. For the purposes of determining the rent increase necessary to provide the park owner with a fair and reasonable return, it shall be presumed that the net operating income in the base year provided the park owner with a fair and reasonable return.
- B. The base year shall be the 2016 calendar year, unless the park owner can demonstrate that the use of a different period is justified by special circumstances.

- C. The base year net operating income shall be determined by subtracting the actual operating expenses for the base year from the gross income realized during the base year.
- D. Evidence may be presented to rebut the presumption that the base year net operating income yielded a fair net operating income.

Net operating income may be adjusted based on one or more of the following findings:

1. The park owner's operating expenses in the base year were unusually high or low in comparison to other years. In such instances, adjustments may be made in calculating operating expenses so the base year operating expenses reflect average expenses for the property over a reasonable period of time. The following factors shall be considered in making such a finding:
 - a. Extraordinary amounts were expended for necessary maintenance and repairs.
 - b. Maintenance and repair was below accepted standards so as to cause significant deterioration in the quality of services provided.
 - c. Other expenses were unreasonably or unusually high or low notwithstanding the application of prudent business practices.
 - d. Other exceptional or peculiar circumstances
 - e. The park owner may not adjust net operating income due to an increase in expenses caused by unreasonable deferral of maintenance.
2. The gross income during the base year was disproportionate. In such instances, adjustments may be made in calculating gross income consistent with the purposes of this chapter. The following factors shall be considered in making this finding:
 - a. The gross income during the base year was lower than it might have been because some residents were charged reduced rent.
 - b. The gross income during the base year was significantly lower than normal because of the destruction of the premises and/or temporary eviction for construction or repairs.
 - c. The fact that rents for a particular space in a park were not raised and the space was continuously occupied by the same mobile home, during a period when rents were raised for comparable spaces in the same park. The purpose of this provision is to compensate for situations in which management did not raise the rent for a particular tenant out of consideration for that tenant while raising rents for comparable spaces in the park.
 - d. Other exceptional circumstances.

E. Determination of Current Net Operating Income. The current net operating income shall be determined by:

1. Annualizing the rents in effect as of the mid-year of the current year.
2. Determining the operating expenses during the current year.
3. Subtracting the operating expenses determined pursuant to subsection G (of this section) from the annualized gross income.

F. Calculation of Gross Income.

1. For the purposes of determining the net operating income, gross income shall be the sum of the following:
 - a. Gross rents calculated as gross rental income at one hundred percent occupancy, adjusted for uncollected rents as provided in subsection A of this section;
 - b. Revenues for utilities, other than gas and electricity, paid directly to the park owner by the mobile home owners or mobile home tenants (revenues provided by virtue of PUC regulations governing gas and electricity provision shall not be included in gross income);
 - c. All other income or consideration received or receivable in connection with the use or occupancy of the mobile home space and related services, including but not limited to parking;
 - d. Interest from security deposits, unless directly paid by the park owner to the residents.
2. Gross rents shall be adjusted for uncontrolled rents due to vacancy and bad debts to the extent such are beyond the control of the park owner. No such adjustment shall be greater than three percent of gross rents unless justification or a higher rate is demonstrated by the park owner.

G. Calculation of Operating Expenses.

1. For the purposes of determining net operating income, operating expenses shall include the following:
 - a. Real property taxes and government required services charges.
 - b. Normal operating expenses and maintenance costs.
 - c. Management costs. Management expenses are presumed to be the same percentage of gross income in the base and current years unless there has been

a significant increase or decrease in the management services provided to the residents.

- d. Park owner-performed labor compensated at reasonable hourly rates.
 - i. No park owner-performed labor shall be included as an operating expenses unless the park owner submits documentation showing the date, time, and nature of the work performed.
 - ii. There shall be a maximum allowed under this provision of five percent of gross income unless the park owner shows greater services were performed for the benefit of the residents.
 - e. License and registration fees required by law to the extent such are not otherwise paid by the residents.
 - f. Filing fees and reasonable costs incurred for petitions and appeals pursuant to this section if it is determined that the owner has prevailed in such proceedings. Said costs shall be amortized over a reasonable period, if they are substantial.
 - g. Legal and auditing expenses shall be limited to reasonable and necessary costs of the operation, maintenance, and improvement of the park. Management may not deduct expenses incurred in litigating any declaratory or injunctive relief as to his/her rights under any state, local or Federal law or for any expenses incurred as a result of the application or enforcement of this chapter. All costs shall be itemized on the application.
2. Operating expenses shall not include the following:
- a. Mortgage principal or interest or other debt service costs, except as specifically authorized in this chapter for capital improvements or replacements.
 - b. Ground lease payments.
 - c. Any penalties, fees or interest assessed or awarded for violation of any provision of this chapter or of any other provision of law.
 - d. Political contributions.
 - e. Depreciation of the rental unit or rental units.
 - f. Reserves.
 - g. Avoidable and unnecessary expenses and increases in expenses since the base year.

- h. Any expenses for which the park owner has been reimbursed by any utility rebate or discount, security deposit, insurance settlement, judgment for damages, settlement or any other method or device.
 - i. The cost of gas and electricity service and the maintenance of sub-metered gas and electricity systems. However, the cost of provision of gas and electricity to common areas shall be allowed as an expense.
 - j. Membership fees paid to organizations that lobby against rent control.
3. Other Criteria for Evaluating Operating Expenses.
- a. Recurring Levels of Expenses. When an expense item for either the base year or the current year is not representative, in order to establish an expense amount for that item which most reasonably serves the objectives of obtaining a reasonable comparison of the recurring level of the expense(s) in the base year and the current year, said expenses shall be averaged with expense levels for other years or amortized or adjusted by the CPI-U or adjusted by some other reasonable methodology.
 - b. Industry and Comparable Standards. Whenever a particular expense exceeds the normal industry or other comparable standard for the area, the park owner shall bear the burden of proving the reasonableness of the expense. To the extent that it is found that the expense is unreasonable, the ~~Housing and Community Development Commission~~ **Hearing Officer** is authorized to adjust it to reflect the normal industry standard.
4. Documentation. Petitioners shall be required to submit income and operating expense data for the three year period prior to the petition date.

H. Fair and Reasonable Return.

- 1. Fair net operating income is that amount required for the park owner to maintain the base year net operating income adjusted by one hundred percent of any increase in the ~~CPI-U~~ **COLA** since the base date. The Base Period ~~CPI-U~~ **COLA** shall be the ~~CPI-U~~ **COLA** as of June 2017. The current ~~CPI-U~~ **COLA** shall be the last reported ~~CPI-U~~ **COLA** as of the current year used in the application.
- 2. For the applications after the first net operating income adjustment pursuant to this section, the base year ~~CPI-U~~ **COLA** and base year income and base year operating expenses shall be the amounts that were used as the current amounts in the prior rent determination pursuant to this section.
- 3. Notwithstanding any other provision in this ordinance, the ~~Housing and Community Development Commission~~ **Hearing Officer** shall be authorized to take into account any factors which it is required to consider by law and grant whatever rent increase is constitutionally required in order to yield a fair return.

5.64.090 Petition for a Hearing.

Any residents who will be or have been subjected to a proposed rental or service charge increase not exempted by Section 5.64.060 may petition for a hearing by the ~~Housing and Community Development Commission~~ **Hearing Officer**. The petition must be signed by a representative of at least fifty-one percent of the occupied, affected spaces within the park within thirty days of receipt of the proposed increase. The City Clerk will determine if the petition meets the requirements of this chapter and if so, will certify it as complete. If the City Clerk determines that a hearing of the proposed rent increase is required by this chapter, the rent increase shall not take effect unless and until the ~~Housing and Community Development Commission~~ **Hearing Officer**, or the City Council upon appeal, has determined that the increase meets the requirements of this chapter. If the tenants do not file a petition for a hearing under this section, the increase will be effective by operation of this chapter.

In determining eligibility under the fifty-one percent requirement, recreational vehicles will be eligible if they have occupied the space for nine continuous months or more satisfying state law. This length of occupancy at a mobile home site satisfies requirements of the Mobilehome Residency Law (Cal. Civ. Code Section 798.3(b)). This length of occupancy in a designated recreational vehicle site qualifies these occupants as tenants under the Recreational Vehicle Parks Occupancy Law (Cal Civ. Code Section 199.31). For purposes of determining the sufficiency of the petition, only one tenant per occupied dwelling shall be counted. The petition for hearing shall designate the name and address of the tenant representative to whom notices of the proceeding shall be sent, and the name and address of the mobile home park owner/manager. The petition must also include the total number of spaces in the park, and the number of spaces that are occupied.

For park owners desiring to request an additional rent increase in order to obtain a fair market return under Section 5.64.080, a petition may be submitted to the City Clerk as explained in that section; no tenant signatures are required.

5.64.095 Hearing Fee

- A. The Mobile Home Park Owner is responsible for paying, in advance, the hearing fee of two thousand five hundred dollars (\$2,500) in the event the City determines any hearing is required under the terms of this chapter. Half of the hearing fee, one thousand two hundred fifty dollars (\$1,250), may be included as a legal expense in calculating operating expenses pursuant to Section 5.64.080(G)(1)(g).***
- B. The City Clerk shall notify the park owner in writing of the Hearing Officer fee no less than forty-five (45) days prior to the first date set for the hearing.***
- C. No later than thirty-five (35) days prior to the first date set for the hearing, the park owner shall submit to the City Clerk payment in full of the Hearing Officer fee..***
- D. Upon the completion of the hearing and the issuance of a decision, the Hearing Officer shall submit to the City Clerk a final invoice for all services. To the extent that the invoice amount exceeds the fee paid by the park owner pursuant to subsection (b)***

of this section, the park owner shall issue payment of the difference to the City Clerk. If the actual costs incurred are less than the hearing fee of \$2,500, the City Clerk shall refund the difference to the park owner.

5.64.100 Hearings – Open to Public.

All hearings of the ~~Housing and Community Development Commission~~ shall be open to the public, and any interested person may speak. Hearings shall adhere to the requirements of the Brown Act (Cal. Govt. Code Sections 54950 et seq.) and other applicable laws.

5.64.110 Hearings - Conduct.

When a petition for a hearing has been filed and certified as complete by the City Clerk, the ***City Clerk shall designate a Hearing Officer who*** ~~Housing and Community Development Commission~~ shall have a hearing on it ***the matter***. The hearing should commence within forty-five days of the City Clerk's written notice that a petition is complete and conclude as soon as the ~~Housing and Community Development Commission~~ ***Hearing Officer*** can do so. The City Clerk shall notify by mail the tenant representative and the mobile home park owner regarding the date, time and place of the hearing(s).

The conduct of hearings shall be informal, and the ~~Housing and Community Development Commission~~ ***Hearing Officer*** shall not be bound by the rules of evidence applicable in court proceedings. All parties to a hearing may have the assistance of counsel or such other person as may be designated by the parties. An electronic recording of the hearing shall be made.

In the event that either the petitioner or respondent, or their authorized representatives, should fail to appear at the hearing at the specified time and place, the ~~Housing and Community Development Commission~~ ***Hearing Officer*** shall hear and review such evidence as may be presented and make such decisions just as if both parties had been present. The ~~Housing and Community Development Commission~~ ***Hearing Officer*** shall wait no longer than fifteen minutes past the scheduled time for all parties to arrive before opening the hearing.

To facilitate the hearing process, the ~~Housing and Community Development Commission~~ ***Hearing Officer*** may prepare and supply to the park owner a standardized petition form upon which essential data required to aid the committee in making its determination concerning the rent increase shall be provided.

5.64.120 Hearings - Conclusions.

The ~~Housing and Community Development Commission~~ ***Hearing Officer*** shall render its decision and prepare written findings and conclusions that support its decision. The ~~Commission~~ ***Hearing Officer*** may order a park owner to:

- A. Reduce the space rent to a rate determined by the ~~Housing and Community Development Commission~~ ***Hearing Officer***; or
- B. Continue the space rent as it existed under the former lease or rental agreement; or

- C. Increase the space rent to a rate set by the ad-hoc committee, or to a rate requested by the mobile home park owner.

In rendering its decision, the ~~Housing and Community Development Commission~~ **Hearing Officer** may phase any increase or decrease it authorizes to mitigate against the effect of any “catch-up” that occurs because of the time between the effective date of any rent change and the date of the implementation of that change.

The ~~Housing and Community Development Commission~~ **Hearing Officer** shall give written notice of its decision to the parties, indicating the time within which an appeal of the decision must be made pursuant to Section ~~5.64.140~~ of this chapter. The notice shall be deemed given when deposited in the United States regular mail, correctly addressed with postage thereon fully prepaid.

Any space rent increase a mobile home park owner has collected that the ~~Housing and Community Development Commission~~ **Hearing Officer**, or of the City Council later on appeal, finds to have been excessive shall either be returned to the tenants or credited to future rental charges.

5.64.130 Time for Compliance.

Mobile home park owners shall comply with the ~~Housing and Community Development Commission~~ **Hearing Officer**'s orders within thirty days of the notice of its decision, or at the next regular rental billing period if rents are collected less frequently than monthly. If the mobile home park owner appeals the decision to the City Council, compliance shall be suspended until the Council takes final action on the appeal.

5.64.140 Appeals.

The parties to the hearing shall have the right to appeal the decision of the ~~Housing and Community Development Commission~~ **Hearing Officer** to the City Council by filing a notice thereof in writing with the City Clerk within ten days after the City Clerk has given notice of the committee's decision.

Upon filing of an appeal, the City Clerk shall proceed to set the matter for hearing (at a tentatively scheduled meeting), and notify in writing the parties of the date, time and place when the matter will be heard as well as post the information for the public in compliance with the Brown Act.

The City Council's appeal hearing will be de novo, so that it may consider any relevant evidence at the time of its hearing, including the previous record of the ~~Housing and Community Development Commission~~ **Hearing Officer**. If any party seeks to introduce testimony that was not heard by the ~~Housing and Community Development Commission~~ **Hearing Officer**, it must demonstrate good cause why that testimony was not presented to the committee for its consideration. Upon hearing the appeal, the Council shall sustain, modify or reverse the ~~committee's~~ **Hearing Officer's** decision, and enter any order consistent with the policies of this chapter. The Council's decision shall be final. The City Clerk shall give written notice of the

Council's decision to the parties, including the time within which judicial review of the decision must be sought under Section 5.64.170 of this code.

5.64.150 Enforcement.

If it becomes necessary for the prevailing party to seek judicial enforcement of the orders of the ~~Housing and Community Development Commission~~ **Hearing Officer** or the City Council, the prevailing party shall be entitled to receive reasonable costs, including attorney's fees, from the defendants in such action if enforcement action is successful. Nothing in this section shall prevent a private party from commencing an action to enforce the orders of the committee or Council.

5.64.170 Judicial Review.

A park owner or tenant aggrieved by any action, regulation, rule, order or decision of the ~~Housing and Community Development Commission~~ **Hearing Officer** may appeal to the City Council. Judicial review of the Council's decision may be sought by appealing to the appropriate court within which the rent-controlled space is located.

5.64.190 Injunctive Relief.

The ~~Housing and Community Development Commission~~ **Hearing Officer** and City Council, and tenants and park owners of rent controlled spaces may seek relief from the appropriate court within the jurisdiction within which the rent controlled space is located, to restrain by injunction any violation of this chapter and of the rules, regulations, orders and decisions of the board.

SECTION 2. Severability.

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact one or more provisions may be declared invalid.

SECTION 3. Effective Date.

This Ordinance shall take effect and be in full force and effect from and after thirty (30) days after its final passage.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Mike Malone, Water Department Director
SUBJECT: **MARKETING AGREEMENT - NATIONAL LEAGUE OF CITIES SERVICE LINE WARRANTY PROGRAM**

RECOMMENDATION

Authorize the City Manager to execute a Marketing Agreement with SLWA Insurance Services for the National League of Cities (NLC) Service Line Warranty Program, administered by Utility Service Partners, Inc., allowing NLC Service Line Warranty Program the use of the City logo in informing homeowners of the optional NLC Service Line Warranty Program.

REASONS FOR RECOMMENDATION

The Marketing Agreement will allow SLWA Insurance Services NLC Service Line Warranty Program the use of the City logo on multiple letters per year in an effort to make Vallejo homeowners aware of the optional NLC Service Line Warranty Program, for a period of five years. The agreement includes provisions to ensure the City trademark is used only for the purposes specified in the license, that any marketing, promotional, or advertising materials bearing the City's trademark are approved by the City prior to its dissemination to the public, require the provider to indemnify and defend the City for any claims associated with the Program, and include other protections for the City, as appropriate, as determined by the City Manager, the City Attorney, and the Director of Water Department.

BACKGROUND AND DISCUSSION

Residents in the City of Vallejo are responsible for the maintenance and repair of water and sewer lines on their private property and under certain portions of the public right of way. The water and sewer lines can vary widely in age and condition, resulting in substantial cost to residents when there is a malfunction of these lines on residential property. Most homeowner's insurance does not provide coverage to repair or replace lateral water and sewer lines.

The National League of Cities (NLC) Service Line Program has been developed in partnership with Utility Service Partners, Inc. (parent company is HomeServe USA), to bring affordable water and sewer line repair service programs to municipalities across the US. The proposed program would offer residents access to various tools to reduce the costs of repair/replacement of their water and sewer line repairs due to aging infrastructure.

NLC has introduced the SLWA Insurance Services NLC Service Line Warranty Program, which is an optional

resource for residential property owners to obtain warranties to cover water and sewer line repair. The NLC has partnered with Utility Service Partners, Inc., a private corporation located in Pennsylvania that has been providing utility service line warranty products since 2003, to put forth the Service Line Warranty Program, branded as "SLWA Insurance Services." More than 400 municipalities and utilities nationwide are currently participating in some manner in the Service Line Warranty Program, which educates homeowners about their service line responsibilities and provides OPTIONAL repair service warranties. Water Department recommends that Vallejo residents be informed of these service line warranty products. Providing notice of these service warranty products to the residents of the City creates a unique public and private partnership where residents can receive affordable water and sewer utility line repair services.

The Service Line Warranty Program has been most successful when partnered with local jurisdictions and permitted to use a jurisdiction's logo or seal on the outer envelope of the mailing campaign. With respect to the City, a public purpose would be served through the use of the City logo for the Service Line Warranty Program for education and awareness, water conservation benefits from timely repairs, replacements of numerous failing water lines, and public health and safety benefits of replacing and repairing damaged water and sewer lines. The NLC Service Line Warranty Program, administered by Utility Service Partners, will also remit to the City a license fee that will result in a recurring revenue stream for the City.

The anticipated term of the agreement would be for a period of three years, with subsequent one-year renewals. The City would have the option to terminate "for convenience" after the first six months of the agreement. The City would allow use of the City logo on marketing materials.

Staff contacted other California agencies that participate in the program, including City of San Diego, Contra Costa Water District, Dublin San Ramon Services District, San Jose Water Company, and City of San Bruno, all of whom are partnering with HomeServe to offer the insurance to their customers. Remarks were very similar: all experienced confusion at the inception of the program because of the Vendor's use of the City's / utility's logo. All sent a letter along with the letter from the vendor letting their customers know the program was being offered in partnership with HomeServe, and that it was completely optional and voluntary. Water Department staff will compose a similar letter and will do the same. Staff will also prepare a press release in advance of the company mailing any materials with City of Vallejo logo.

FISCAL IMPACT

During the initial three year term of the Agreement, the City anticipates receiving commissions in the following amounts for deposit to the City Water Operating Fund (#401):

Year 1: \$66,000

Year 2: \$89,000

Year 3: \$107,000

The Water Director recommends this non-rate revenue as a potential funding source for a summer youth employment program to introduce Vallejo students to water industry jobs.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	Homeserve contract
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CONTACT

Mike Malone, Water Department Director (707) 648-4308
mike.malone@cityofvallejo.net

MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of _____, 2018 ("**Effective Date**"), by and between the City of Vallejo, California, a municipal corporation and charter city ("**City**"), and SLWA Insurance Services ("**Company**"), herein collectively referred to singularly as "Party" and collectively as the "Parties".

RECITALS:

WHEREAS, water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City ("**Residential Property Owner**"); and

WHEREAS, City desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase a service line warranty and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "**Product**" and collectively, the "**Products**"); and

WHEREAS, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Residential Property Owners subject to the terms and conditions contained herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. **Purpose.** City hereby permits Company to offer and market the Products to Residential Property Owners subject to the terms and conditions herein.
2. **Grant of License.** City hereby grants to Company a non-exclusive license ("**License**") to use City's name and logo on letterhead, bills and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld.

