



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

AGENDA – REGULAR MEETING

Date: August 5, 2015

Time: Closed Session 6:30 p.m.
Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:

Jennifer M. Ferraiolo
City Clerk

Telephone: (209) 333-6702

6:55 p.m. Invocation/Call to Civic Responsibility. Invocations/Calls may be offered by any of the various religious and non-religious organizations within and around the City of Lodi. These are voluntary offerings of private citizens, to and for the benefit of the Council. The views or beliefs expressed by the Speaker have not been previously reviewed or approved by the Council, and the Council does not endorse the beliefs or views of any speaker.

C-1 Call to Order / Roll Call

C-2 Announcement of Closed Session

- a) Actual Litigation: Government Code §54956.9(a); One Case; *People of the State of California and the City of Lodi, California v. M & P Investments, et al.*; United States District Court, Eastern District of California; Case No. CIV-S-00-2441 FCD JFM (CA)

C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action

A. Call to Order / Roll Call

B. Presentations

- B-1 Check Presentation by Tree Lodi to Parks, Recreation, and Cultural Services Department (\$7,000) (PRCS)

C. Consent Calendar (Reading; Comments by the Public; Council Action)

- C-1 Receive Register of Claims in the Amount of \$10,297,497.81 (FIN)
- C-2 Approve Minutes (CLK)
 - a) July 7, July 14, and July 21, 2015 (Shirtsleeve Sessions)
 - b) July 8, 2015 (Special Meeting)
- C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for Michael David Winery Force Main Project (PW)
- C-4 Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Public Library Children’s Area Expansion Project (PW)
- C-5 Approve Specifications and Authorize Advertisement for Bids to Procure Padmount Switches (EU)
- Res. C-6 Adopt Resolution Authorizing City Manager to Approve the Purchase of Bucket Truck from Altec Industries, Inc., of Dixon (\$155,000) (EU)
- Res. C-7 Adopt Resolution Authorizing City Manager to Execute Purchase Order for Yeoman Return Activated Sludge Pump at White Slough Water Pollution Control Facility from Pump Repair Service Company, of San Francisco (\$31,000) (PW)
- Res. C-8 Adopt Resolution Authorizing City Manager to Execute Purchase Order for Software Upgrades and Support for Supervisory Control and Data Acquisition System at the Surface Water Treatment Facility from Wonderware Norcal, of Healdsburg (\$38,000) (PW)
- Res. C-9 Adopt Resolution Awarding Contract for LED Luminaire Retrofit of Cobra Head Street Lights with Tanko Lighting, of San Francisco (\$1.3 Million) (EU)

- Res. C-10 Adopt Resolution Approving Debt Financing with Farmers and Merchants Bank of Lodi for LED Street Light Retrofit Project (\$1.5 Million) and Authorizing City Manager and Deputy City Manager to Execute All Necessary Financing Documents (EU)
- C-11 Accept Improvements Under Contract for Lodi Lake Park – Wading Pool Resurfacing Improvements (PW)
- C-12 Accept Improvements Under Contract for Lodi Lake Storm Drain Outfall Improvement Project (PW)
- Res. C-13 Adopt Resolution Approving Final Map for Sunwest Cottages, Tract No. 3858 (PW)
- Res. C-14 Adopt Resolution Authorizing City Manager to Execute Three-Year Professional Services Agreement with Lyons Security Service, Inc., of Orange, for Security Services at Hutchins Street Square and Authorizing Parks, Recreation, and Cultural Services Director to Execute Extensions (\$40,000) (PRCS)
- Res. C-15 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with ICF Jones & Stokes, Inc., of Sacramento, for Lodi Lake Park Grant Applications (\$73,891) and Appropriating Funds (PRCS)
- Res. C-16 Adopt Resolution Approving City Payment of Central Valley Regional Water Quality Control Board Oversight Costs for PCE Cleanup Program and Appropriating Funds (\$220,000) (PW)
- Res. C-17 Adopt Resolution Declaring City Council's Support of the Mokelumne Watershed Interregional Sustainability Evaluation Program (PW)
- C-18 Authorize the Mayor, on Behalf of the City Council, to Send a Letter of Opposition for AB 278 (Hernandez): District-Based Municipal Elections (CLK)
- C-19 Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2 (PW)
- C-20 Report on Emergency Air Conditioning Equipment Replacement at White Slough Water Pollution Control Facility (PW)
- Res. C-21 Adopt Resolution Declaring Intention to Annex Territory to Community Facilities District No. 2007-1 (Public Services) and to Levy a Special Tax to Pay for Certain Public Services (Annexation No. 3) and Setting a Public Hearing for September 16, 2015 (PW)

D. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

E. Comments by the City Council Members on Non-Agenda Items

F. Comments by the City Manager on Non-Agenda Items

G. Public Hearings

- G-1 Public Hearing to Consider Reduction of Special Taxes and Annual Index for Community Facilities District No. 2007-1 (CM)
- Ord. G-2 Public Hearing to Consider Approving Development Agreements for the Reynolds Ranch, Rose Gate, and Van Ruiten Ranch Subdivisions and Introduce Ordinances Adopting the Development Agreements to Reduce Community Facilities District Special Taxes and Waiving Vesting Map Rights (CM)
- Ord. (Introduce)

- Res. G-3 Public Hearing to Receive Input and Consider Adoption of a Resolution Calling an Election to
Res. Submit to the Qualified Electors the Question of Levying a Special Tax within the Area Proposed
Ord. to be Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2);
(Introduce) and a Resolution Declaring the Results of the Special Election and Ordering the Annexation of
Territory to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2); and
Introduce an Ordinance Levying and Apportioning the Special Tax in Territory Annexed to
Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2) (PW)
- Res. G-4 Public Meeting to Allow Public Testimony Regarding the Proposed Lodi Tourism Business
Ord. Improvement District Assessment; Adopt Resolution of Intention to Disestablish the Existing
(Introduce) Lodi Tourism Business Improvement District; and Introduce an Ordinance Disestablishing the
Existing Lodi Tourism Business Improvement District (CM)

H. Communications

- H-1 Appointments to the Greater Lodi Area Youth Commission (Adult Advisors), Planning
Commission, and San Joaquin County Commission on Aging; and Post for Vacancies on the
Lodi Senior Citizens Commission and Lodi Arts Commission (CLK)

I. Regular Calendar

- Res. I-1 Adopt Resolution Adding One Full-Time Management Analyst Position to be Shared Between
the Fire and Parks, Recreation, and Cultural Services Departments and Deleting One Part-Time
Management Analyst Position Within the Fire Department and Revising Appropriations
(\$66,200) (CM)
- Res. I-2 Adopt Resolution Adding One Maintenance Worker I Position in the Wastewater Division and One
Maintenance Worker III Position in the Streets Division and Deleting One Wastewater Plant
Operator Position and One Streets Supervisor Position Within the Public Works Department (CM)
- Ord. I-3 Introduce Ordinance Amending Lodi Municipal Code Title 15 – Buildings and Construction – by
(Introduce) Adding Chapter 15.19, “Expedited Permit Process for Small Residential Rooftop Solar Systems” (CD)

J. Ordinances

- Ord. J-1 Ordinance No. 1907 Entitled, “An Ordinance of the Lodi City Council Amending Lodi Municipal
(Adopt) Code Title 15 – Buildings and Construction – by Repealing and Re-Enacting Chapter 15.65,
‘San Joaquin County Regional Transportation Impact Fee,’ in its Entirety” (CLK)

K. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Ferraiolo
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer M. Ferraiolo at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer M. Ferraiolo (209) 333-6702.

Meetings of the Lodi City Council are telecast on SJTV, Channel 26. The City of Lodi provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the City's website at www.lodi.gov by clicking the meeting webcasts link.