Approved as to Form:

By: 
City Attorney

3. **Term.** The term of this Agreement ("**Term**") shall be for five (5) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms ("**Renewal Term**") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Term or of a Renewal Term that the Party does not intend to renew this Agreement. The City may terminate this Agreement ninety (90) days after giving written notice to Company for any reason. Company will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4. **Consideration.** As consideration, Company will pay to City Fees as set forth in Exhibit A during the term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of first year of the Term. Succeeding Fee payments shall be made on an annual basis throughout the Term and any Renewal Term, due and payable on January 30th of the succeeding year. City will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of Company's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. **Indemnification.** Company shall indemnify, hold harmless, and defend City, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees (other than such fees as relate to an Indemnitee's decision to retain its own counsel as described below), Company's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Company's operations, or any subcontractor's operations, to be performed under this agreement for Company's tort negligence including active or passive, or strict negligence, including but not limited to personal injury including, but not limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of Company, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by the law, regardless to any limitation by insurance, with the exception of the sole negligence or willful misconduct of the City. In connection with any matter involving indemnification hereunder, Company agrees to use all reasonable efforts to arrange for counsel acceptable to the City. Any Indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

6. **Notice.** Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: City:
ATTN: Michael Malone
202 Fleming Hill Rd
Vallejo, CA 94589
Phone: (707) 648-4308

To: Company:
ATTN: Chief Sales Officer
SLWA Insurance Services
11 Grandview Circle, Suite 100
Canonsburg, PA 15317
Phone: (866) 974-4801

7. **Modifications or Amendments/Entire Agreement.** Any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party.

8. **Assignment.** This Agreement and the License granted herein may not be assigned by Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the City, such consent not to be unreasonably withheld.

9. **Counterparts/Electronic Delivery; No Third Party Beneficiary.** This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third-party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

10. **Choice of Law/Attorney Fees.** The governing law shall be the laws of the State of California.

11. **Incorporation of Recitals and Exhibits.** The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

CITY OF VALLEJO

Name:

Title:

SLWA INSURANCE SERVICES

Name: John Kitzie

Title: Chief Executive Officer

Exhibit A
Fees

I. Product Fee. \$0.50 per Product for each month that a Product is in force for a Residential Property Owner (and for which payment is received by Company), aggregated and paid annually.

II. Additional Fee. \$42,000.00 spread across the first three years of the Term, as follows:

- a. Year 1 - \$21,000.00
- b. Year 2 - \$10,500.00
- c. Year 3 - \$10,500.00

Payment of the Additional Fee for each Year is subject to approval and mailing of the first campaign for that Year and City's timely approval of marketing materials for the prior Year, if relevant. In the event that this Agreement is terminated during the Term for any reason, other than a termination for cause by City, City will refund to Company the pro rata portion of the Additional Fee already paid to City equal to the Additional Fee multiplied by the percentage of whole months remaining in the Term. By way of example, should the City terminate the contract 18 months after the effective date, and assuming the City will have received \$31,500 in fees, with 42 months remaining on the five-year term, the City will retain \$9,450 and refund \$22,050.

III. Products.

- a. External water service line warranty (initially, \$6.75 per month)
- b. Interior plumbing and drainage warranty (initially, \$9.99 per month)

Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.

IV. Scope of Coverage.

- a. External water service line warranty:
 - Homeowner responsibility: From the meter and/or curb box to the external wall of the home.
 - Covers well service lines if applicable.

- b. Interior plumbing and drainage warranty:

- Water supply pipes and drainage pipes within the interior of the home.

V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage warranty Product via in-bound channels only.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Greg Nyhoff, City Manager
SUBJECT: **APPROVE A MEMORANDUM OF UNDERSTANDING WITH VALLEJO-FAIRVIEW DEVELOPERS, LLC AND COSTCO WHOLESALE CORPORATION FOR THE CITY'S CONTRIBUTION TO PUBLIC IMPROVEMENTS AT THE COOKE PROPERTY**

RECOMMENDATION

Authorize the City Manager to execute the attached Memorandum of Understanding (MOU) with Vallejo Fairview Developers, LLC (VFD) and Costco Wholesale Corporation (Costco) for the City's contribution of up to \$7.5 million in public improvements and infrastructure costs related to the development of the Cooke property.

REASONS FOR RECOMMENDATION

The City of Vallejo considers economic development among its highest priorities. Business retention and expansion is critical to ensure the stability and growth of the City's General Fund as well as to achieve the City Council's focus on jobs generating uses. The Cooke property is a key opportunity site with visibility from Highway 80. The 50-acre site has laid fallow due to adverse site conditions, including physical constraints and extraordinary infrastructure needs, that have limited its commercial marketability.

As a result of the substantial outlay necessary to produce a buildable property, it is an undeveloped island surrounded by a successful shopping center to the north (Northgate), an auto dealership (Avery Greene Honda) and apartments to the south, a residential neighborhood to the east and Admiral Callaghan Lane and Highway 80 to the west. The proposed non-binding MOU provides a viable approach to tackling the costly physical constraints and public improvement needs through a maximum contribution of \$7.5 million from the City of Vallejo. This amount will be secured through a combination of development impact fee credits, a disbursement from the City's Capital Improvement Program, and a loan advanced from Costco for up to \$6 million and repaid through sales tax generated from the new development only.

The loan to be provided by Costco is offered on more favorable terms (3 percent over 20 years) than public financing mechanisms available to Vallejo, given its current BBB credit rating. Research suggests a taxable bond would carry an interest rate of 5.75 percent. Also, the source of repayment would not affect the General Fund, as the funds for loan repayment is limited to revenue from the new Costco location above what the existing Costco location generates, as well as all the sales tax generated from the proposed adjoining VFD 3.6-acre retail development adjacent to Costco.

Based on the projected new sales tax revenue generated through the development of this project, it is anticipated that the City will be able to re-pay a \$5 million loan advance in six (6) years. After loan repayment, the General Fund will receive all sales tax revenues from the new Costco location and the VFD retail

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development.

If this MOU is approved, it will provide the framework for a Public Infrastructure Construction and Reimbursement Agreement with VFD and a Financing Agreement with Costco to memorialize and execute the terms of the MOU. These final agreements would come back for Council consideration and approval after the project receives land use and planning entitlements and approvals (Project Entitlements).

The proposed non-binding MOU furthers the City's effort to retain Costco in Vallejo. Costco is one of the City's largest sale tax generators and its tenth largest employer. The MOU also allows Costco to pursue a more favorable location for expansion of the store and fueling station, and advances the development of the Cooke property as a whole, both of which benefit the City through new revenue and other economic benefits (e.g. jobs, retail attraction, upgraded public improvements).

BACKGROUND AND DISCUSSION

Overview & History of the Cooke Property

The "Cooke" property is an approximate 50-acre vacant site in Northeast Vallejo fronting Admiral Callaghan Lane and Interstate 80 to the west, and Turner Parkway to the north. It was owned by Melvin Cooke of Calistoga, who passed away in November 2013, and is now under contract for sale by the family trust.

The site is currently vacant with no existing improvements or grading. It is roughly divided into two segments based on topographical features with a potential wetland depression running north to south through the site. In addition, a sewer easement also divides the east and west of the property and a PG&E easement runs through the western portion of the site nearer to Admiral Callaghan Lane. The eastern portion of the property abuts single and multi-family residential development. The western portion of the site is elevated considerably above the street frontage, which provides high visibility from I-80 but could present some development challenges. New development of the site would be expected to include widening of Admiral Callaghan Lane between the Avery Greene auto dealership to the south and the Target commercial center to the north.

Despite being adjacent to most the successful retail center in Vallejo, Northgate Shopping Center, and the presence of several auto dealers in close proximity, the site's development potential has been hampered by physical constraints and extraordinary infrastructure needs. While the Cooke property has been on the market several times over the past few decades, the effort to dispose of the property was renewed after Mr. Cooke passed away. The property was under contract with a prospective developer in 2014 when the City Council requested a study session, which was held on June 17, 2014. The purpose of the study session was to provide a collective understanding of the factors affecting the physical and financial feasibility of developing the Cooke property and to review development alternatives for the Cooke property.

Since 2014, four developers have been under contract for purchase of the property with only VFD moving beyond the initial due diligence period. Previous prospective developers proposed site plans that differed from the City's vision for retail on the freeway visible western portion of the site, preferring predominantly or entirely residential uses in order to maximize their return, but all were deterred by the site's adverse conditions. The

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current development proposal has advanced further than the others. The developer's due diligence of physical constraints and financial modeling suggests that the prospective developer, VFD, has considered all known site constraints, and proposes a development program and site plan that considers both the physical and financial feasibility of development on the site. They have also adhered to the site's General Plan designations and secured Costco's commitment to purchase a portion of the site for a new Vallejo location.

Since 2015, staff has been aware of Costco's desire to move to a larger site with better circulation and visibility for some time. Costco has actively searched for such a site in the City of Vallejo and in the larger trade area for the past few years. Based on their site selection criteria, the western portion of the Cooke property has been identified as the most viable location in the City of Vallejo. VFD, the entity that is in escrow to purchase the entire 50-acre Cooke property, also has a contract in place to deliver Costco a 17-acre pad for the development of a new 157,000 square foot store and fueling station.

Prospective Buyer & Developer

The prospective buyer of Cooke property is Vallejo-Fairview Developers, LLC (VFD), which is managed by Lewis Management Corporation (Lewis). Lewis is a Southern California-based, privately-owned real estate developer, with offices in Sacramento, Reno, and Las Vegas. Founded in 1955, Lewis is one of the nation's largest privately-held real estate organizations with more than \$2 billion in assets. To date, Lewis has successfully developed more than 67,000 homes, 14,500,000 square feet of commercial space, and 12,000 apartments. Lewis has been one of the most active development companies in Solano County since the 1970's, having built and developed properties in Vacaville, Fairfield, and Vallejo. Lewis is currently under development of the Villages of Fairfield Master Plan Community in Fairfield, a 430-acre, 1,830-unit project located on Manual Campos Parkway in Fairfield. In addition, they developed, own and manage a 230-unit apartment community (Sycamores) and a 7-acre In Shape anchored retail center (Regency Center) in Vacaville.

Anticipated Development Program & Site Plan

Based on the application submitted to the Planning Division in August 2017, the development will include a mix of commercial, residential and open space uses.

Commercial. The Commercial uses (Retail Project) will accommodate approximately 180,000 square feet of building area. The commercial area will be developed into five buildings plus the gasoline service station with a related 50 square foot kiosk. The largest building will be approximately 157,000 square feet to host a replacement Costco location on a 16.7-acre parcel. The north end of the site will be developed into four buildings ranging in size from 3,000 square feet to 9,400 square feet on a site approximately 3.6 acres in size. Potential uses for the four buildings are general neighborhood services such as restaurants, health and fitness clubs, medical clinics, pharmacies, salons, laundry, clothing, convenience stores and other related services. In total, the Retail Project is expected to bring 55 new jobs in addition to retaining the 281 employees at the existing Costco location.

Residential. The Residential component (Residential Project) consist of a community of proposed 187 single

Subject: APPROVE A MEMORANDUM OF UNDERSTANDING WITH VALLEJO-FAIRVIEW DEVELOPERS, LLC AND COSTCO WHOLESALE CORPORATION FOR THE CITY'S CONTRIBUTION TO PUBLIC IMPROVEMENTS AT THE COOKE PROPERTY

family detached units comprised of two home types across approximately 22.6 acres. Ninety-six (96) units will be developed as homes fronting on a private courtyard with alley loaded garages. The remaining ninety-one (91) units will be developed as traditional single family detached units with an average density for the combined residential use is 7.9 units per gross acre.

Open Space. The Open Space area within the project includes a central open space corridor of approximately 5.2 acres separating the Retail Project and the Residential Project. This area will carry protective restrictions that will not allow public use, and will be owned and maintained by the Homeowners Association that will be established as part of the Residential Project.

The General Plan designation for the western portion of the Cooke property, roughly aligns with the area of the Retail Project, as Retail/Entertainment. The eastern portion of the Cooke, encompassing the Open Space area as well as the Residential Project, is designated as Mix of Housing Types. Preliminary review suggests that the proposed project is consistent with the General Plan. However, in the current Development Code, the entire 50-acre site is zoned as "Pedestrian Shopping and Service District." As a result, staff will employ the Interim Zoning Controls to determine compatibility of the zoning with the proposed development. The resolution the City Council is presently considering does not commit or obligate the City to approve Project Entitlements (discussed further below) or limit the Planning Commission's or City's Council's discretion in acting on any applications for required permits or approvals. Other necessary approvals are discussed later in this staff report.

Site Condition & Physical Constraints

The Cooke property was laid fallow for several decades as a result of several challenges on-site and in the surrounding right-of-ways:

PG&E Gas Line Relocation: on the western portion of the property, there is a 12" PG&E gas line that was installed approximately 18-24" below grades, where the site's topography is hilly and the elevation is higher than the eastern portion of the site. In order to achieve a commercially marketable development of the Cooke property, any site plan will require the relocation of the gas line, resulting in the installation of a new 12" steel gas mainline which will run adjacent to, and parallel with, Admiral Callaghan Lane. The cost to construct the new gas mainline and remove the existing 12" steel gas mainline existing on the property is estimated at \$3 million.

Improvements to Admiral Callaghan Lane: Recognized in the City's prior Capital Improvement Program (CIP) for at least 20 years, there are existing traffic impacts to Admiral Callaghan in its current state that require the widening of Admiral Callaghan from 2 to 4 lanes. In addition, the installation of up to three (3) 3-way traffic signals to provide access to the project, including a portion of the new signal at Rotary Way to be constructed by In N Out Burger. Utility connections and erosion control will also be a component of the improvements to support existing need and the new development.

Wetlands: Due to inadequate drainage and stormwater facilities on the site, runoff from surrounding properties created 7 acres of wetlands over the course of years. Again, any commercially marketable development of the

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Cooke property will include significant expenditure to 1) preserve, 2) mitigate or 3) some combination of both activities. Of the wetlands portion of the site, VFD is proposing to create an approximately 5.2 acre open space areas to preserve the wetlands that bisect the property from north to south, and VFD will fill the remainder and mitigate the loss of the wetlands onsite (ATTACHMENT 2: Site Maps, page 3). In addition, the widening of Admiral Callaghan Lane will have a direct impact to Blue Rock Springs Creek, an approximately 2,000 square feet (area) feature that is federally and state protected under authority of the Federal and State Agencies. The work within this area will require the filling of the feature, costs associated with obtaining environmental permits, mitigation, and maintenance programs required by the Federal and State Agencies.

Regional Sewer Pipeline Relocation: There is existing 18" sanitary sewer that crosses the western portion of the Cooke property comprising approximately 650' of pipeline. The pipeline, owned and operated by Vallejo Flood and Wastewater District, VFD will construct/relocate the pipeline to the Admiral Callaghan Lane right-of-way and then remove the existing 18" sanitary sewer line existing on the property.

Mass Grading: Due to the soil types and topography of the site, development requires the excavation, transportation, placement, and compaction of approximately 250,000 cubic yards of fill materials/dirt to provide a uniform elevation suitable for both the Residential Project and Retail Project. In order to accomplish the mass grading, a temporary span over the open space area and erosion control will be required to stabilize the grading along sensitive boundaries.

Staff has focused on the public improvements that will be conditions of the project, acknowledging them in the MOU to determine the costs to which the City will contribute, as allowed by State law. Additionally, staff recently sent a letter to PG&E requesting their assistance with cost of replacing the gas line on site to Admiral Callaghan Lane.

THE MEMORANDUM OF UNDERSTANDING

As discussed above, there are several physical conditions to address and public improvements needed to enable the overall development of the Cooke property and address existing or project-related infrastructure deficits. The project economics do not support these costs as VFD's sole burden while still achieving a market rate of return on investment, as confirmed by the City's real estate and economics consultant, Keyser Marston Associates (KMA). Therefore, for VFD to begin the process of obtaining Project Entitlements and for Costco and VFD to execute their purchase agreement, both parties approached the City to discuss the infrastructure challenges and public improvements needed to move forward with a financial feasibility project. Staff have conducted a careful analysis of the project's need for public improvements necessary to achieve the City's vision for the site as conveyed through the General Plan designations. The result is an identified set of public improvements for a contribution by the City, detailed below in the Summary of Terms and in Exhibit D of the MOU (ATTACHMENT 3). VFD is willing to construct the public improvements on the behalf of the City, provided a reimbursement mechanism is in the place. The MOU memorializes how funding (from Costco to the City) and reimbursement (from the City to VFD) would work, pending the City Council's approval of two future agreements in conjunction with Project Entitlements: a Public Infrastructure Construction and Reimbursement Agreement and a Costco Financing Agreement.

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In addition to the City receiving the benefit of these public improvements, the realization of the proposed Retail Project also enables the City to retain Costco. The existing Costco store is undersized, both in terms of the actual building and the overall property, and generally inadequate to serve its members who reside in Vallejo and surrounding communities. In addition, the existing Costco store is not visible from the freeway, and the existing Costco site's poor circulation, access and configuration has created negative impacts on the number of and queuing design for the fueling stations. Costco has been looking in Vallejo and larger trade area for some time for a location that better meets their needs, and staff believes siting the replacement store at the Cooke property is best way to guarantee their ongoing presence in the City.

Costco has memorialized their interest in the form of an executed a letter of intent with VFD whereby Costco proposes to purchase approximately 17 acres within the Retail Project and build its new store. VFD proposes to develop an additional 23,000 square feet of commercial space within the remainder of the Retail Project.

A shared and mutually agreeable strategy for the City's funding of public improvements is a critical preliminary step to solidify this three-party public-private partnership and is a foundational milestone for the project's fiscal health for VFD to begin pursuing Project Entitlements for the overall project with Costco as the anchor of the Retail Project. Therefore, staff has collaborated with VFD and Costco to develop a non-binding Memorandum of Understanding to outline a funding strategy for \$7.5 million in public improvements.

Summary of Terms

The proposed terms for the MOU reflect the City's objectives and VFD and Costco's needs in ensuring the City's participation in public improvements as an important facet of the project's overall financial viability:

- \$7.5m in eligible public improvements have been identified:
 - o PG&E Gas Line Relocation
 - o Regional Sewer Pipeline Relocation
 - o Improvements to Admiral Callaghan Lane, including the addition of two middle lanes, up to 3 traffic signals, wetlands permitting, utility connections and erosion control
 - o Improvements to Turner Parkway (to provide ingress to the Residential Project)
- Three sources will be utilized to fund these improvements with no risk or impact to General Fund (and positive impact to the General Fund after loan repayment):
 1. Development Impact Fee Credits: amount to be determined based on final Project Entitlements; estimated to be \$1.7 million
 2. CIP Disbursement (from Transportation Impact Mitigation Fees already collected): \$1.0 million

Subject: APPROVE A MEMORANDUM OF UNDERSTANDING WITH VALLEJO-FAIRVIEW DEVELOPERS, LLC AND COSTCO WHOLESALE CORPORATION FOR THE CITY'S CONTRIBUTION TO PUBLIC IMPROVEMENTS AT THE COOKE PROPERTY

3. Site-specific sales tax revenues – Bradley Burns (1% that goes to all municipalities) and local Measure B/V (an additional 1%) generated by the replacement Costco store in excess of what the existing Costco store produces currently and all sales tax from the VFD Retail Development: currently projected at \$4.7 million, but not to exceed \$6.0 million

iii. Costco will provide a loan advance for up to \$6.0 million for the City's use to fund VFD's construction of public improvements. The term of the note is twenty (20) years at a 3 percent interest rate. Costco's loan advance offers terms more favorable than other public financing mechanisms. For example, if the City opted for a taxable bond at an assumed 5.75 percent (given the City's BBB credit rating), the City would pay an additional \$500,000 in the anticipated 6-year period projected for full repayment of a \$5 million advance (shown in ATTACHMENT 4: Fiscal Impact Analysis).

2. There is no pre-payment penalty, in the likely event site-specific sales tax revenues enable repayment before the end of the term. Based on a fiscal impact analysis of the anticipated sales tax revenue of the Retail Project (ATTACHMENT 4: FISCAL IMPACT ANALYSIS), it is anticipated that the note will be re-paid in approximately 6 years. After the loan advance is paid in full, including interest, all sales tax from the Retail Project will flow to the General Fund. As a result, the 20-year term provides a substantial guarantee to Costco of the note's repayment in full.

3. The loan advance will be forgiven in the event that Costco ceases operations at the new Costco location for longer than 180 days.

NEXT STEPS

VFD will need to obtain certain Project Entitlements required for the development of the Retail Project and the Residential Project, all in compliance with the California Environmental Quality Act (CEQA), including, without limitation, zoning approvals, tentative and final subdivision maps, approved planned development and unit plan applications, building permits and the all related CEQA approvals.

After securing Project Entitlements from the City, VFD will then seek appropriate permits and approvals related to the wetlands preservation and mitigation from US Army Corps of Engineers, US Fish & Wildlife and the Regional Water Quality Control Board, at which time the project will be fully entitled.

At the conclusion of the Project Entitlements process, the parties can return to the MOU in developing a Public Infrastructure Construction and Reimbursement Agreement (Reimbursement Agreement) with VFD and Costco Financing Agreement, based on the terms set forth in the MOU. Both agreements would require City Council approval. The infrastructure costs will be verified at that time to reflect only true costs, given that the MOU is based on estimates available at this time.

Subject: APPROVE A MEMORANDUM OF UNDERSTANDING WITH VALLEJO-FAIRVIEW DEVELOPERS, LLC AND COSTCO WHOLESALE CORPORATION FOR THE CITY'S CONTRIBUTION TO PUBLIC IMPROVEMENTS AT THE COOKE PROPERTY

FISCAL IMPACT

Approval of the MOU does not have any effect on current City revenues for the following reasons: 1) it is a non-binding agreement, which outlines a framework the parties may choose to memorialize into a Reimbursement Agreement and Costco Financing Agreement at a later date; 2) the MOU creates a framework such that public improvements and infrastructure would be self-financed, meaning that the sales tax revenues provided for repayment of the Costco advance would draw entirely from the performance of the new Costco store (above revenues generated at the existing store) as well as the new commercial development at the northwest corner of the overall retail project. As a result, there is no risk to the General Fund if the new Costco location and VFD's new commercial development in the northwest corner do not generate the revenue projected in ATTACHMENT 4.

However, the impact of the MOU helps to bolster the financial feasibility of the overall project, which would result in significant increases in property and utility taxes from the Retail Project and the Residential Project at the time of the completion of the development as well as sales taxes from the Retail Portion after the repayment of the advance. If the development does not proceed and Costco relocates outside of Vallejo, the General Fund would be diminished in the amount of the current store's sales tax.

The City's third party legal and consultant costs associated with the MOU and future agreements (Public Improvement Construction and Reimbursement Agreement and Costco Financing Agreement) are funded through a deposit agreement with VFD.

ENVIRONMENTAL REVIEW

The MOU is not subject to the California Environmental Quality Act (CEQA) because the MOU is a non-binding financial arrangement and does not constitute the approval of a project under CEQA, pursuant to Public Resources Code 21065 and CEQA Guidelines 15060(c)(2)(3), 15061(b)(3) and 15378(a), (b)(5).

ATTACHMENTS

1.	ATT 1 - Site Plans & Constraints Map
2.	ATT 2 - Memorandum of Understanding
3.	ATT 3 Fiscal Impact Analysis

CONTACT

Ron Gerber, Economic Development Manager, (707) 553-7283, Ron.Gerber@cityofvallejo.net
Alea Gage, Economic Development Project Manager, (707) 649-5454
Alea.Gage@cityofvallejo.net

PROJECT SUMMARY:

LAND USE:
 RESIDENTIAL - 24.2± AC
 COMMERCIAL - 21.8± AC
 OPEN SPACE - 5.3± AC
 TOTAL - 51.3± AC

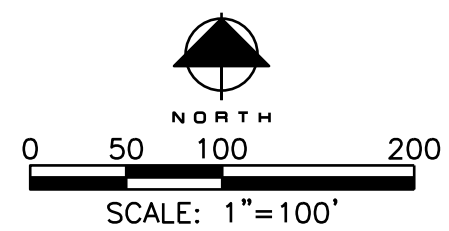
RESIDENTIAL SUMMARY:

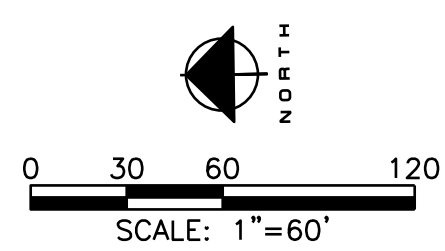
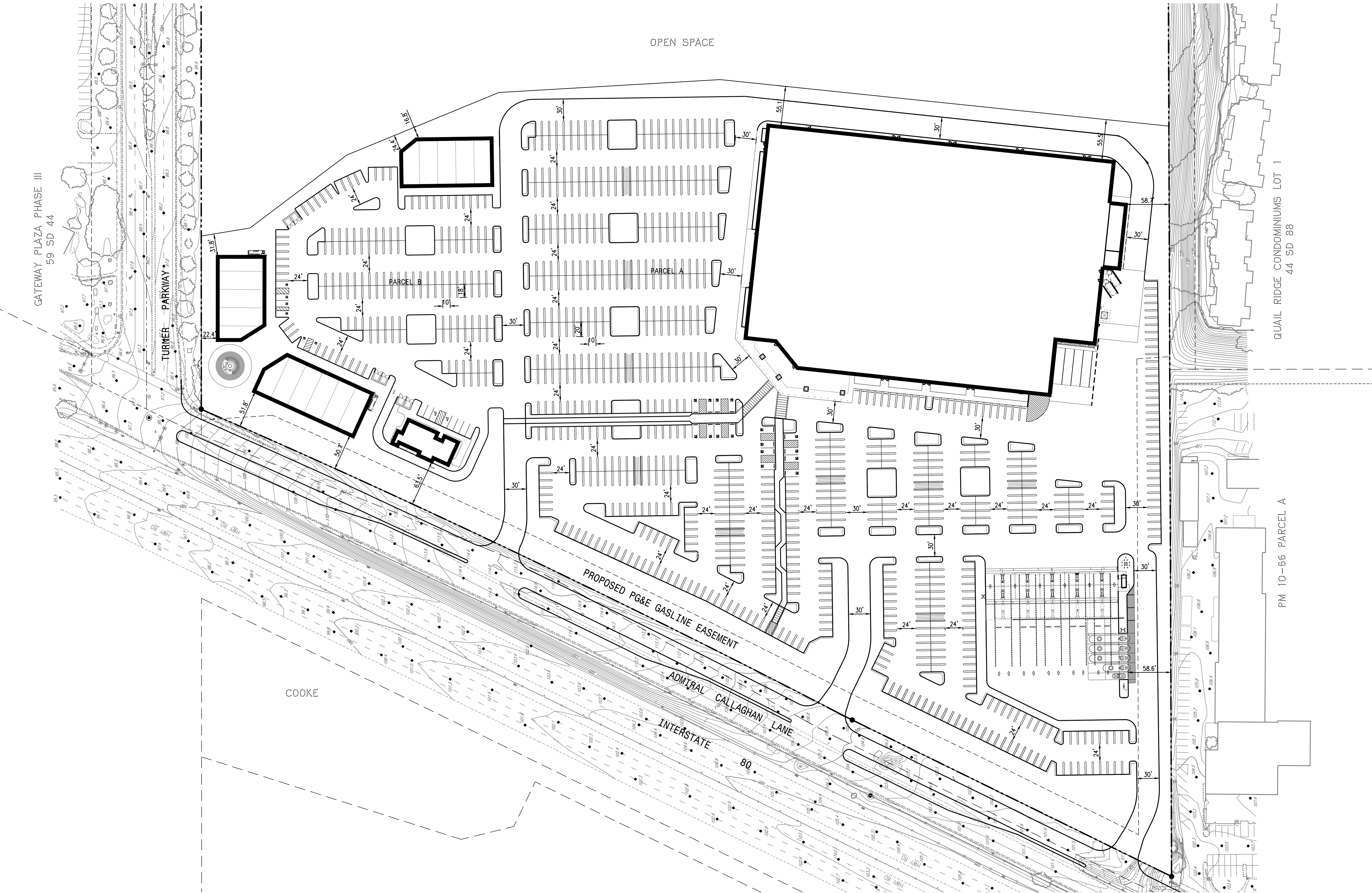
LOT COUNT:
 91 - 42'x85' LOTS
 96 - CLUSTER LOTS

COMMERCIAL SUMMARY:

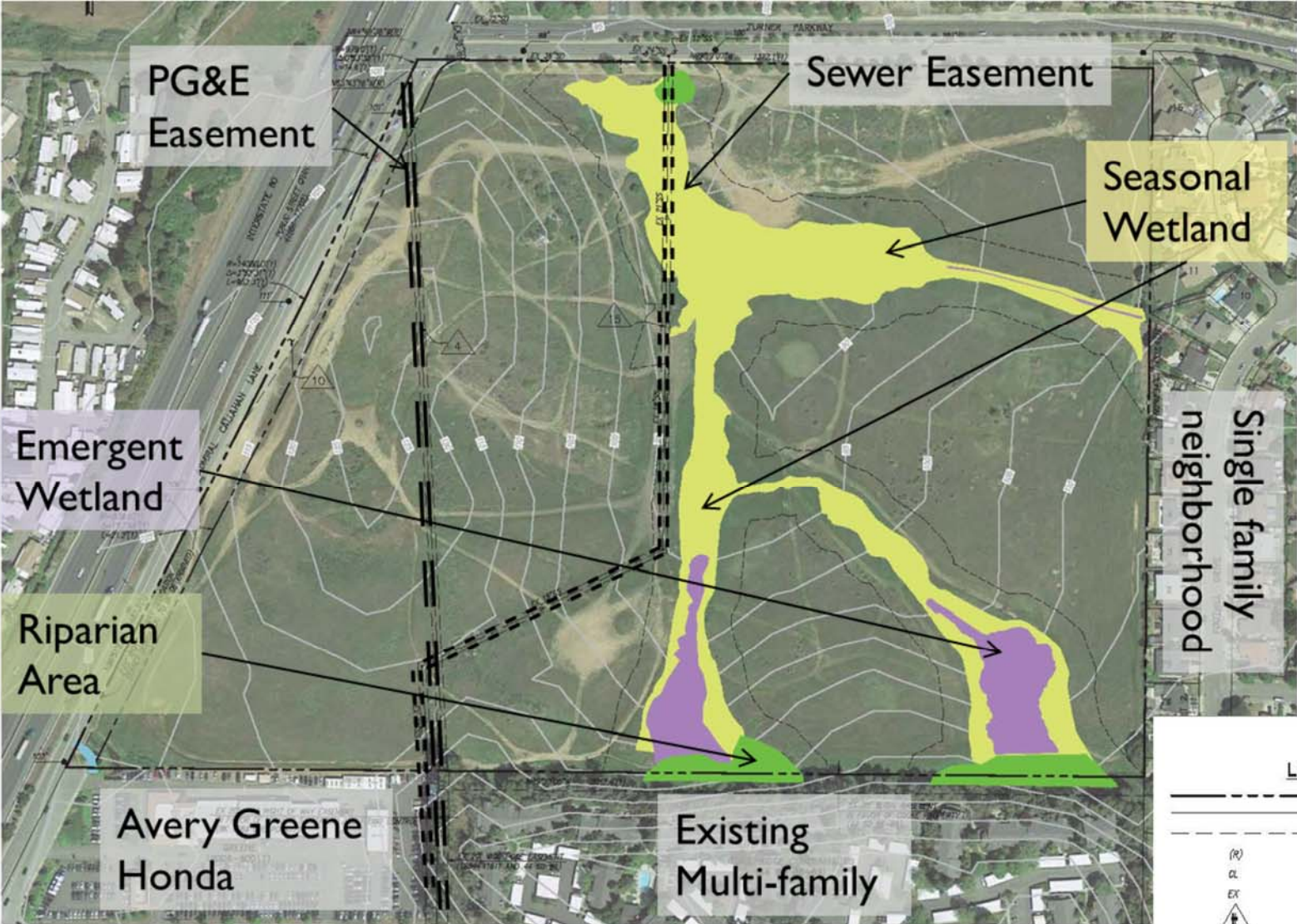
MAJOR RETAILER: 152,138± SF
 SHOPS & RETAIL: 27,490± SF

★ SIGNALIZED INTERSECTION





SITE CONSTRAINTS



LEGEND	
	RECORD BOUNDARY LINE
	ADJACENT PROPERTY LINES
	EXISTING EASEMENT LINE
	RADIAL BEARING
	CENTERLINE
	EXISTING
	TITLE EXCEPTIONS
	SPOT GRADE - APPROXIMATE FROM GOOGLE EARTH
	EXTENTS OF SEASONAL WETLAND (4.88 ACRES) SOURCE: ASCENT ENVIRONMENTAL
	EXTENTS OF RIPARIAN (0.78 ACRES) SOURCE: ASCENT ENVIRONMENTAL
	EXTENTS OF PERENNIAL STREAM (0.02 ACRES) SOURCE: ASCENT ENVIRONMENTAL
	EXTENTS OF EMERGENT WETLAND (1.26 ACRES) SOURCE: ASCENT ENVIRONMENTAL
	50' DEVELOPMENT SETBACK (1.10 ACRES)

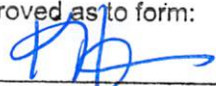
MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding ("**MOU**") is entered into this ___ day of May, 2018 ("**Effective Date**") by and between the CITY OF VALLEJO, a public body, corporate and politic ("**City**"), COSTCO WHOLESALE CORPORATION, a Washington corporation ("**Costco**"), and VALLEJO-FAIRVIEW DEVELOPERS, LLC, a Delaware limited liability company ("**VFD**"). City, Costco and VFD are sometimes referred to in this MOU individually as a "**Party**" or collectively as the "**Parties**."

RECITALS

- A. VFD is in escrow to purchase that certain real property containing approximately fifty-one and twenty-nine hundredths (51.29) gross acres known as Fairview at Northgate located at Admiral Callaghan Blvd., near Highway 80 within the City which property is identified as APN 0081-490-010 on the map attached hereto as Exhibit "A" (the "**Overall Property**").
- B. VFD proposes to develop approximately twenty-one (21) acres of the Overall Property as a retail project (the "**Retail Project**") and develop the remainder of the Overall Property with an approximate twenty-four (24) acre residential project containing one hundred eight seven (187) residential units with an approximate five (5) acre open space corridor between the residential units and the Retail Project (the "**Residential Project**"), all as generally shown on Exhibit "B" attached (collectively the Retail Project and Residential Project are hereinafter referred to as the "**VFD Project**").
- C. Costco currently owns and operates a general merchandise store in the Gateway Plaza Shopping Center (the "**Existing Store**") within the City. The Existing Store is undersized and generally inadequate to serve its members who reside in Vallejo and surrounding communities due to its size and location. Costco therefore intends to build a larger, more modern, and more accessible store consisting of approximately one hundred fifty-seven thousand (157,000) square feet of floor space and a gas station with up thirty (30) fueling dispensers as depicted on Exhibit "C" (the "**New Store**") somewhere within the trade area it serves as a replacement of the Existing Store. Costco desires to locate the New Store in the City as the preferred location in the trade area which to serve its members. VFD desires the New Store to be located within the Retail Project as the major anchor and the City desires the New Store to be located within the City for the benefits it provides to the City and its citizens. VFD's proposed Retail Project is the only site currently available within the City that would be suitable for the New Store.
- D. VFD and Costco have executed a letter of intent (the "**VFD/Costco LOI**") whereby Costco proposes to purchase approximately seventeen (17) acres within the Retail Project (the "**Costco Property**") and build its New Store. VFD proposes to develop approximately twenty-three thousand (23,000) square feet of commercial space within the remainder of the Retail Project (the "**VFD Retail**").
- E. VFD will need to obtain certain land use entitlements required for the development of the Retail Project, including the New Store and VFD Retail, and for the development of the Residential Project, all in compliance with the California Environmental Quality Act ("**CEQA**"), including, without limitation, zoning approvals, tentative and final subdivision maps, building permits for the New Store and VFD Retail, and all related CEQA approvals (the "**Entitlements**").

Approved as to form:

By: 
Claudia Quintana
City Attorney 621 of 685

- F. VFD and Costco represent that the VFD/Costco LOI anticipates that the City will require as a condition of regulatory approval of the Entitlements for the Overall Project that VFD undertake the construction, alteration, demolition and installation of certain public work of improvements (the **"Public Improvements"**), as listed in Exhibit "D".
- G. Provided VFD obtains City approval of the Entitlements conditioned on the construction of the Public Improvements and Costco completes its purchase of the Costco Property from VFD as proposed in the VFD/Costco LOI, VFD and the City anticipate that they would enter into a Public Infrastructure Construction and Reimbursement Agreement (the **"Reimbursement Agreement"**) whereby VFD would agree to construct the Public Improvements and the City would agree to reimburse VFD for the actual cost of the Public Improvements consistent with Labor Code Section 1720 (c) (2) (the **"VFD Reimbursement"**) which is estimated by the Parties in Exhibit "D" to be approximately \$7.5 million of which approximately \$3 million is for improvements included in the City's Capital Improvement Program (the **"CIP"**) and eligible for credit against the City's Transportation Impact Mitigation Fee (**"DIF Credit"**).
- H. The source of the VFD Reimbursement is anticipated to include (i) DIF Credits not to exceed the City's Transportation Impact Mitigation Fee payable by the VFD Project (the **"VFD Project DIF Credit"**) in exchange for VFD causing the construction of those Public Improvements which are included in the CIP, (ii) funds, in an amount to be determined by City in its sole discretion, previously collected as impact fees pursuant to its CIP (the **"Existing Impact Fees"**) that may also be applied, in addition to the VFD Project **DIF Credit**, towards the VFD Reimbursement not to exceed the actual cost of construction of those Public Improvements which are included in the CIP, and (iii) up to \$6 million in cash to fund the balance of the VFD Reimbursement not paid by the VFD Project DIF Credit, Existing Impact Fees or other cash funds available to City, which the City shall borrow from Costco (the **"Costco Loan"**) and repay Costco for from site specific tax revenues (**"SST Revenues"**) generated by the Retail Project (i.e. the New Store and VFD Retail) in excess of those generated by the Existing Store as described in more detail below (the **"Costco Financing Agreement"**). The SST Revenues will be comprised of the Bradley-Burns Uniform Local Sales and Use Tax, and the voter-approved Measure B/V Transaction and Use Tax.
- I. The Parties understand that full environmental review under CEQA and/or other state, federal, and local environmental laws must be completed as part of the City's evaluation of whether to approve the Entitlements necessary for development of the VFD Project, as well as the Costco Financing Agreement and Reimbursement Agreement. The Parties further understand that CEQA review must be completed early enough in the planning process so that environmental considerations can properly influence project design, but late enough that meaningful information is available for environmental assessment (State CEQA Guidelines, § 15004). The descriptions of the Retail Project and Residential Project are still being developed and do not yet include sufficient information to enable meaningful environmental review, such that CEQA review of the broad, potential terms included in this MOU, including the anticipated scope and costs of the Public Improvements, would be premature. Because of this, and as set forth in greater detail below, the Parties understand and agree that nothing set forth herein commits or otherwise requires the City or any other government agency to approve, in whole or in part, the VFD Project, Costco Financing Agreement or Reimbursement

Agreement, nor limit the anticipated scope of required Public Improvements, and that this MOU does not govern federal, state or other local agency approvals required for the Retail Project, Residential Project or any portions thereof.

- J. Nonetheless, the Parties are willing to enter into this MOU which will memorialize their understanding regarding the basic terms by which the City, Costco and VFD will negotiate a Costco Financing Agreement and Reimbursement Agreement to facilitate the construction of the anticipated Public Improvements should the Entitlements necessary for development of the VFD Project be approved by all appropriate regulatory agencies and conditioned to require the construction of the Public Improvements.
- K. Neither the Costco Financing Agreement nor the Reimbursement Agreement are intended to provide financial assistance from the City for the VFD Project, including the New Store, VFD Retail and/or Residential Project; rather, the Costco Financing Agreement and Reimbursement Agreement are intended to provide no more money, or the equivalent of money, than is required to construct the Public Improvements which may be required by City as a condition of the regulatory approval of the necessary Entitlements for the VFD Project. Neither Costco nor VFD intend to seek any financial assistance from the City in connection with development of the VFD Project, including the New Store, VFD Retail and Residential Project. Further, the City is not willing to provide any such financial assistance. Accordingly, in the event of any ambiguity regarding the interpretation or implementation of this MOU, this MOU shall be interpreted and implemented to avoid any form of financial assistance being provided by the City, directly or indirectly, to the VFD Project, including the New Store, VFD Retail and Residential Project.