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: Check Presentation By Tree Lodi to Parks, Recreation and Cultural Services Department (\$7,000)

MEETING DATE: August 5, 2015

PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Accept check presentation by Tree Lodi to Parks, Recreation and Cultural Services Department in the amount of \$7,000.

BACKGROUND INFORMATION: Peterson Park was originally planted with 45 Bradford pear trees. A large number of them began experiencing major limb failure three years ago, prompting the Parks Division to begin planning a replacement project.

Tree Lodi, a local nonprofit that has partnered with Parks, Recreation and Cultural Services (PRCS) on several tree planting projects, successfully solicited a \$7,000 grant from California ReLeaf to offset a significant portion of the project cost. California ReLeaf is a statewide nonprofit foundation that is largely funded by the USDA Forest Service and the State Department of Forestry and Fire Protection. On February 21, 2015, Tree Lodi and the Parks Division coordinated a service day that comprised volunteers from Lodi and Tokay high schools, Delta College, Lodi Rotary Club and park neighbors and resulted in 37 new park trees at Peterson Park. Additionally, five memorial trees were planted within the park.

Tree Lodi has volunteered to maintain the newly planted trees for three years. All are doing very well. The Parks Division sincerely appreciates the more than 200 volunteers who contributed to the Peterson Park planting project and Tree Lodi's generous assistance. Now that the work has been completed, Tree Lodi is fulfilling its commitment of donating \$7,000 to offset Parks Division expenses.

Park Superintendent Steve Dutra will be present to accept the donation on behalf of PRCS.

FISCAL IMPACT: Donation will offset PRCS expenses for the project, which reduced liability for claims related to tree limbs falling.

FUNDING AVAILABLE: Not applicable.

Jeff Hood
Director Parks, Recreation and Cultural Services

JHVS:tl

APPROVED: _____
Stephen Schwabauer, City Manager



**CITY OF LODI
COUNCIL COMMUNICATION**

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AGENDA TITLE: Receive Register of Claims through July 16, 2015 in the total amount of \$10,297,497.81

MEETING DATE: August 5, 2015

PREPARED BY: Financial Services Manager

RECOMMENDED ACTION: Receive the attached Register of Claims for \$10,297,497.81.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of \$10,297,497.81 through 07/16/15. Also attached is Payroll in the amount of \$3,849,442.18.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

Ruby R. Paiste
Financial Services Manager

RRP/mlm

Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

Council Report

City of Lodi, CA - v10.5 Live

6/19/2015 through 7/16/2015

Fund	Amount
100 - General Fund	3,007,592.42
120 - Library Fund	22,803.40
140 - Expendable Trust	138,319.33
200 - Parks Rec & Cultural Services	113,876.43
214 - LPD-OTS Grants	12,441.28
270 - Comm Dev Special Rev Fund	22,193.27
301 - Gas Tax-2105 2106 2107	41,239.91
302 - Gas Tax -2103	4,084.97
303 - Measure K Funds	17,063.45
350 - H U D	11,238.34
403 - Vehicle Replacement Fund - PD	339,676.20
407 - Vehicle Replacement Fund- PRCS	1,572.75
431 - Capital Outlay/General Fund	991,309.57
432 - Parks & Rec Capital	18,030.00
437 - IMF Parks & Rec Facilities	5,557.24
500 - Electric Utility Fund	2,747,002.76
501 - Utility Outlay Reserve Fund	64,763.01
504 - Public Benefits Fund	199,154.30
506 - Solar Surcharge Fund	302,837.52
508 - Environmental Compliance	2,725.57
530 - Waste Water Utility Fund	184,464.09
531 - Waste Wtr Util-Capital Outlay	380,957.86
560 - Water Utility Fund	87,235.48
561 - Water Utility-Capital Outlay	968,293.57
590 - Central Plume	12,310.97
591 - Southern Plume	3,600.00
600 - Dial-a-Ride/Transportation	174,473.86
601 - Transit Capital	198,556.06
650 - Internal Service/Equip Maint	65,555.94
655 - Employee Benefits	130,309.91
660 - General Liabilities	16,901.63
665 - Worker's Comp Insurance	11,356.72
Total	10,297,497.81