OPERATIVE PROVISIONS

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to negotiate in good faith a Costco Financing Agreement and Reimbursement Agreement based upon the following terms and assumptions:

- 1. **Incorporation of Recitals.** The Recitals above are true and correct and are hereby incorporated herein among the operative provisions of this MOU. Execution of this MOU by City, Costco and VFD is merely a non-binding commitment to conduct a period of negotiations in accordance with the terms hereof, reserving for subsequent City action the final discretion and approval regarding the execution of a Costco Financing Agreement and Reimbursement Agreement and all proceedings and decisions in connection therewith.
- 2. **Term of MOU.** The Parties agree to use good faith efforts to complete the negotiation of the Costco Financing Agreement and the Reimbursement Agreement for presentation to and consideration by the City Council concurrent with or within sixty (60) days following the Final Approval by the City of the Entitlements. As used herein “**Final Approval**” means the last action by the City for the Entitlements to be binding in the City and the expiration of all applicable time periods for administrative appeal or judicial challenge of the Entitlements. If either the Final Approval of the Entitlements or the execution of the Costco Financing Agreement or Reimbursement Agreement by the Parties has not occurred within twenty-four (24) months after the Effective Date of this MOU (the “**MOU Deadline**”), then the Parties shall cease to have any further rights or obligations under this MOU unless the Parties agree to an extension of the term as determined in the sole

discretion of each Party. The City Manager may, on behalf of City, agree to one or more extensions of the term of this MOU provided the cumulative total of said extensions do not exceed twelve (12) additional months; any further extensions by City beyond such twelve (12) month period shall require the approval of the City Council. The foregoing notwithstanding, any Party may elect to terminate this MOU for any reason upon thirty (30) days prior written notice to the other Parties. Termination of this MOU by City may be effected by the City Manager.

3. **Payment of City Costs.** Consistent with the terms of that certain Deposit and Indemnification Agreement dated April 18, 2018 (“DIA”), by and between City and VFD, under which VFD is responsible for payment of the City’s actual third-party expenses incurred in the negotiation, drafting and consideration of this MOU, City and VFD agree to amend the DIA or execute a new DIA under which VFD shall likewise be responsible for the payment of the City’s actual third-party expenses incurred in the negotiation, drafting and consideration of the proposed Costco Financing Agreement, Reimbursement Agreement and any other agreement deemed necessary by the Parties to carry out the intent of this MOU, including the fees and costs of City’s financial consultant (Keyser Marston Associates) and special legal counsel (Burke Williams & Sorensen LLP).

4. **Proposed Terms of Reimbursement Agreement.**
 - a. VFD will be the construction manager for the Public Improvements responsible for the construction of the Public Improvements as the developer of the VFD Project. Except for construction management services which may be provided by VFD or its Affiliates’ employees or contract staff at a cost not to exceed an agreed upon percentage of the total hard and soft costs of the Public Improvements, all contractors, subcontractors, consultants, suppliers and materialmen engaged by VFD for the design and construction of the Public Improvements shall be unaffiliated third parties.

 - b. City will reimburse VFD for the amount of the VFD Reimbursement by (i) first applying the VFD Project DIF Credit against the City’s Transportation Impact Mitigation Fee payable by the VFD Project, , (ii) second, the payment of funds from Existing Impact Fees, in an amount, to be determined by City in its sole discretion, which together with the VFD Project DIF Credit does not exceed the actual cost of designing and constructing those Public Improvements which are included in the CIP, and (iii) the remainder of the VFD Reimbursement by payment of funds from the Costco Loan.

 - c. As will be set forth in greater detail in the Reimbursement Agreement, VFD will be responsible for compiling and delivering to the City evidence of the actual costs of the Public Improvements, including relevant invoices, receipts, and/or other required documentation necessary to substantiate the actual cost of the Public Improvements.

5. **Determination of VFD Project DIF Credit.**

The amount of the VFD Project DIF Credit would be the sum of (i) the product of the

number of residential units approved as part of the Entitlements for the Residential Project, times the then current City Transportation Impact Mitigation Fee per single family residential unit, plus (ii) the product of the number of gross square feet of commercial space approved as part of the Entitlements for the Retail Project, times the then current City Transportation Impact Mitigation Fee per square foot of commercial space.

By way of example, the City's Transportation Impact Mitigation Fee for commercial use is \$3.07 per square foot of space as of July 1, 2016, and is subject to increase on an annual basis. The 180,000 square feet of commercial space proposed as part of the Retail Project would equate to a Transportation Impact Mitigation Fee of approximately \$552,600. Additionally, the City's Transportation Impact Mitigation Fee for single family residential use is \$6,377 per unit as of July 1, 2016, and is subject to increase on an annual basis. The 187 residential units proposed as part of the Residential Project would equate to a Transportation Impact Mitigation Fee of approximately \$1,192,500.

Accordingly, the estimated available VFD Project DIF Credit would be approximately \$552,600 plus \$1,192,500, or \$1,745,100. Note, however, the VFD Project DIF Credit shall only be applied against the costs incurred by VFD for the design and construction of those Public Improvements which are included in the CIP and may not, under any circumstances, be used for any other VFD Project improvement costs or expenses.

6. Proposed Terms of Financing Agreement.

- a. Article XVI, Section 18 of the California Constitution prohibits the City from incurring any indebtedness or liability in any manner or for any purpose exceeding in any year the income and revenues provided for such year without the assent of two-thirds of the voters. The purpose of this constitutional protection is to safeguard the City's general fund. Thus, in light of this purpose, an exception to the voter approval requirement has evolved, known as the special fund doctrine. The special fund doctrine authorizes the payment of an obligation over a period of years without the vote of the people if the obligation is payable solely from a special fund, provided the City is not liable to maintain the special fund out of its general fund, or by tax levies, should the special fund prove insufficient. Further, there must be a reasonable connection or nexus between the special fund revenues and the improvements to be financed with those revenues.

Accordingly, prior to or concurrent with the consideration of the Costco Financing Agreement and Reimbursement Agreement by the City Council at a public hearing conducted in accordance with California Government Code §53083, the Council will also consider local legislation to establish the "**Costco Financing Agreement Special Fund**". Said legislation will identify the Net New Retail Project SST Revenues, as said term is defined in Section 6.h. below, to be deposited into the Costco Financing Agreement Special Fund as the sole source of repayment of the Costco Loan. In keeping with the special fund doctrine, the Net New Retail Project SST Revenues are revenues not currently in the City's general fund and thus the general fund is not liable to maintain the Costco Financing Agreement Special Fund.

Thus, VFD and Costco agree, acknowledge and understand that the obligations anticipated to be established in the Costco Financing Agreement will not

constitute a debt of the City, nor a legal or equitable pledge, charge, lien or encumbrance upon any of its property or upon any of its monies, income, receipts, or revenues, except the Net New Retail Project SST Revenues deposited into the Costco Financing Agreement Special Fund. Neither the City's general fund nor any other fund of the City shall be liable for the payment of any obligation arising from the Costco Financing Agreement. Further, the credit or taxing power of the City is not and will not be pledged for the payment of any obligation arising from the Costco Financing Agreement. Neither Costco nor VFD shall have any right to compel the forfeiture of any of the City's property to satisfy any obligation arising from the Costco Financing Agreement.

- b. The Parties acknowledge and agree that the list, scope and cost of Public Improvements, and the amount of VFD Project DIF Credit and Existing Impact Fees are merely initial estimates and will necessarily need to be refined and finalized as part of the process of VFD seeking to secure the Entitlements for the VFD Project and the negotiation by the Parties of the terms of the Reimbursement Agreement and Costco Financing Agreement. Nevertheless, Costco will be responsible to make the Costco Loan to the City in an amount not to exceed \$6 million for the City's use to fund the VFD Reimbursement not paid by the VFD Project DIF Credit, Existing Impact Fees or other cash funds available to City. The unpaid principal balance of the Costco Loan shall accrue simple interest at 3% per annum. All Annual Payments made by the City to repay the Costco Loan in accordance with Section 6.c. below shall be applied first to repay accrued interest and then applied to principal.
- c. The City will be responsible for repayment of the Costco Loan by making an Annual Payment to Costco equal to the Net New Retail Project SST Revenues, as said terms are defined in Section 6.h. below.
- d. Such Annual Payment shall commence at the end of the first calendar year that the New Store is completed and open to the public and shall continue annually thereafter until the earlier of (i) twenty (20) Annual Payments having been made by City to Costco in accordance with Section 6.c. above, or (ii) the Costco Loan is repaid in full. Nothing shall preclude City from prepaying all or any part of the Costco Loan at any time without penalty.
- e. Should Costco voluntarily discontinue operations at the New Store as a wholesale and retail general merchandise store for a continuous period exceeding 180 days (subject to extension for the period of any "Force Majeure Event", as defined below), even if the gas station remains operational, the Costco Financing Agreement will automatically terminate, the City will be under no obligation to make any further Annual Payments pursuant to Section 6.c. above, and the remaining outstanding balance of the Costco Loan, and any interest thereon, shall be waived and forgiven in full. Any expansion, renovation, or repair or restoration of damage to the New Store by Costco shall not be deemed a discontinuance of operations under the Costco Financing Agreement. The 180 day period set forth herein shall not run, and shall be tolled if already commenced, during any Force Majeure Event until such Force Majeure Event ends. For purposes of the Costco Financing Agreement, "**Force Majeure Event**" means flood, earthquake, fire, pestilence or other natural catastrophe, tsunami, epidemics, acts of God or the public enemy, war, riot, civil disturbance or

disobedience, strike, labor dispute, or sabotage of facilities preventing continued operations at the New Store as a wholesale and retail general merchandise store. Nothing herein, including any Force Majeure Event, shall extend the maximum 20 year term of the Costco Financing Agreement, and should that term of the Costco Financing Agreement expire during the pendency of a Force Majeure Event, the Costco Financing Agreement will terminate and the City will be under no obligation to make any further Annual Payments pursuant to Section 6.c. above, and the remaining outstanding balance of the Costco Loan, and any interest thereon, shall be waived and forgiven in full.

- f. If necessary as determined by City, Costco shall provide to City and maintain in effect during the term of this MOU, all in a form acceptable to the City, a written consent from Costco consenting to the disclosure and use of information regarding taxes paid pursuant to the Sales Tax Law attributable to the sales, services or business activities of Costco, their Affiliate, tenants, subtenants, licensees or sublicensees at the Existing Store, consistent with the purpose of this MOU to negotiate a Costco Financing Agreement and Reimbursement Agreement, and a waiver from Costco waiving the protections, privilege, and confidentiality provided by California Revenue and Taxation Code section 7056 and any other similar law that would otherwise prevent the disclosure of such taxes paid pursuant to the Sales Tax Law, in connection with the Existing Store. Further, in the event the Costco Financing Agreement and Reimbursement Agreement are approved and authorized by the Parties, Costco, VFD and all tenants of the VFD Retail shall be required to provide a written consent, as applicable, to the disclosure and use of Base Sales Taxes and Sales Taxes information consistent with the purpose of the Costco Financing Agreement and Reimbursement Agreement.
- g. Costco and VFD acknowledge that the State of California legislature has in the past adopted certain legislation which diverted to the State of California a portion of taxes imposed pursuant to the Sales Tax Laws that would otherwise be payable to the City, and that it is possible that the State of California legislature may enact other legislation in the future which would cause a reduction of or delay in the receipt by City of taxes imposed pursuant to the Sales Tax Law, or a claw back or taking of such taxes already in the City's possession, which will cause a corresponding reduction of Net New Retail Project SST Revenues ("**State Legislation**"). Costco and VFD further acknowledge and agree that it is possible that the State Legislation may be enacted and effective one or more times during the anticipated term of the Costco Financing Agreement that may materially and negatively impact the amount of the Net New Retail Project SST Revenues and, accordingly, the Annual Payment. City does not make any representation, warranty or commitment concerning the future actions of the State of California legislature with respect to any taxes imposed pursuant to the Sales Tax Law, the amount of such taxes being allocated or paid to the City, the City's ability to control or retain such taxes allocated or paid to the City, or concerning any State Legislation. Costco and VFD agree that they will undertake their obligations under the terms of any proposed Costco Financing Agreement and Reimbursement Agreement with full consideration and knowledge of this risk and will expressly assume the risk of, the possibility of the enactment of State Legislation.

h. As used in this MOU, the following terms shall be defined as follows:

“Affiliate” means any entity controlled directly or indirectly by Costco, VFD, or by all, some or any of Richard Lewis, Robert Lewis, Roger Lewis, Randall Lewis or John Goodman. **“Control”** of an entity shall have the same meaning as set forth in Section 24 of this MOU.

“Annual Payment” means that amount equal to the Net New Retail Project SST Revenues.

“Base Sales Taxes” means that portion of taxes actually received by City from the imposition of the Sales Tax Law attributable to the sales, services or business activities of Costco, their Affiliate, tenants, subtenants, licensees or sublicensees at the Existing Store to the extent allocated and paid by the State Board of Equalization to City for its use in the Base Year. For the calendar year following the Base Year, and each calendar year thereafter, the Base Sales Taxes for that calendar year shall equal the sum of (x) the Base Sales Taxes for the calendar year immediately prior to the applicable calendar year, plus (y) the product obtained by multiplying such amount by the increase in the Consumer Price Index for All Urban Consumers-San Francisco Area during the applicable calendar year. The defined term “Base Sales Taxes” shall not include any of the following: (a) any sales or use tax levied by, collected for or allocated to the State of California, the County, or any district or entity (including an allocation to a statewide or Countywide pool) other than City; (b) any administrative fee charged by the State Board of Equalization or the County; (c) any sales tax subject to any sharing, rebate, offset or other charge imposed pursuant to any applicable Law; (d) any sales tax (or other funds measured as sales tax) required by the State of California to be paid over to another public entity (including the State) or set aside and/or pledged to a specific use other than for deposit into City’s general fund; and (e) any other sales tax that is imposed within the boundaries of City and which is intended to fund a specific activity or project, rather than to be used by City as general fund revenues, or which has specific voter approved limitations on its uses. No Sales Taxes shall be considered to have been received by City until City is able to confirm City’s actual receipt thereof from the State Board of Equalization.

“Base SST Revenues” means the Base Sales Taxes received by City for the Base Year.

“Base Year” means the calendar year preceding the year in which a certificate of occupancy is issued by City for the New Store.

“Bradley-Burns Uniform Local Sales and Use Tax Law” shall mean those provisions set forth in California Revenue and Taxation Code section 7200, et seq..

“Measure B/V Transaction and Use Tax Law” shall mean those provisions set forth in Chapter 3.09 of Title 3 of the City of Vallejo Municipal Code.

“Net New Retail Project SST Revenues” means the Retail Project SST Revenues received by City each calendar year after the Base Year that exceed the Base SST Revenues, if any.

“Retail Project SST Revenues” means the Sales Taxes received by the City each calendar year after the Base Year.

“Sales Tax Law” means the (i) Bradley-Burns Uniform Local Sales and Use Tax Law, (ii) Vallejo Uniform Local Sales and Use Tax Law, and (iii) Measure B/V Transaction and Use Tax Law. If the Bradley-Burns Uniform Local Sales and Use Tax Law, Vallejo Uniform Local Sales and Use Tax Law, or Measure B/V Transaction and Use Tax Law is further amended, terminated or rescinded, and Sales Taxes are calculated in an alternate manner or are replaced by an alternate revenue stream (i) arising from the retail sale, use or other consumption of tangible personal property from or on the Existing Store or Retail Project, or (ii) designated as being a replacement for Sales Taxes previously generated by the retail sale, use or other consumption of tangible personal property on or from the Existing Store or Retail Project, then “Sales Taxes” shall also mean those revenues attributable to sales, services or consumption of tangible personal property on or from the Existing Store or Retail Project, collected for City in the alternate manner of calculation, so long as City receives its portion of such revenues and has the legal right under California and/or federal Law to retain and control the disposition of all of its portion thereof.

“Sales Taxes” means for each calendar year during the term of the Costco Financing Agreement that portion of taxes actually received by City from the imposition of the Sales Tax Law attributable to the sales, services or business activities of Costco, VFD or their Affiliates, tenants, subtenants, licensees or sublicensees at the Retail Project to the extent allocated and paid by the State Board of Equalization to City for its use, in a particular calendar year. The defined term “Sales Taxes” shall not include any of the following: (a) any sales or use tax levied by, collected for or allocated to the State of California, the County, or any district or entity (including an allocation to a statewide or Countywide pool) other than City; (b) any administrative fee charged by the State Board of Equalization or the County; (c) any sales tax subject to any sharing, rebate, offset or other charge imposed pursuant to any applicable Law; (d) any sales tax (or other funds measured as sales tax) required by the State of California to be paid over to another public entity (including the State) or set aside and/or pledged to a specific use other than for deposit into City’s general fund; and (e) any other sales tax that is imposed within the boundaries of City and which is intended to fund a specific activity or project, rather than to be used by City as general fund revenues, or which has specific voter approved limitations on its uses. No Sales Taxes shall be considered to have been received by City until City is able to confirm City’s actual receipt thereof from the State Board of Equalization.

“Vallejo Uniform Local Sales and Use Tax Law” shall mean those provisions set forth in Chapter 3.04 of Title 3 of the City of Vallejo Municipal Code.

7. **Prevailing Wages and Performance/Payment Security**

VFD acknowledges and agrees that it will be solely and exclusively responsible for compliance with all applicable provisions of California Labor Code §§ 1720 *et seq.* (the **“State Prevailing Wage Requirements”**) in connection with the “construction”, as defined in Labor Code §1720(a)(1) (**“Construction”**), of the Public Improvements and

shall pay all workers prevailing wages for Construction of the Public Improvements in compliance with State Prevailing Wage Requirements.

VFD and Costco each acknowledge and agree, with regards to the Construction of the VFD Retail and Residential Project, and Costco acknowledge and agree, with regards to the Construction of the New Store, that each will be solely and exclusively responsible for compliance with all applicable laws, including the State Prevailing Wage Requirements, if applicable, in connection with their respective Construction and shall pay all workers as required by applicable law. If and where VFD or Costco is held to be subject to the State Prevailing Wage Requirements in connection with their Construction of the VFD Retail and/or Residential Project, or New Store, respectively, VFD or Costco, as applicable, shall comply with all applicable provisions of the State Prevailing Wage Requirements. However, the City makes no representation or warranty to VFD, Costco or any third party as to whether or not the State Prevailing Wage Requirements apply to the Construction of the VFD Retail, Residential Project, or New Store, or any portions thereof, in the event the City approves of the proposed Costco Financing Agreement and Reimbursement Agreement.

VFD, as to the Construction of the Public Improvements, VFD Retail or Residential Project, and Costco as to the Construction of the New Store, shall indemnify, defend (with counsel reasonably acceptable to both VFD and the City) and hold the City and its elected and appointed officers, officials, employees, agents, consultants, and contractors harmless from and against all liability, loss, cost, expense (including without limitation attorneys' fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (collectively a "**Claim**") which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including all claims that may be made by contractors, subcontractors, or third party claimants pursuant to Labor Code sections 1726 and 1781), the failure to comply with any state or federal labor laws, regulations or standards, including the State Prevailing Wage Requirements, or any act or omission of VFD or Costco related to this Agreement with respect to the payment or requirement of payment of prevailing wages. The foregoing indemnity shall survive any termination of this Agreement.

Further, in connection with the construction of the Public Improvements, VFD shall be required to deposit with the City, for the benefit of the City, adequate performance and payment security in a form approved by the City and otherwise meeting all applicable requirements of Chapter 5 of Divisions 2 of Title 7 of the California Government Code, equal to 100% of the estimated total cost of the Public Improvements to (i) guarantee the performance of the design and construction of the Public Improvements, and (ii) ensure the payment to all contractors, subcontractors, laborers, suppliers and materialmen performing each portion of the Public Improvements. Other than for the Public Improvements for which the preceding sentence applies, if VFD or Costco is held by the California Department of Industrial Relations or a California Court to be subject to the State Prevailing Wage Requirements in connection with the Construction of all or part of the VFD Retail or Residential Project as to VFD, or the New Store as to Costco, then VFD or Costco, as applicable, shall deposit with the City adequate payment security in a form approved by the City and otherwise meeting all applicable requirements of Chapter 5 of Divisions 2 of Title 7 of the California Government Code, equal to 100% of the estimated prevailing wages payable for that applicable portion of the VFD Retail,

Residential Project or New Store, respectively, to ensure the payment of such prevailing wages in accordance with the State Prevailing Wage Requirements.

8. No Approval or Commitment to Approval of Project.

This MOU shall not obligate City, Costco or VFD to enter into a Costco Financing Agreement or Reimbursement Agreement on or containing any particular terms, including any terms set forth herein. By execution of this MOU, City is not committing itself, or agreeing to, undertake (1) acquisition of land, (2) disposition of land, or (3) any other act or activity requiring the subsequent independent exercise of discretion by the City. Any Costco Financing Agreement and Reimbursement Agreement resulting from negotiations pursuant to this MOU shall become effective only if and after Final Approval of the Entitlements, and only if and after such Costco Financing Agreement and Reimbursement Agreement has been duly considered and approved by the City Council, following conduct of all legally required procedures, and executed by duly authorized representatives of City, Costco and VFD. Until and unless a Costco Financing Agreement and Reimbursement Agreement is signed by Costco and VFD, approved by the City Council, and executed by City, no agreement drafts, actions, deliverables or communications arising from the performance of this MOU shall impose any legally binding obligation on either Party to enter into or support entering into a Costco Financing Agreement or Reimbursement Agreement or be used as evidence of any oral or implied agreement by either Party to enter into any other legally binding agreement. Failure of the City Council to approve a Costco Financing Agreement or Reimbursement Agreement after a public hearing thereon shall not constitute a default or a breach of the terms of this MOU by City.

This MOU does not limit in any way the discretion of City in acting on any applications for required permits or approvals for the proposed VFD Project or any portion thereof, including but not limited to the Entitlements as applicable to the New Store, Retail Project or Residential Project, including the anticipated scope of the Public Improvements. The Parties acknowledge that compliance with the CEQA will be required in connection with consideration of such permits and approvals required for the proposed VFD Project or any portion thereof, including but not limited to the New Store, Retail Project or Residential Project, and that City shall retain the discretion in accordance with CEQA and other applicable law before taking action on any such permits or approvals to (1) adopt or certify an environmental analysis of the VFD Project or any portion thereof, including but not limited to the New Store, Retail Project or Residential Project, prepared in accordance with CEQA, (2) identify and impose mitigation measures to mitigate significant environmental impacts, nor limit the anticipated scope of required Public Improvements, (3) select other feasible alternatives to avoid significant environmental impacts, including the “no project” alternative, (4) adopt a statement of overriding considerations in accordance with Public Resources Code Section 21081(b) relative to any significant environmental impacts of the VFD Project or any portion thereof, including but not limited to the New Store, Retail Project or Residential Project, or implementation of any Public Improvements, prior to taking final action if such significant impacts cannot otherwise be avoided, or (5) determine not to proceed with the VFD Project or any portion thereof, including but not limited to the New Store, Retail Project or Residential Project. Any action taken by the City in the exercise of its discretion relating to any analysis required by CEQA or on any application for a permit or approval required to develop and construct the VFD Project or any portion thereof, including but not limited to the New Store, Retail Project or Residential Project, shall not constitute a default or a breach of the terms of this MOU by City.

Nevertheless, to the extent appropriate, the City will cooperate with VFD in its efforts to obtain all approvals from all other public and quasi-public agencies necessary to secure the Entitlements for the VFD Project, including, without limitation, coordinating any required wetlands permitting with the U.S. Army Corp of Engineers and obtaining the participation of PG&E in the relocation and replacement of the existing PG&E gas line.

9. **No Purchase or Development Obligations.** City and Costco acknowledge and agree that VFD has no obligation under this MOU to either the City or Costco regarding its purchase of the Overall Property, or any portion thereof, or regarding the entitlement and development of the Retail Project or Residential Project, or any portion thereof, and VFD shall have no liability to either the City or Costco under this MOU if it fails to complete its purchase of the Overall Property, or any portion thereof, or fails to entitle or develop the Overall Property, or any portion thereof.

10. **Defaults.** A Party shall be in default of this MOU if it (i) does not negotiate the Costco Financing Agreement and Reimbursement Agreement in good faith, or (ii) does not reasonably cooperate with the other Party's efforts to fulfill their obligations under this MOU, but neither Party is required to incur any substantial out-of-pocket costs in connection with such cooperation. The defaulting Party shall have thirty (30) days to cure the default after receipt of written notice specifying the nature of the default and the cure that is required. Should the defaulting Party fail to cure the default within that thirty (30) day period, then any non-defaulting Party may, as its sole and exclusive remedy at law or in equity, terminate this MOU by written notice to the defaulting Party. This 30-day period in no way, manner or form extends, continues, tolls or modifies the MOU Deadline. Each Party specifically waives and releases any rights or claims it may otherwise have at law or in equity to recover actual, consequential, and special or punitive damages from the defaulting Party. Following the expiration of termination of this MOU, no Party shall have any further rights against or obligations or liabilities to the other Parties under this MOU.

11. **Lobbying and Campaign Contribution Prohibition.** VFD and Costco agree and acknowledge that the Costco Financing Agreement and Reimbursement Agreement negotiations (the "**VFD/Costco Agreements**") shall take place with the City Manager, acting by and through his or her staff, and the City's legal, financial and planning advisers and such other City parties as may be designated by the City Manager from time to time (collectively, the "**City-Designated Team**"). VFD and Costco shall not engage in any material discussions, negotiations or lobbying of any City Council or Planning Commission members or other City employees or officials as may be designated by the City Manager from time to time (collectively, "**Excluded City Parties**") with regards to the VFD/Costco Agreements, unless authorized or requested to do so by the City-Designated Team for specific purposes related to the negotiations. . Nothing in this Section 11 shall prevent: (1) responses to requests for information from one or more Excluded City Parties, provided such responses are directed to the City-Designated Team; (2) VFD or Costco's participation in any question-and-answer sessions, workshops, or tours approved in writing by the City-Designated Team; or (3) VFD or Costco's participation in public events or community fora at which one or more Excluded City Parties are present, provided VFD and Costco do not engage in communications with such Excluded City Parties at such events that are intended to influence the negotiations of the VFD/Costco Agreements.

12. **Ballot and Legislative Measures.** VFD and Costco expressly agree and acknowledge that it shall not initiate, promote, support or pursue, or authorize any other person or party to initiate, promote, support or pursue, any ballot or legislative measure relating to the VFD Project without the prior consent of the City as evidenced by City Council resolution.
13. **Governing Law/Venue.** The interpretation and enforcement of this MOU shall be governed by the laws of the State of California with venue in the Superior Court of Solano County, California.
14. **No Third Party Beneficiaries.** This MOU is made and entered into for the sole protection and benefit of the Parties and their respective successors and assigns. No other person or entity shall have any right of action based upon any provision of this MOU.
15. **No Joint Venture.** Nothing in this MOU shall be deemed to create any form of business organization between the Parties, including, without limitation, a joint venture or partnership, and no Party shall have any fiduciary duty to the other Party. Nothing contained in this MOU shall authorize or empower any Party to assume or create any obligation or liability whatsoever, express or implied, on behalf of any other Party or its property.
16. **Interpretation.** The captions and headings of the various sections of this MOU are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and masculine, feminine and neuter shall be freely interchangeable.
17. **Construction.** The language in all parts of this MOU shall in all cases be construed simply, as a whole and in accordance with its fair meaning and not strictly for or against any Party. The Parties hereto acknowledge and agree that this MOU has been prepared jointly by the Parties and has been the subject of arm's length and careful negotiation over a considerable period of time, that each Party has independently reviewed this MOU with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions hereof. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this MOU, this MOU shall not be interpreted or construed against the Party preparing it, and instead other rules of interpretation and construction shall be utilized. Any term referencing time, days or period for performance shall be deemed calendar days and not work days, unless expressly stated otherwise.
18. **Entire MOU.** Other than the VFD/Costco LOI between only VFD and Costco, this MOU constitutes the entire agreement among the Parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties hereto, oral or written, are hereby superseded.
19. **Severability.** The provisions of this MOU are intended by the Parties to be severable and divisible and the invalidity or unenforceability of a provision or term herein shall not invalidate or render unenforceable the remainder of this MOU or any part thereof.

20. **Real Estate Commissions.** To the extent any Party has engaged any broker, agent or finder in connection with the acquisition, disposition or development of the Property, said Party shall be solely responsible for all fees, costs, expenses, or commissions of said broker, agent or finder and shall indemnify and hold the other Parties harmless from all such fees, costs, expenses, or commissions.
21. **Notices.** Any approval, disapproval, demand or other notice which either Party may desire to give to the other Party under this MOU must be in writing and may be given by any commercially acceptable means, including first class mail, personal delivery, or overnight courier, to the Party to whom the notice is directed at the address of the Party as set forth below, or at any other address as that Party may later designate by notice.

To City: City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590
Attention: Ron Gerber, Economic Development Manager
Telephone: (707) 553-7283
Email: ron.gerber@cityofvallejo.net

with a copy to: City of Vallejo
City Attorney's Office
555 Santa Clara Street
Vallejo, CA 94590
Attention: Kelly J. Trujillo, Assistant City Attorney
Telephone: (707) 648-4201
Email: kelly.trujillo@cityofvallejo.net

and

Burke, Williams & Sorensen LLP
1901 Harrison Street, 9th Floor
Oakland, CA 94612
Attention: Michael Biddle, Special Counsel
Telephone: (510) 273-8780
Email: mbiddle@bwslaw.com

To VFD: Vallejo-Fairview Developers LLC
c/o Lewis Management Corp.
9216 Kiefer Blvd.
Sacramento, CA 95826
Attention: Doug Mull
Telephone: (916) 403-1702
Email: Doug.Mull@lewismc.com

To Costco: Costco Wholesale Corporation
999 Lake Drive
Issaquah, WA 98027
Attention: Seth S. Katz, Corporate Counsel
Telephone: (425) 427-3972
Email: skatz@costco.com

Any notice shall be deemed received on the date of delivery if delivered by personal service, three (3) business days after mailing if sent by first class mail, on the date of delivery or refused delivery as shown by the records of the overnight courier if sent via overnight courier.

22. **Indemnification.** Except as otherwise set forth expressly herein, VFD shall indemnify, defend (with counsel reasonably acceptable to City), protect and hold City, and its officers and officials harmless from, all third-party claims, demands, damages, defense costs or liability of any kind or nature (collectively, “**Claims**”) arising directly from any action taken by the City in its official capacity in furtherance of approval or implementation of this MOU. VFD’s indemnity obligations under this Section 22 shall not extend to Claims for property damage, bodily injury or death to the extent occasioned by the active negligence or willful misconduct of City, or its officers, officials, employees, contractors, agents or representatives or to any Claims for which the indemnified party may be covered by insurance or other indemnity arrangement. In the event the Claim is a challenge to the City’s exercise of its lawful discretion to enter into this MOU, if VFD determines that pursuing the defense is not in the best interest of VFD and Costco, neither the City, VFD or Costco shall have any obligation to defend the Claim and VFD shall have no obligation to defend and indemnify City.
23. **Modification.** Any alteration, change or modification of or to this MOU, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.
24. **No Assignment.** The qualifications and identity of VFD and Costco are of particular concern to City. It is because of those unique qualifications and identity that City has entered into this MOU with VFD and Costco. Accordingly, except as provided below, neither VFD nor Costco may assign its right to negotiate with City under this MOU to any other person or entity. Any purported voluntary or involuntary assignment of negotiation rights under this MOU shall be null and void. Notwithstanding the foregoing, City acknowledges and agrees that VFD may form one or more single purpose limited liability companies or limited partnerships for the exclusive purpose of owning the Property and developing the Retail Project and Residential Project, in which any, some or all of Richard Lewis, Robert Lewis, Roger Lewis, Randall Lewis and John Goodman directly or indirectly will own a Controlling Interest (the “VFD Affiliate”). As used herein, “**Controlling Interest**” means the interest held by a person with the power to Control an entity. “**Control**” of an entity means that a person holds any of the following: (i) ownership of more than 50% of the entity’s equity interests; (ii) the right to dictate its major decisions, subject to customary rights of non-controlling partners or members; or (iii) the right to appoint 50% or more of its managers or directors. City further acknowledges and agrees that if a Reimbursement Agreement is approved by City, VFD may assign any or all of its rights and obligations under the Reimbursement Agreement to a VFD Affiliate without further consent of the City. The City also understands and acknowledges that Costco may engage in corporate mergers, acquisitions, dispositions, and re-structuring, and agrees that Costco may assign its rights under this MOU without the prior written approval of the City to an entity that owns all or substantially all of Costco’s current assets in Northern California.
25. **Authority.** If VFD or Costco is a corporation, limited liability company, partnership, trust, association or other entity, VFD, Costco and each person executing this MOU on behalf

of VFD or Costco does hereby covenant and warrant, respectively, that (1) VFD or Costco is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation; (2) VFD or Costco has and is duly qualified to do business in California; (3) VFD or Costco has full corporate, partnership, trust, association or other power and authority to enter into this MOU and to perform all of VFD and Costco's respective obligations hereunder; and (4) each person (and all of the persons if more than one signs) signing this MOU on behalf of VFD or Costco is duly and validly authorized to do so.

26. **Counterparts.** This MOU may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same MOU. This MOU shall be executed only by a pen and ink signature, but it may be delivered by facsimile or email with a pdf attachment of a signed counterpart.

IN WITNESS WHEREOF, City, Costco and VFD have duly executed this MOU as of the Effective Date first above written.

"CITY"

CITY OF VALLEJO,
a public body, corporate and politic

By: _____
Name: _____
Its: _____

Dated: _____

APPROVED AS TO FORM

By: _____
Name: _____
Its: City Attorney

Dated: _____

"VFD"

VALLEJO-FAIRVIEW DEVELOPERS, LLC,
a Delaware limited liability company

By: Lewis Management Corp.
a Delaware corporation – Its Manager

By: _____
Name: _____
Its: Authorized Agent

Dated: _____

"COSTCO"

COSTCO WHOLESALE CORPORATION.,
a Washington corporation

By: _____
Name: _____
Its: _____

Dated: _____

EXHIBITS

- A Map of Overall Property
- B Map of Retail Project and Residential Project
- C Costco New Store
- D Public Improvements

EXHIBIT A
Map of Overall Property

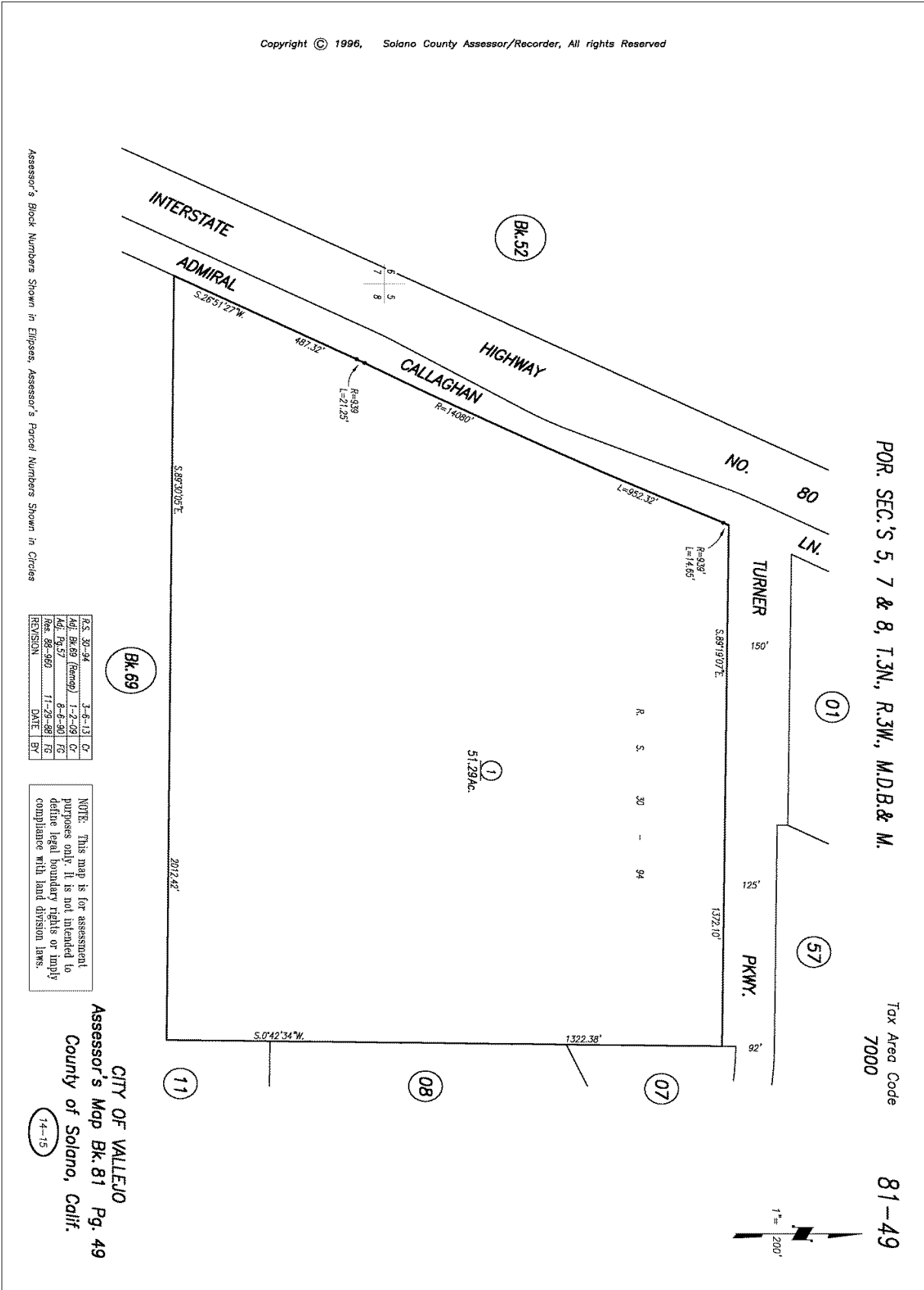
[SEE ATTACHED]

Exhibit A
1

POR. SEC.'S 5, 7 & 8, T.3N., R.3W., M.D.B. & M.

Tax Area Code
7000

81-49



Assessor's Block Numbers Shown in Ellipses, Assessor's Parcel Numbers Shown in Circles

R.S.	30-94	J-6-13	C
Ad.	Bk.69 (Remap)	1-2-03	C
Ad.	Tg.57	8-6-00	TG
Res.	88-060	11-29-88	TG
REVISION		DATE	BY

NOTE: This map is for assessment purposes only. It is not intended to define legal boundary rights or imply compliance with land division laws.

CITY OF VALLEJO
Assessor's Map Bk. 81 Pg. 49
County of Solano, Calif.

14-15

EXHIBIT B
Map of Retail Project and Residential Project

[SEE ATTACHED]

Exhibit B
1

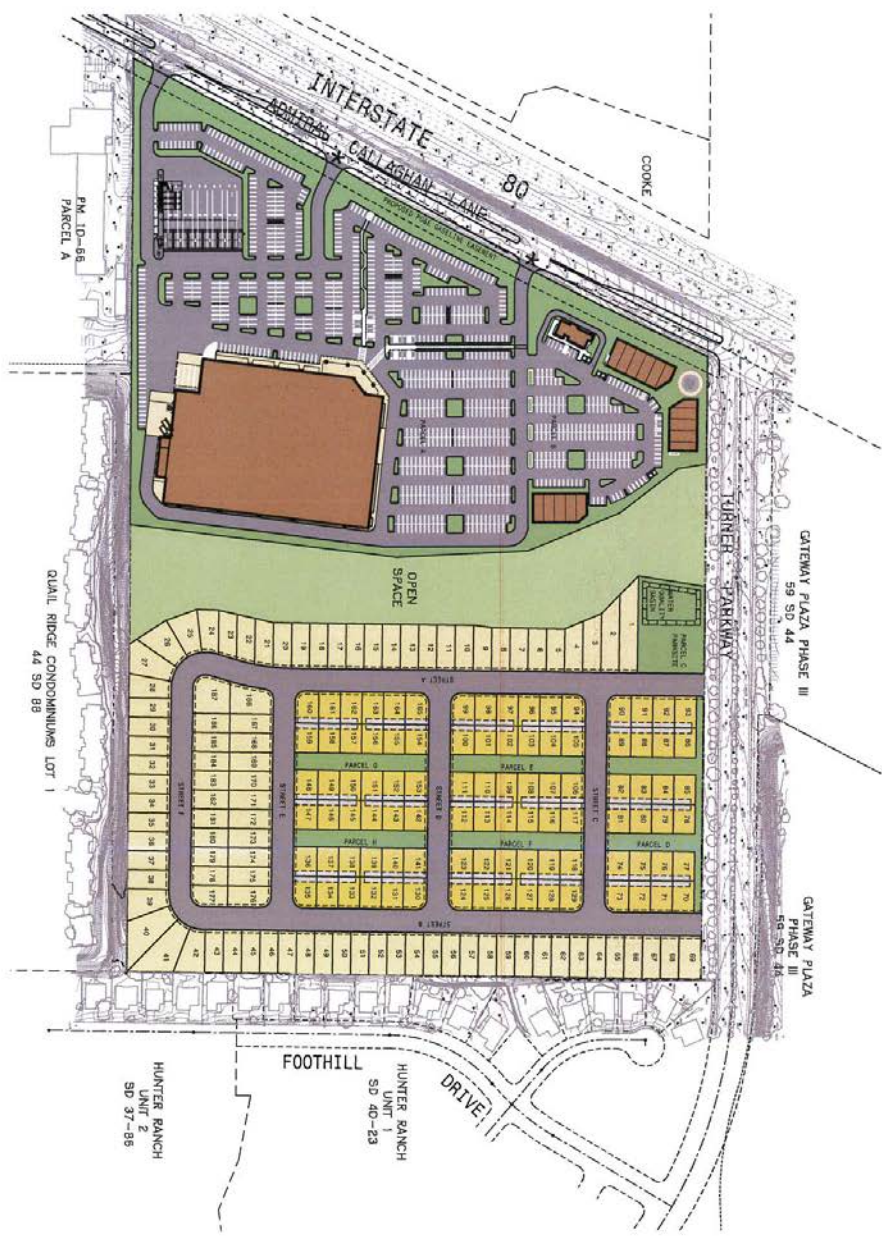


PROJECT SUMMARY:
 LAND USE: RESIDENTIAL - 24,24 AC
 RESIDENTIAL - 24,24 AC
 OPEN SPACE - 5,28 AC
 TOTAL - 29,52 AC

RESIDENTIAL SUMMARY:
 LOT COUNT: 96
 CLIENT LOTS: 96

COMMERCIAL SUMMARY:
 MAJOR RETAIL: 102,000 SF
 SMALL RETAIL: 27,000 SF

* SPANNED INTERSECTION



OVERALL SITE PLAN
 FAIRVIEW at NORTHGATE
 Vallejo, California

C.1
 AUGUST 2017

Exhibit B
 2

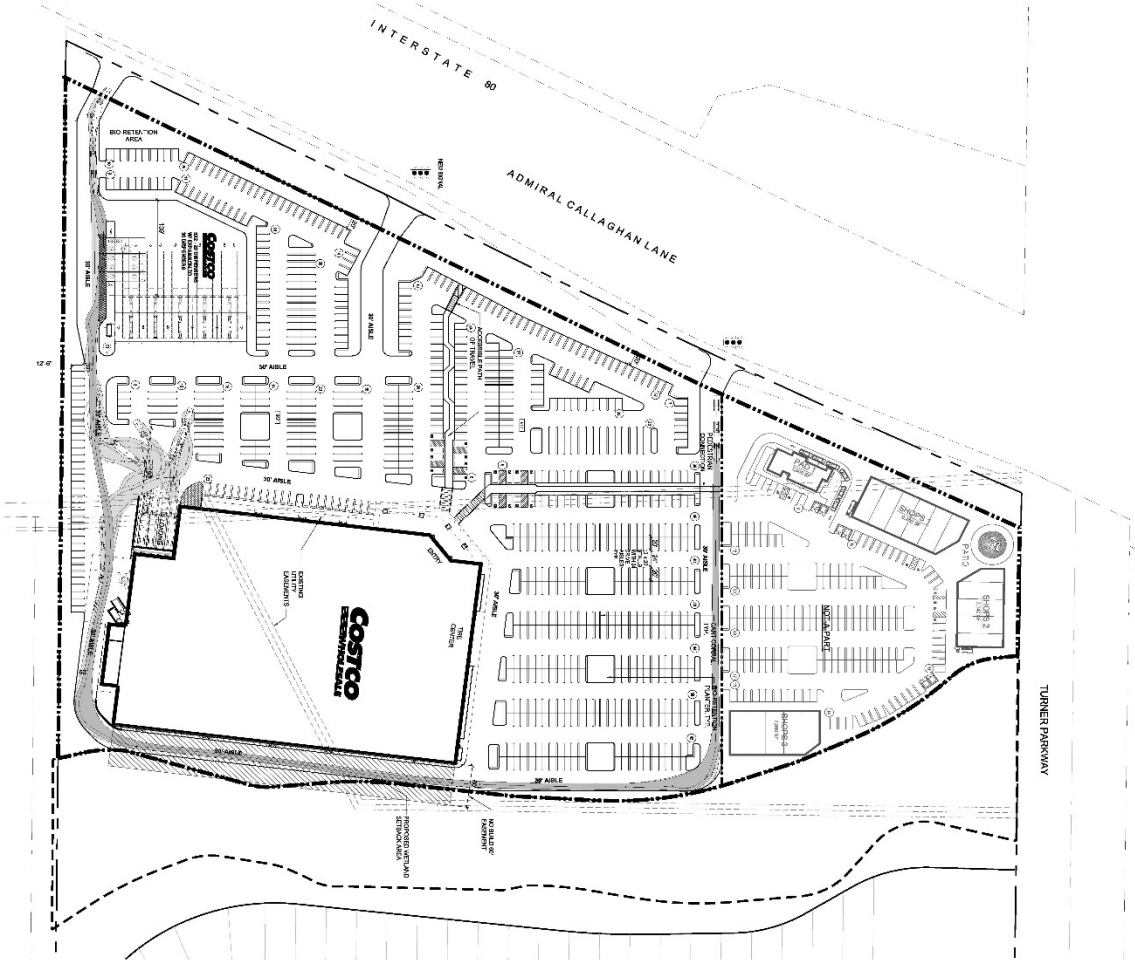
EXHIBIT C
Costco New Store

[SEE ATTACHED]

Exhibit C
1

COSTCO VALLEJO

PRELIMINARY SITE PLAN 1.5



Project Data

Client: Costco Wholesale
 999 Lake Drive
 Issaquah, WA 98027

Project Address: Admiral Callaghan Lane
 Vallejo, CA
 Solano County
 City of Vallejo, CA

Jurisdiction: City of Vallejo, CA

Zoning: Professional Shopping and Service
 Precursor: Shopping and Service
 Proposed: Professional Shopping and Service

Boundary: This plan has been prepared by
 the author and is not to be construed
 as a contract. It is the property of
 October 21, 2016 prepared by
 Nadel Studio One, Inc.

Site Data

Total Project Site Area: ± 20.3 AC (± 884,822 s.f.)

Net Costco Site Parcel Area: ± 18.7 AC (± 728,300 s.f.)

Net Retail Site Parcel Area: ± 3.6 AC (± 156,522 s.f.)

Total: ± 20.3 AC

Costco Data

Total (Net) Costco Site Parcel Area: ± 18.7 AC (± 728,300 s.f.)

Building Data

Warehouse Building: 150,178 s.f.

Warehouse Equip. Room: 480 s.f.

Pump Room: 1,000 s.f.

Total: ± 152,138 s.f.

Parking Data

10' wide stalls: 798 stalls

Accessible stalls: 178 stalls

Total Parking Provided (5:1 / 1:100): (51 / 1,000)

Parking Required (City of Vallejo): 609 stalls

4,011,000



DB+A
 SHEET 1 of 1

**EXHIBIT D
Public Improvements**

Public Improvements				
<u>Item</u>	Estimated Cost of Public Improvements¹/VFD Reimbursement	Estimated VFD Project DIF Credit²	Estimated Existing Impact Fees³	Estimated Costco Loan⁴
PG&E Gas Line Relocation	\$ 3,000,000			\$ 3,000,000
Turner Parkway	\$ 625,000			\$ 625,000
Regional Sewer Pipeline Relocation	\$ 225,000			\$ 225,000
Admiral Callaghan - 2 lanes, Traffic Signals, Signal Contributions, Utilities & Erosion Control	\$ 3,021,000	\$ 1,745,000	\$ 1,000,000	\$ 276,000
Admiral Callaghan – Wetlands Permitting	\$ 600,000			\$ 600,000
Total	\$ 7,471,000	\$ 1,745,000	\$ 1,000,000	\$ 4,726,000

¹ The Estimated Cost of Public Improvements includes a 20% contingency on hard and soft costs. The actual cost of Public Improvements will be based upon City review and approval of contracts, invoices, receipts and other relevant documentation to verify and substantiate the actual cost of the Public Improvements.

² The Estimated VFD Project DIF Credit reflects the unit count for the Residential Project and square footage and commercial use types for the Retail Project as indicated in the VFD Project application. The actual VFD Project DIF Credit will reflect the final approved unit count for the Residential Project and final approved square footage and commercial use types for the Retail Project.

³ The Estimated Existing Impact Fees reflects the City's preliminary determination of funds available from its Transportation Impact Mitigation Fee to fund that portion of the VFD Reimbursement equal to the actual cost of Public Improvements that are listed in the City's Capital Improvement Program not already funded by the VFD Project DIF Credit . The actual Existing Impact Fees available from its Transportation Impact Mitigation Fee to fund the cost of Public Improvements that are listed in the City's Capital Improvement Program will be determined by City in its sole discretion in connection with the consideration of the Costco Financing Agreement and Reimbursement Agreement.

⁴ The Estimated Costco Loan is the difference between the Estimated Cost of the Public Improvements and the sum of the Estimated VFD Project DIF Credit and Estimated Existing Impact Fees. The actual amount of the Costco Loan will be the difference between the actual cost of the Public Improvements and the sum of the actual VFD Project DIF Credit and the actual amount of the Existing Impact Fees, but in no event shall exceed \$6,000,000.

Vallejo Cooke Property (Approx. 20 Acres) - Proposed Retail Project

Fiscal Impact Analysis

Summary of Estimated Sales Tax Fiscal Impacts to City

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Stabilized Escalation Rate	Year 0-30 Nominal Total
GROSS Revenues												
Sales Tax	\$1,223,100	\$1,352,400	\$1,429,500	\$1,483,500	\$1,520,100	\$1,580,300	\$1,642,900	\$1,707,900	\$1,775,500	\$1,845,800	3.0%	\$62,004,600
Measure B / V Transactions Tax	\$1,223,100	\$1,352,400	\$1,429,500	\$1,483,500	\$1,520,100	\$1,580,300	\$1,642,900	\$1,707,900	\$1,775,500	\$1,845,800	3.0%	\$62,004,600
Estimated Total Gross Revenues	\$2,446,200	\$2,704,800	\$2,859,000	\$2,967,000	\$3,040,200	\$3,160,600	\$3,285,800	\$3,415,800	\$3,551,000	\$3,691,600		\$124,009,200
LESS Existing Revenues												
Sales Tax (from existing Big Box store sales)	\$905,700	\$932,900	\$960,900	\$989,700	\$1,019,400	\$1,050,000	\$1,081,500	\$1,113,900	\$1,147,300	\$1,181,800	3.0%	\$38,883,200
Measure B / V Transactions Tax (from existing Big Box store sales)	\$905,700	\$932,900	\$960,900	\$989,700	\$1,019,400	\$1,050,000	\$1,081,500	\$1,113,900	\$1,147,300	\$1,181,800	3.0%	\$38,883,200
Estimated Total Existing Revenues	\$1,811,400	\$1,865,800	\$1,921,800	\$1,979,400	\$2,038,800	\$2,100,000	\$2,163,000	\$2,227,800	\$2,294,600	\$2,363,600		\$77,766,400
NET NEW Revenues												
Sales Tax	\$317,400	\$419,500	\$468,600	\$493,800	\$500,700	\$530,300	\$561,400	\$594,000	\$628,200	\$664,000		\$23,121,400
Measure B / V Transactions Tax	\$317,400	\$419,500	\$468,600	\$493,800	\$500,700	\$530,300	\$561,400	\$594,000	\$628,200	\$664,000		\$23,121,400
Estimated Total Net New Revenues	\$634,800	\$839,000	\$937,200	\$987,600	\$1,001,400	\$1,060,600	\$1,122,800	\$1,188,000	\$1,256,400	\$1,328,000		\$46,242,800
Reference: Cumulative Total Net New	\$634,800	\$1,473,800	\$2,411,000	\$3,398,600	\$4,400,000	\$5,460,600	\$6,583,400	\$7,771,400	\$9,027,800	\$10,355,800		
Reference: Cumulative PV @ 3.0%	\$616,300	\$1,407,100	\$2,264,800	\$3,142,300	\$4,006,100	\$4,894,300	\$5,807,300	\$6,745,100	\$7,708,000	\$8,696,200		
Reference: Cumulative PV @ 5.75% *	\$598,900	\$1,345,600	\$2,132,500	\$2,914,700	\$3,663,000	\$4,410,700	\$5,157,400	\$5,902,800	\$6,646,500	\$7,388,000		
Reference: Year of Project Occupancy	1	2	3	4	5	6	7	8	9	10		

Notes:

* Discount rate of 5.75% represents an estimated range of 5.25% to 6.25% consistent with prevailing BBB-rated taxable bond interest rates

Estimated impacts upon Project build-out (estimated in 2021)

Assumes installation of necessary public infrastructure

Actual absorption will depend on market conditions and other factors.

Values in 2018 dollars



The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis.

1601 N. Sepulveda Blvd. #382, Manhattan Beach, CA 90266 | (424) 297-1070 | www.kosmont.com



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Terrance Davis, Public Works Director
SUBJECT: **CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH NEXGEN AM**

RECOMMENDATION

Authorize the City Manager to execute the attached three year Consultant and Services Agreement with NEXGEN AM for the purchase and implementation of an asset management system in the amount not to exceed \$941,236.

REASONS FOR RECOMMENDATION

At present, the City does not currently have an unified and up-to-date asset management system, which is critical for work order management, life cycle costing, and capital planning. Although the City has a variety of legacy work order systems in use, the current systems lack integration capabilities and mobile accessibility, and in many instances, due to their age, are no longer supported or updated by the system vendors. Staff seek to establish a single asset management and work order system that can be used Citywide.

BACKGROUND AND DISCUSSION

Formal and deliberate management of the City of Vallejo's assets is necessary to maximize the return on the City's capital and operating investments, and ensure that services are provided optimally to the citizens of Vallejo. To achieve these objectives, improvements to the City's asset management systems and practices are needed to ensure that capital and operating decisions are made with consideration for long-term impacts over the full life cycle of the assets.

Beginning in 2016, staff initiated a selection process to look for a web-based asset management system to replace a variety of legacy systems that were either no longer supported by the vendors, or failed to meet the operational and planning needs of departments. A focused set of selection criteria was identified, which included: mobile accessibility, ability to integrate with existing City systems (SeeClickFix, HTE Financial, and graphical information systems), life cycle reporting capabilities, work order management, and annual maintenance costs.

A Request for Proposals (RFP) was issued in June 2016 and four companies responded. Three of the four companies met the basic requirements of the RFP and were invited to provide a presentation to a selection committee consisting of Managers, Supervisors, and field staff. They attended the presentations and were asked to rate each presentation based on functionality and perceived ease of use. Based on the ratings from the selection committee, NEXGEN AM was both the highest rated proposal and the lowest bidder.

During Fiscal Year 2016-17, ongoing contract negotiations with NEXGEN AM were considerably delayed due to organizational changes associated with the separation of the Public Works and Water Departments.

However, during this elapsed time, NEXGEN AM expanded its mobile applications offerings to include both Android and Apple devices, and refined its integration protocols for existing City software systems.

The three year contract agreement includes project management support, cloud based storage, integration with existing City systems, and ongoing maintenance and client support. As a cloud based system, additional years can be renewed by the City to continue cloud based storage, support, and maintenance.

The asset management system has been structured for Citywide implementation over a ten month period, in the following phases:

Phase 1: Public Works, Water, and IT Departments (July - Dec. 2018)

Phase 2: Police and Fire Departments (Jan. 2019 - Mar. 2019)

Phase 3: All other departments (Jan - Mar. 2019)

FISCAL IMPACT

The cost to implement Phase 1 of the NEXGEN AM system is \$542,912 for the Public Works and Water Departments. The cost for Phase 2 is an additional \$33,324 for Police and Fire Departments. These costs are inclusive of project management for implementation, identifying use requirements, mapping business processes, migrating existing asset management data to NEXGEN AM, configuring the system to meet the users needs in areas such as functional requirements and asset management best practices, integration with GIS, implementation of mobile devices, pre-deployment training, and post-deployment support.

There is a one-time licensing cost of \$20,000. Staff has elected for the annual maintenance cost of \$110,000 for each year, up to additional two years, adjusted for inflation, after the year of implementation in 2018 (three years total). The annual fee is dependent on the amount of data stored and transferred per month across the NEXGEN AM system. The total cost of annual maintenance will not exceed, \$345,000.

Departments participating in the implementation and utilization of NEXGEN AM are moving funds from the department operation funds to a CIP fund. The recommended budget is as follows:

Items	Revenues	Expenditures
Water	425,000	
Public Works	425,000	
IT	50,000	
Police/Fire	41,236	
NEXGEN AM		941,236
Total	941,236	941,236

There is no fiscal impact on the General Fund associated with the approval of this agreement.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	NEXGEN Consultant and Professional Services Agreement_Stamped 5.3.18
2.	Exhibit A - Scope of Work 4 24 18
3.	Exhibit B - Compensation 4.24.18

CONTACT

Mey S. Saephan, Administrative Analyst I (707) 553-7239

mey.saephan@cityofvallejo.net

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

This Consultant and Professional Services Agreement ("Agreement") is made at Vallejo, California, dated for reference this _____ day of _____, 2018, by and between the City of Vallejo, a municipal corporation ("City"), and NEXGEN Utility Management Inc. (dba NEXGEN Asset Management), hereinafter referred to as "Consultant", who agree as follows:

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

Approved as to Form:

By: 
City Attorney

The provisions of this section shall survive the expiration or termination of this Agreement.

5. Agreement and are not limited by any provisions relating to insurance in this Agreement.

6. **Insurance Requirements.** Consultant agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements for Consultant." Failure to maintain required insurance at all times shall constitute a default and material breach.

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

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

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

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

11. Business License. Consultant, and its subcontractors, has obtained or agrees to apply prior to performing any services under this Agreement to City's Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement. The failure to obtain such license shall be a material breach of this Agreement and grounds for termination by City. No payments shall be made to Consultant until such business license(s) has been obtained.

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

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

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

Consultant is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work and shall prepare plans, reports, and/or other work products in such a way that additional costs will not be incurred or, beyond a project budget approved or amended by the City Manager or his or her designee.

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

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

and electrical blackouts or brownouts.

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

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

15. Personnel. Consultant agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement.

The payment made to Consultant pursuant to this Agreement shall be the full and complete compensation to which Consultant and Consultant's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Consultant nor Consultant's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Consultant. The City shall not be required to pay any workers' compensation insurance on behalf of Consultant.

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

16. Consultant Not Agent. Except as authorized under this Agreement or as City may authorize in a letter of authorization signed by the City Manager or his or her designee, Consultant shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, under this Agreement, to bind City to any obligation whatsoever.

17. Term.

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

If the term of this Agreement extends into fiscal years subsequent to that in which it is approved, such continuation of the Agreement is contingent on the appropriation of funds for such purpose by the City Council of the City of Vallejo. If funds to effect such continued payment are not appropriated, Consultant agrees

to terminate any services supplied to City of Vallejo under this Agreement, and relieve City of any further obligation therefore.

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

The City shall pay Consultant for services performed in accordance with this Agreement before the date of termination. If this contract provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be based on an amount mutually agreed to by City and Consultant for the portion of work completed in conformance with this Agreement before the date of termination. In addition, the City will reimburse Consultant for authorized expenses incurred and not previously reimbursed. The City shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

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

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

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

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

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

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

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

23. Non-Discrimination/Fair Employment Practices.

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

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

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

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

24. Notices. All notices or instruments required to be given or delivered by law

or this Agreement shall be in writing and shall be effective upon receipt thereof and shall be by personal service or delivered by depositing the same in any United States Post Office, registered or certified mail, postage prepaid, addressed to:

If to City: Terrance Davis
Public Works Director
Public Works Department
555 Santa Clara Street
Vallejo, CA 94590

If to Consultant: Vincent Yee, P.E.
President/Project Manager
NEXGEN Asset Management
4010 Lennane Drive
Sacramento, CA 95834

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

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

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

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

26. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of Solano County in the State of California or in the United States District Court, Eastern District of California, Sacramento, California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

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

28. Ambiguity. The parties acknowledge that this is a negotiated agreement,

that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

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

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

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

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

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

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

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

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

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

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

36. Facsimile Signature; Electronic Signature. This Agreement shall be binding upon the receipt of facsimile signatures or e-mailed by PDF or otherwise. Any person transmitting his or her signature by facsimile or electronically shall promptly send an original signature to the other party pursuant to the notice provision of this Agreement. The failure to send an original shall not affect the binding nature of this Agreement.

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

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

Exhibit A, entitled "Scope of Work," including any attachments.

Exhibit B, entitled "Compensation," including any attachments.

Exhibit C, entitled "Insurance Requirements," including any attachments.

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

NEXGEN Utility Management Inc.
(dba NEXGEN Asset Management)

CITY OF VALLEJO,
A municipal corporation

By: _____
Vincent Yee, P.E.
President/Project Manager

By: _____
Terrance Davis
Public Works Director

DATE: _____

DATE: _____

Vallejo Business License No.

ATTEST:
By: _____
Dawn G. Abrahamson
City Clerk

(City Seal)

APPROVED AS TO CONTENT:

Allan A. Panganiban
Interim Assistant Public Works
Director /City Engineer

APPROVED AS TO FORM AND
INSURANCE:

Claudia Quintana
City Attorney

EXHIBIT A
SCOPE OF WORK

1. Representatives.

The City Representative for this Agreement is:

Terrance Davis
Public Works Director
Public Works Department
555 Santa Clara Street
Vallejo CA 94590
Phone: 707-648-4301
Fax: 707-648-4691

The Consultant's Representative for this Agreement is:

Vincent Yee
President/Project Manager
NEXGEN Asset Management
4010 Lennane Drive
Sacramento, CA 95834
Phone: 916-564-8000
Fax: 916-564-8030

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

2. Services to be Provided.

The services provided shall be as set forth in Attachment 1 of Exhibit A, attached hereto -and incorporated herein by this reference.

3. Time for Performance. Consultant will perform the services according to the schedule contained in Attachment 1 of Exhibit A. If the schedule calls for the services to be performed in phases or discrete increments, Consultant shall not proceed from one phase or increment to the next without written authorization from the City's Representative. Consultant will complete all services by June 30th, 2021.

EXHIBIT B
COMPENSATION

1. Consultant's Compensation.

A. Services: City agrees to pay Consultant, at the rate(s) specified below, for those services set forth in Exhibit A of this Agreement and for all authorized reimbursable expenses, for a total not to exceed nine hundred forty-one thousand two hundred thirty-six dollars (\$941,236).

Consultant shall notify City in writing no later than thirty (30) days prior to the estimated date when Consultant will have billed City the maximum payment amount permitted under this Agreement, and Consultant shall provide City with an estimate of the additional compensation required to complete the project.

B. Additional Services:

1. Additional services are those services related to the scope of Services of Consultant as set forth in Exhibit A but not anticipated at the time of execution of this Agreement ("Additional Services"). Additional Services shall be provided only when authorized by an amendment to this Agreement and approved by the City Manager, or his or her designee. City reserves the right to perform any Additional Services with its own staff or to retain other Consultants to perform said Additional Services. Any costs incurred due to the performance of Additional Services prior to the execution of an amendment will not be reimbursed under this Agreement or an amendment.

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

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

Consultant's billable hourly rates shall be:

Position	Billable Hourly Rates (\$/hr)
Project Manager/Principal	\$240/hour
Senior Management Technologist/Senior Software Developer/ Senior Project Implementer	\$220/hour
Associate Management Technologist/Associate Software Developer/Associate Project Implementer	\$200/hour
Assistant Management Technologist/Assistant Software Developer/Assistant Project Implementer	\$180/hour

3. Consultant’s Reimbursable Expenses.

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

4. Payments to Consultant.

A. Payments to Consultant shall be made within a reasonable time after receipt of Consultant’s invoice, said payments to be made in proportion to services performed. Consultant may request payment on a monthly basis. Consultant shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of City.

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

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

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

D. Request for payment shall be sent to:

Terrance Davis

Public Works Director
Public Works Department
555 Santa Clara Street
Vallejo CA 94590

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

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

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

7. Taxpayer Identification Number. Consultant shall provide City with an IRS Form W-9, Request for Taxpayer Identification Number and Certification, containing an original signature and any other State or local tax identification number requested by City.

EXHIBIT C

INSURANCE REQUIREMENTS

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

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:

A. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

B. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 any auto and endorsement CA 0025.

C. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

D. Professional Liability insurance appropriate to the Consultant's profession (Errors and Omission).

2. Minimum Limits of Insurance:

Consultant shall maintain limits no less than:

A. General Liability: \$2,000,000.00 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, coverage shall be twice the per occurrence amount.

B. Automobile Liability: \$1,000,000.00 per accident for bodily injury and property damage.

C. Workers' Compensation and Employer's Liability: \$1,000,000.00 per accident for bodily injury or disease. If Borrower is not subject to California Workers' Compensation requirements, Borrower shall file a completed certificate of exemption form which may be obtained from the City of Vallejo prior to commencing any activity authorized hereunder.

D. Professional Liability, (Errors and Omission): \$1,000,000.00 combined single limit per claim, and annual aggregate, as applicable.

3. Deductible and Self-Insured Retention. Any deductibles or self-insured retention must be declared to and approved by the City's Risk Manager. If the deductibles or self-insured retention limit is unacceptable to the City's Risk Manager, at his or her option, the insurer shall either reduce or eliminate such deductibles or self-insured retention as respects the City of Vallejo, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

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

A. The City of Vallejo, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; or automobiles owned, leased hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City of Vallejo, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.

B. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City of Vallejo, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City of Vallejo, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

C. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.

D. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party,

reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

The workers' compensation and employer's liability policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against City, its officers, officials, employees, agents and volunteers, which might arise by reason of payment under such policy in connection with Consultant's performance under this Agreement.

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

6. Verification of Coverage. Consultant shall furnish the City with original certificates of insurance for all insurances required by this Agreement and endorsements effecting general and automobile liability insurance coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City Attorney before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage, by this Agreement at any time. All verification of coverage and other insurance documents shall be mailed to the following address or to any other subsequent address as may be directed in writing by the City Attorney:

City of Vallejo
Attn: City Attorney
555 Santa Clara Street
Vallejo, CA 94590

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

8. Payment Withhold. City will withhold payments to Consultant if the certificates of insurance and endorsements required in Paragraph F, above, are canceled or Consultant otherwise ceases to be insured as required herein.

Attachment 1 of Exhibit A

City of Vallejo NEXGEN Asset Management

Scope of Work

Purpose

The purpose of this document is to present the scope of work and budget for the City of Vallejo's (City) Computer Maintenance Management System implementation of the NEXGEN Asset Management software.

Assumptions

This project is to be implemented for the City's Water and Public Works Departments which will include the Water Distribution, Water Facilities, Facilities, Streets, Traffic, Grounds and Fleet divisions. The scope of work and budget for this project is to implement NEXGEN Asset Management for those seven divisions. We have included a separate implementation scope of work for the City's Police Department.

Scope of Work

Water and Public Works Departments

Task 1. Project Management	
Objectives	The purpose of this task is to manage the project within schedule, budget and delivery.
Activities	<ol style="list-style-type: none"> 1. NEXGEN's project delivery approach will plan, schedule, and deliver a benchmark project on schedule and within budget. 2. Bi-Weekly communication with project team to track project delivery. 3. Monthly progress reports. 4. Work with City Department and Division representatives on project coordination and information gathering.
Deliverables	<ul style="list-style-type: none"> <input checked="" type="checkbox"/> Project delivered within budget and schedule. <input checked="" type="checkbox"/> Communication and coordination with department and division asset management team representatives.
Task 2. Identify user requirements and map business processes	
Objectives	The purposes of this task are to assess City's AM user requirements and map business processes to be used for configurations.
Activities	<ol style="list-style-type: none"> 1. We will meet with users (specific to AM functionalities) from the Water Distribution, Water Facilities, Facilities, Streets, Traffic, Grounds and Fleet divisions to identify functional requirements of AM, based on their user needs. Desired functionalities of AM will drive the configurations. 2. Review the current workflows for the City's current CMMS and determine improvement opportunities. 3. Document the City's AM functional requirements & acquire validation from staff. 4. Work with City staff to identify the business processes that are required to support the

	functional requirements.
Deliverables	<ul style="list-style-type: none"> ■ Technical memorandum summarizing the City’s AM user requirements and mapped business processes.
Task 3. Migrate Data Into NEXGEN AM	
Objectives	The purpose of this task is to migrate City’s CMMS data into NEXGEN AM.
Activities	<ol style="list-style-type: none"> 1. Migrate existing data including asset inventory, warehouse inventory, resources, service requests, historical work orders and preventive maintenance schedules from City’s CMMS into NEXGEN AM. 2. Organize assets by locations and classes. Work with City staff to determine specific fields for each class of asset. 3. Acquire validation on the asset location and class hierarchies from the divisions prior to data migration. 4. Work with Departments and Divisions on identifying the standard asset attributes with respect to asset classes. We have assumed that City staff will be gathering any necessary asset information to be migrated.
Deliverables	<ul style="list-style-type: none"> ■ Populated data into NEXGEN AM. ■ Asset attribute fields set up for specific asset classes.
Task 4. Configure to City’s Requirements	
Objectives	The purposes of this task are to configure the NEXGEN AM to support City’s current user needs, functional requirements and asset management best practices, and test the configuration.
Activities	<ol style="list-style-type: none"> 1. We will work with City’s staff to configure the NEXGEN AM to support the identified business processes and asset management best practices. 2. City staff to test configurations and recommend any improvements. 3. Configure security and notification settings based on user requirements and business processes. 4. We will optimize configurations based on City’s recommendations.
Deliverables	<ul style="list-style-type: none"> ■ Optimized configurations.
Task 5. Integrate with City’s Information Systems	
Objectives	The purposes of this task are to integrate NEXGEN AM with City’s Information Systems including Geographic Information System, Service Request Portal and HTE Financial Information System.
Activities	<ol style="list-style-type: none"> 1. We will integrate the City’s Open Spatial Geographic Information System (GIS) with NEXGEN AM. Updates with the Open Spatial will need to be converted into shape files that will reflect in the NEXGEN AM software. 2. We will integrate the City’s See Click Fix customer service request portal with NEXGEN that will automatically create service requests in NEXGEN. 3. We will integrate with the City’s HTE Financial System with NEXGEN. This will be a 2 way integration from HTE to NEXGEN on the warehouse inventory (inventory, counts, costs). Users in NEXGEN will use the inventory in work orders and at the end of the day, will send the updated warehouse inventory (inventory, counts, costs) back into HTE. All warehouse inventory management workflow process will continue to be managed in HTE. Only warehouse inventory, counts and costs are integrated between the 2 systems. 4. Program and test the integration.
Deliverables	<ul style="list-style-type: none"> ■ NEXGEN AM integrated with GIS, Service Request Portal and HTE Financial System.



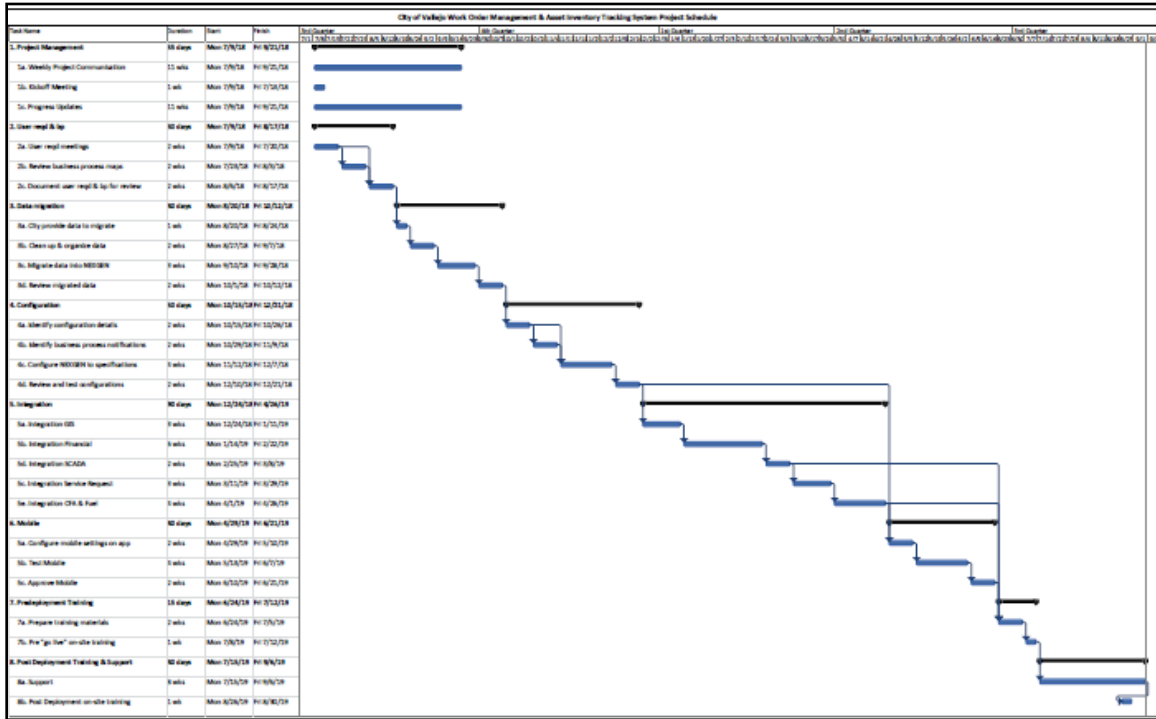
Task 6. Mobile Implementation	
Objectives	The purpose of this task is to implement mobile devices ipad or laptops for field access of NEXGEN.
Activities	<ol style="list-style-type: none"> 1. We have assumed that the City will provide the required Droid Tablets to be implemented. Tablets must have cellular capabilities if implemented in areas without Wi-Fi. 2. Configure mobile devices for field implementation. 3. Training field users on mobile devices.
Deliverables	<input checked="" type="checkbox"/> Mobile devices implemented for field usage.
Task 7. Testing	
Objectives	The purpose of this task is to test the configuration to ensure that it fits City's requirements.
Activities	<ol style="list-style-type: none"> 1. Work with City staff to test configurations and recommend any improvements. Field testing period will be 2 weeks. 2. Configure security and notification settings based on user requirements and business processes. 3. City will approve and sign off on testing.
Deliverables	<input checked="" type="checkbox"/> NEXGEN AM tested to fit City requirements.
Task 8. Pre Deployment Training	
Objectives	The purposes of this task are to train and deploy NEXGEN AM.
Activities	<ol style="list-style-type: none"> 1. Develop training/user manuals. 2. 5 – 8 hr. on-site training prior to roll out.
Deliverables	<input checked="" type="checkbox"/> 5 (8 hr.) on-site training sessions.
Task 9. Post Deployment Support	
Objectives	The purposes of this task are to train and deploy NEXGEN AM.
Activities	<ol style="list-style-type: none"> 1. Weekly web conference call “office hours” after deployment to provide users opportunities to ask questions, acquire additional training and support. 2. Post deployment on-site training to provide additional training and transition to support.
Deliverables	<input checked="" type="checkbox"/> 8 weekly 2 hour web conference after deployment to provide additional training. <input checked="" type="checkbox"/> 1 – 2 day (16 hr) on-site training post deployment to be scheduled after 2 months of deployment.

Police Department

Task 1. Project Management	
Objectives	The purpose of this task is to manage the project within schedule, budget and delivery.
Activities	<ol style="list-style-type: none"> 1. NEXGEN's project delivery approach will plan, schedule, and deliver a benchmark project on schedule and within budget. 2. Bi-Weekly communication with project team to track project delivery. 3. Monthly progress reports.
Deliverables	<ul style="list-style-type: none"> Project delivered within budget and schedule.
Task 2. Identify user requirements and map business processes	
Objectives	The purposes of this task are to assess City's AM user requirements and map business processes to be used for configurations.
Activities	<ol style="list-style-type: none"> 1. We will meet with users in the Police Department to identify functional requirements of AM, based on their user needs. Desired functionalities of AM will drive the configurations. 2. Document the City's AM functional requirements & acquire validation from staff. 3. Work with City staff to identify the business processes that are required to support the functional requirements.
Deliverables	<ul style="list-style-type: none"> Technical memorandum summarizing the City's AM user requirements and mapped business processes.
Task 3. Configure to City's Requirements	
Objectives	The purposes of this task are to configure the NEXGEN AM to support City's current user needs, functional requirements and asset management best practices, and test the configuration.
Activities	<ol style="list-style-type: none"> 1. We will work with City's staff to configure the NEXGEN AM to support the identified business processes and asset management best practices. 2. City staff to test configurations and recommend any improvements. 3. Configure security and notification settings based on user requirements and business processes. 4. We will optimize configurations based on City's recommendations.
Deliverables	<ul style="list-style-type: none"> Optimized configurations.
Task 4. Training	
Objectives	The purposes of this task are to train and deploy NEXGEN AM.
Activities	<ol style="list-style-type: none"> 1. Develop training/user manuals. 2. 1 – 8 hr. on-site training prior to roll out.
Deliverables	<ul style="list-style-type: none"> 1 (8 hr.) on-site training sessions.

Schedule





The project will take approximately 14 months with room to be more aggressive. Assuming the project begins in July 2018, it will be completed around the end of August 2019.



Cost

NEXGEN’s software includes all modules on the desktop and the mobile iPad app. There is a onetime cost to set up the servers. Annual maintenance costs include technical support, upgrades, custom reports and annual review.

The following cost includes the following:

-  Comprehensive for all work groups. As many domains as needed.
-  Desktop and mobile licenses for iPad or Mobile Windows OS.
-  Maintenance & Technical Support.
-  Upgrades.

Software Cost

The software will be hosted by Amazon Web Services. With the unlimited users, the pricing is based on the quantity for data storage and data transfer. We understand that the City would like to start with the NEXGEN Cloud 660 (6TB of Storage, 60 GB/month of Data Transfer). If the City exceeds the storage limit or data transfer limit, they will automatically be increased to the next tier and will be billed accordingly.

Tier	Users	Storage Limit	Data Transfer Limit	One Time Cost	Annual Cost(\$)
1. NEXGEN Cloud 660 (6TB/60GB)	<i>Unlimited</i>	<i>5 TB</i>	<i>60 GB/Month</i>	<i>\$20,000</i>	<i>\$110,000</i>
2. NEXGEN Cloud 770 (7TB/70GB)	Unlimited	7 TB	70 GB/Month	No additional fee if upgraded	\$130,000

Contractor Portal

The Contractor Portal is to be used in conjunction with the NEXGEN Asset Management Software. The Contractor Portal is an external website that allows the contractors to retrieve and complete the work orders, which will automatically update in the NEXGEN Asset Management software. City will be able to assign work orders to contractors from NEXGEN Asset Management, which will notify contractors via email. Contractors will then login to the contractor portal from a computer, tablet or phone to retrieve the work orders to complete the work order. Contractors will have the ability to attach photos, invoices, add job costs, materials costs and comments to the work orders. The City will then receive notifications of submitted work orders from Contractor. The cost of the contractor portal is to set up the contractor portal and to maintain and support it. It is for one contractor portal that can be accessible by unlimited contractors that are registered on the system. This is for the standard NEXGEN Contractor Portal. Any customization will be additional fees.

Option	Number	One Time Cost	Annual Maintenance Cost (\$)
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1.	City of Vallejo Contractor Portal	1 portal, unlimited contractor logins	\$10,000	\$10,000
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Implementation Services Cost

Water and Public Works Implementation Services Cost

The full service implementation services for Water and Public Works Departments is \$542,912.

Task Name	PM	Sr. MT	MT2	MT1	(hr)	Labor (\$)	Expense	Total Cost
1. PM	104		208		312	\$ 66,560	\$ 5,328	\$ 71,888
2. User Requirement	40	20	40		100	\$ 22,000	\$ 2,600	\$ 24,600
3. Data migration	48	120	160	160	488	\$ 98,720	\$ 4,936	\$ 103,656
4. Configuration	48	120	160	160	488	\$ 98,720	\$ 4,936	\$ 103,656
5a. Integration - GIS		100	80	40	220	\$ 45,200	\$ 2,260	\$ 47,460
5b. Integration - Service Request Portal		40	80	80	200	\$ 39,200	\$ 1,960	\$ 41,160
5c. Integration - HTE-Financial		40	60		100	\$ 20,800	\$ 1,040	\$ 21,840
6. Mobile	8	80	40	80	208	\$ 41,920	\$ 2,096	\$ 44,016
7. Testing	8	24	24		56	\$ 12,000	\$ 600	\$ 12,600
8. Predeployment Training	48	40	40		128	\$ 28,320	\$ 3,916	\$ 32,236
9. Post Deployment Training		60	60	60	180	\$ 36,000	\$ 3,800	\$ 39,800
Total =	544	864	1,152	760	2,480	\$ 509,440	\$ 33,472	\$ 542,912

Police Department Implementation Services Cost

The Police Department implementation services cost is \$33,324

Task Name	PM	Sr. MT	MT2	MT1	(hr)	Labor (\$)	Expense	Total Cost
1. PM	16		16		32	\$ 7,040	\$ 1,352	\$ 8,392
2. User Requirement	8		10		18	\$ 3,920	\$ 1,196	\$ 5,116
3. Configuration	8		40	20	68	\$ 13,520	\$ 676	\$ 14,196
4. Training	10		10		20	\$ 4,400	\$ 1,220	\$ 5,620
Total =	282	220	276	200	138	\$ 28,880	\$ 4,444	\$ 33,324

Summary Cost

Item	Cost
NEXGEN Asset Management Software Cost	\$130,000
Implementation Services – Water & Public Works	\$542,912
Implementation Services – Police	\$33,324
Year 1 Total	\$706,236
Year 2 Annual Cost	\$115,000
Year 3 Annual Cost	\$120,000
3 Year TOTAL	\$941,236







DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Kelly Trujillo, Assistant City Attorney
SUBJECT: INTRODUCTION OF AN ORDINANCE AMENDING VALLEJO MUNICIPAL CODE CHAPTER 8.56 RELATING TO SOUND AND LIGHTING PERMITS

RECOMMENDATION

Introduce an Ordinance amending Chapter 8.56 of the Vallejo Municipal Code, "Operation of Sound Amplifying or Lighting Equipment."

REASONS FOR RECOMMENDATION

The Sound Amplifying, Loudspeaker or Lighting Equipment ordinance was first enacted by the City Council in 1971 and subsequently updated in 1973 and 1997. A further update is now proposed to ensure the ordinance complies with developments in the law surrounding First Amendment issues.

BACKGROUND AND DISCUSSION

Certain portions of this ordinance are currently being challenged in the lawsuit, *Cuviello v. City of Vallejo*, pending in federal court. While the ordinance is defensible in its current form, revisions are suggested to ensure that nuances in law and technology are incorporated.

The proposed revisions include express findings about the need for regulation of the use of sound amplifying devices, and lighting equipment, updated permit conditions, exceptions to the permit requirement, appeal procedure for the denial of a permit and a fee waiver provision for those applicants that are unable to pay the permit fee.

FISCAL IMPACT

The proposed ordinance is not expected to have any fiscal impact on General Fund revenues.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	ORDINANCE+revision+sound+permit+0522 (2) approved final
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CONTACT

Kelly Trujillo, Assistant City Attorney (707) 648-4545

kelly.trujillo@cityofvallejo.net

ORDINANCE NO. _____ N.C. (2d)

AN ORDINANCE AMENDING VALLEJO MUNICIPAL CODE CHAPTER 8.56
RELATED TO THE OPERATION OF SOUND AMPLIFYING OR LIGHTING
EQUIPMENT

[Deleted text is shown in ~~strikethrough~~
Added text is shown in ***bold italic***]

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

SECTION 1. Chapter 8.56 of the Vallejo Municipal Code is hereby amended to read as follows:

Chapter 8.56 - OPERATION OF SOUND AMPLIFYING ~~DEVICE, LOUDSPEAKER,~~ OR LIGHTING
EQUIPMENT

8.56.010 - Findings.

- A. *The use or operation of sound amplifying devices and lighting equipment to project light and sound outside of any building or at any location out of doors in the City may be detrimental to the health, welfare, and safety of the inhabitants of the City, in that such use or operation diverts the attention of pedestrians and vehicle operators in the public streets and places, thus increasing traffic hazards and potentially causing injury to life and limb. Further, such use or operation may disturb the public peace and comfort and the peaceful enjoyment by the people of their rights to use the public streets and places for public purposes, and may disturb the peace, quiet, and comfort of the neighboring inhabitants.*
- B. *Advance notice of the use of sound amplifying devices and lighting equipment allows the City to provide necessary protection and other services to groups and individuals using the devices and to those who may be affected by them.*
- C. *As a result, while sound amplifying devices and lighting equipment are recognized instruments of effective public speech, appropriate time, place, and manner restrictions on the use of such equipment are necessary to protect the public peace and welfare.*

8.56.020 – Definitions.

As used in this chapter, the terms:

Approved as to Form

By: 
City Attorney

- A. Sound amplifying device shall refer to all mechanical and electrical devices used to amplify sound in a manner that can be heard more than 50 feet from the device.*
- B. Lighting equipment shall refer to any electric equipment that uses light for the purpose of drawing attention to a place, person, or thing, or that uses light to depict or project any image or message in a manner that can be legibly perceived more than 50 feet from the equipment.*

8.56.010 ~~8.56.030~~ - Permit required.

Except as stated in Section 8.56.040, It is unlawful for any person, firm, corporation, association, club, partnership, society, or any other organization, to operate or cause to be operated any sound amplifying or loudspeaking device, or any lighting equipment used to attract public attention, upon any public street, parkway, thoroughfare, or on privately or publicly owned property, without first obtaining a Sound and Light permit from the chief of police to do so.

8.56.040 – Exceptions.

- A. No Sound and Light Permit is required to use a sound amplifying device or lighting equipment to engage in expressive conduct in response to an occurrence whose timing did not reasonably allow the applicant to file a timely application and the imposition of this time limitation would place an unreasonable restriction on free speech. A person or organization seeking to use a sound amplifying device or lighting equipment pursuant to this exception must make a reasonable effort to advise the chief of police of the time, place, and nature of the anticipated use at the earliest possible opportunity and in any event no later than one hour before commencing use of such a device.*
- B. No Sound and Light Permit is required for use on private property or within a privately owned structure, with permission of the owner of the property or structure, where the sound does not exceed 40 decibels from the nearest point of any neighboring property.*

8.56.020 ~~8.56.050~~ - Permit—Application.

The person applying for a permit shall file with the chief of police, *or his or her designee*, an application in writing on forms provided by him for that purpose giving the *following* information: ~~required.~~ *(1) the name, address and contact information of the applicant; (2) the proposed time and date of the use of a sound amplifying device or lighting equipment; (3) the proposed location of such use; (4) if the proposed location is on private property, evidence of permission by the property owner; (5) a description of the sound amplifying device or lighting equipment to be used; and (6) the identification of any other permits or pending permit applications relating to the use.*

8.56.060 – Sound Amplifying Devices – Conditions of Use.

~~8.56.030 – Permit – Issuance conditions.~~

~~The chief of police shall issue a permit for the operation of sound amplifying or loudspeaker equipment within ten days after receipt of the application therefor, which shall be subject to the following regulations:~~

Use of sound amplification devices pursuant to a Sound and Light Permit is subject to the following regulations:

~~A. — The only sounds permitted are music or human speech;~~

~~A. B. The permitted hours of operation shall be between the hours of ten a.m. and **8 p.m.** sunset. In the case of events or activities occurring at public parks or the waterfront or in special circumstances, applications for the use of sound amplifying or loudspeaker equipment for hours other than those specified above may be approved by the chief of police;~~

~~C. — If mounted upon a vehicle, sound amplifying equipment shall not be operated unless the vehicle upon which such equipment is mounted is operated at a speed of at least five miles per hour except when said vehicle is stopped or impeded by traffic. Where stopped by traffic the sound amplifying equipment shall not be operated for longer than one minute at each such stop;~~

~~B. D. — Sound shall not be issued within one hundred yards of hospitals, clinics, animal care facilities, schools, churches, courthouses, or public libraries;~~

~~E. — The human speech and music amplified shall not be profane, lewd, indecent, or slanderous;~~

~~C. F. The volume of sound shall be controlled so that it will **does** not be audible for a distance in excess of one hundred feet from the sound truck and so that said volume is not unreasonably loud, raucous, jarring, disturbing, or nuisance to persons within the area of audibility **constitute a noise disturbance as defined by Chapter 7.84.**;~~

~~D. G. No sound amplifying equipment shall be operated with an excess of fifteen watts of power in the last stage of amplification.~~

~~8.56.040 – Permit – Issuance when not deleterious.~~

8.56.070 – Lighting Equipment – Conditions of Use.

~~The chief of police shall issue a permit for operation of lighting equipment which shall be subject to the following regulation:~~

~~Operation which shall not be, in the considered judgment of the chief of police, deleterious to the persons residing or traveling in the vicinity.~~

A. The permitted hours of operation shall be between the hours of ten a.m. and eight p.m. In the case of events or activities occurring at public parks or the waterfront or in special circumstances, applications for the use of sound amplifying or loudspeaker

equipment for hours other than those specified above may be approved by the chief of police.

- B. Operation of lighting equipment must not be deleterious to the persons residing or traveling in the vicinity.*

8.56.080 - Approval, Conditional Approval, Grounds for Denial.

- A. Except as stated in subsection C, the police chief must approve or conditionally approve any complete Sound and Light Permit application within three days of receipt.*
- B. The chief of police may approve any Sound and Light Permit application conditioned on compliance with additional reasonable requirements concerning the time, place or manner of the use as are necessary to coordinate multiple uses of public property, assure preservation of public property and public places, prevent dangerous, unlawful or impermissible uses, protect the safety of persons and property, and to control vehicular and pedestrian traffic in and around the proposed use, provided that such requirements shall not be imposed in a manner that will unreasonably restrict expressive or other activity protected by the California or United States constitutions.*
- C. The chief of police may deny a permit if 1) the application is incomplete; 2) the application contains materially false information, or 3) the application violates a condition of use imposed by this ordinance.*
- D. Upon request by the applicant, the chief of police must, within 24 hours, provide the applicant with a written statement explaining any conditions of approval or the grounds for the denial of any application.*

8.56.090 - Permit application—Fee.

- A. The person applying for the Sound and Light permit shall pay the applicable permit fee set by the City of Vallejo Fee Schedule in effect at the time of the permit application.*
- B. An indigent natural person who cannot apply for a permit because of an inability to pay the application fee due to such indigence shall not be required to pay the fee. Application for indigent status shall be made at the time of permit application and shall be accompanied by such relevant information and documentation as may be reasonably necessary to verify such status. For purposes of this Section 8.56.090 "indigent natural person" means:
 - 1. A person who is receiving benefits pursuant to the Supplemental Security Income (SSI) and State Supplemental Payments (SSP) programs (Sections 12200 to 12205, inclusive, of the California Welfare and Institutions Code), the California Work Opportunity and Responsibility to Kids Act (Cal WORKs) program (Chapter 2, commencing with Section 11200 of Part 3 of Division 9 of the California Welfare and**

Institutions Code), the Food Stamp program (7 U.S.C. Sec. 2011, et seq.) or Section 17000 of the Welfare and Institutions Code;

- 2. A person whose monthly income is one hundred twenty-five percent (125%) or less of the current monthly poverty line annually established by the Secretary of Health and Human Services pursuant to the Omnibus Budget Reconciliation Act of 1981, as amended;*
- C. An organization in which a majority of its members meet the criteria for indigent status, as established in Subsection (B) of this Section, may also be eligible for application fee waiver.*

8.56.100 – Appeal.

A. An applicant may appeal any denial of a fee waiver to the City Manager within five days of the receipt of the denial.

B. An applicant may appeal the denial of a permit application or any condition of approval to the City Manager and within five days of the receipt of the permit or the written statement provided pursuant to Section 8.56.080(D), whichever is later.

C. The appeal must be in writing and include a copy of the application, and set forth the grounds for the appeal.

D. The City Manager must issue a decision within three days after receiving an appeal under this section, and that decision is final. Failure to file a timely appeal constitutes a failure to exhaust administrative remedies.

8.56.050110 - Permit—Display.

The person to whom a permit is issued shall keep such permit available at the location or in the vehicle from which such equipment is being operated, and the permit shall be promptly displayed and shown to a police officer or inspector of the city of Vallejo upon request.

SECTION 2. Severability

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact one or more provisions may be declared invalid.

SECTION 3. Effective Date.

This Ordinance shall take effect and be in full force and effect from and after 30 days of its final passage.



DATE: May 22, 2018
TO: Mayor and Members of the City Council
FROM: Vice Mayor Miessner, Councilmembers Malgapo and McConnell
SUBJECT: AMENDMENT TO CITY ATTORNEY'S EMPLOYMENT AGREEMENT

RECOMMENDATION

Authorize the Mayor to execute an amendment to the city attorney's employment agreement to reflect the rollover of an amount equal to Management Incentive Pay (MIP) (120 hours or 5.77% of salary) into salary effective July 1, 2018 and an additional 2% salary increase effective July 1, 2017, consistent with the rollover and increase given to the other executive unrepresented management employees; and that such new salary be posted in the publicly available pay schedules of the city. And provide Administrative Leave (80 hours or 3.9% of salary) annually beginning on July 1, 2018.

REASONS FOR RECOMMENDATION

The city attorney was appointed on July 24, 2012 and has served in that position without any increase in compensation thus far. In September of 2017, the city council increased salaries by 2% or more for unrepresented executive staff, including all department heads. Also, the Management Incentive Pay was rolled into the salary and discontinued. In order to ensure retention and continuity, and the provision of a competitive salary, it is recommended that the city attorney's salary be adjusted in the same manner as other department heads. The proposed amendments to the employment agreement accomplish this, adds 80 hours of Administrative Leave annually while leaving all other terms unchanged.

BACKGROUND AND DISCUSSION

The city attorney was appointed on July 24, 2012. In her agreement, certain provisions reference the availability of management incentive pay. One provision states that, "The parties acknowledge that the City Attorney shall be entitled to Management Incentive Pay of 120 hours per fiscal year, to be taken in cash, so long as it is provided as a benefit to the Management Employees" (See 4. B (2)(c) on page 7 of Employment Agreement)

Since Management Incentive Pay (MIP) has been rolled into base salary for the Management Employees, by City Council action on September 26, 2017 and made effective July 1 of 2017, the same change is now being proposed for the city attorney's contract. Since the city attorney received 120 hours in MIP in July of 2017.

Thus, it is recommended that this situation be reconciled by rolling over the MIP into salary, and that the agreement be amended to reflect that the MIP has been rolled over into salary effective July 1, 2018, as well as a 2% increase effective July 1, 2017, as has occurred with the other unrepresented executive management employees.

In addition, it is proposed to amend section 4A(3) to implement 80 hours of Administrative Leave per year effective July 1, 2018, such leave shall not accrue year to year. The additional leave proposed is in recognition of the significant hours worked by the city attorney.

FISCAL IMPACT

The fiscal impact in FY 2017-18 of approximately \$5,900 can be absorbed within the existing City Attorney's Office (CAO) budget. The fiscal impact in FY 2018-19 of approximately \$17,500 is already included in the proposed budget submitted on May 16, 2018. Therefore there is no additional fiscal impact associated with the approval of this amendment.

The amendment to the city attorney's employment agreement would result in an additional \$17,500 annually to her compensation, broken down as follows:

Proposed Amendments to City Attorney Contract	Percent change		One year Cost
Salary increase - same as received by unrepresented employees	2.00 %	Base	\$3,900
		Benefits	<u>2,000</u>
		Sub-total	\$5,900
MIP related salary increase - same as received by unrepresented employees	5.77 %	Replaces pensionable existing benefit	\$0
Administrative Leave* - 80 hours	3.90 %		\$11,600

* Note: Administrative leave is time off with no cash value, it does not have a direct cost. However, it does result in potential lost productivity and would likely reduce the amount of annual leave the city attorney uses or increase the amount of leave cashed out.

ENVIRONMENTAL REVIEW

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

ATTACHMENTS

1.	First amendment employment agreement
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CONTACT

Ron Millard, Finance Director (707) 648-4592

Ron.Millard@cityofvallejo.net

**FIRST AMENDMENT TO
EMPLOYMENT AGREEMENT BETWEEN
CITY OF VALLEJO
AND
CITY ATTORNEY**

This First Amendment to the Employment Agreement between Claudia Quintana, an individual, referred to as “City Attorney” and the City of Vallejo, a municipal corporation, referred to as “City”, is made and entered into on this _____ day of _____, 2018.

RECITALS

WHEREAS, the City of Vallejo has employed Claudia Quintana as City Attorney for the City of Vallejo pursuant to an employment agreement dated July 24, 2012, with an effective date of July 1, 2012; and;

WHEREAS the parties wish to modify the agreement as set forth below;

NOW THEREFORE, in consideration of the above recitals and the mutual promises and benefits contained in the original Employment Agreement and herein, the Parties hereby agree as follows:

TERMS AND CONDITIONS

1. Amendments to Section 4.A.

A. Section 4.A (1) of the Agreement (**Compensation & Required Employer Costs**) shall be modified to add subsection (d) to read as follows:

“(1) **Base Salary**

[...]

(d) Effective July 1, 2017, the annual salary for the position of City Attorney shall be Two Hundred Nine Thousand, Two Hundred Ninety Six and fifteen cents (\$209,296.15), which represents a 2% raise plus a 5.77% rollover of the previously granted Management Incentive Pay.”

B. Section 4A(3) of the Agreement shall be modified to read as follows.

“(3) **Administrative Leave.**

Effective July 1, 2017, in recognition of the extraordinary hours necessary to be worked by the City Attorney, and due to the Management Incentive Pay being abolished for unrepresented executive employees effective July 1, 2017, the City Attorney shall be provided with 80 hours of paid administrative leave per year to be taken at her discretion. Paid administrative leave shall not accrue year to year.”

2. Integration. This First Amendment contains the entire agreement between the parties with respect to its subject matter and supersedes whatever oral or written understanding they may

have had prior to the execution of this First Amendment. This First Amendment shall not be amended or modified except by a written agreement executed by each of the parties. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect.

3. **Inconsistencies.** In the event of any conflict or inconsistency between the provisions of this First Amendment and the Agreement, the provisions of this First Amendment shall control in all respects.

4. **Ambiguities.** The parties have each carefully reviewed this First Amendment and have agreed to each term of this First Amendment. No ambiguity shall be presumed to be construed against either party.

5. **Counterparts.** This First Amendment may be executed by the parties in one or more counterparts all of which collectively shall constitute one document and agreement.

6. **Authority.** The persons signing this First Amendment on behalf of each party hereby represent and warrant that he or she is fully authorized to sign this First Amendment.

IN WITNESS WHEREOF, the parties have entered into this First Amendment on the day and year first hereinabove appearing.

CITY OF VALLEJO,
a municipal corporation

City Attorney

BY: _____
Bob Sampayan
Mayor

BY: _____
Claudia Quintana

ATTEST: _____
Dawn Abrahamson
City Clerk

APPROVED AS TO FORM:

Special Counsel