**Council Report: Payroll
City of Lodi, CA - v10.5 Live
Pay Period 6/21/2015**

Fund	Description	Amount
100	General Fund	1,511,256.96
120	Library Fund	46,792.24
200	Parks Rec & Cultural Services	233,998.76
214	LPD-OTS Grants	14,971.14
270	Comm Dev Special Rev Fund	49,274.30
301	Gas Tax-2105 2106 2107	47,494.72
500	Electric Utility Fund	337,317.20
530	Waste Water Utility Fund	232,321.92
560	Water Utility Fund	51,874.82
600	Dial-a-Ride/Transportation	16,524.98
650	Internal Service/Equip Maint	29,796.84
Report Total		2,571,623.88

Council Report: Payroll
 City of Lodi, CA - v10.5 Live
 Pay Period 7/5/2015

Fund	Description	Amount
100	General Fund	733,017.34
120	Library Fund	24,792.16
200	Parks Rec & Cultural Services	108,324.35
214	LPD-OTS Grants	5,390.18
270	Comm Dev Special Rev Fund	24,637.12
301	Gas Tax-2105 2106 2107	24,110.07
500	Electric Utility Fund	171,928.87
530	Waste Water Utility Fund	131,230.31
560	Water Utility Fund	24,790.34
600	Dial-a-Ride/Transportation	8,262.41
650	Internal Service/Equip Maint	15,923.55
655	Employee Benefits	5,411.60
Report Total		1,277,818.30



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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Minutes
a) July 7, 2015 (Shirtsleeve Session)
b) July 8, 2015 (Special Meeting)
c) July 14, 2015 (Shirtsleeve Session)
d) July 21, 2015 (Shirtsleeve Session)

MEETING DATE: August 5, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Approve the following minutes as prepared:
a) July 7, 2015 (Shirtsleeve Session)
b) July 8, 2015 (Special Meeting)
c) July 14, 2015 (Shirtsleeve Session)
d) July 21, 2015 (Shirtsleeve Session)

BACKGROUND INFORMATION: Attached are copies of the subject minutes marked Exhibit A through D, respectively.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 7, 2015**

The July 7, 2015, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JULY 8, 2015**

A. Roll call

The Special Joint Meeting of the City Council and the Lodi Senior Citizens Commission of July 8, 2015, was called to order by Mayor Johnson at 6:00 p.m., in the Holz Room of Hutchins Street Square, 125 South Hutchins Street, Lodi.

Present: Council Member Kuehne, Mayor Pro Tempore Chandler, and Mayor Johnson
Absent: Council Member Mounce, and Council Member Nakanishi
Also Present: City Manager Schwabauer, Deputy City Attorney Fukasawa, and City Clerk Ferraiolo

Also in attendance from the Lodi Senior Citizens Commission were the following: Jill Hernandez (left at 7:15 p.m.), Pat Hill, Terri Whitmire, and Chairperson Robert N. Anderson.

B. Topic(s)

B-1 Discussion of Items of Mutual Concern

Mayor Johnson opened the meeting for public comments unrelated to the general topic concerning mutual concerns of the City Council and Lodi Senior Citizens Commission; no comments were received.

Mayor Johnson reported that the Commission expressed an interest in meeting with the City Council to discuss various concerns and that the Commission liaison provided Council with the Commission's minutes from the last 15 months to give Council an insight into what the Commission has been discussing.

Senior Citizens Commission Chairperson Robert N. Anderson presented a handout (filed) with background information on the Commission's activities, objectives, costs, and need for clarification from the City Council on the role and path of the Senior Citizens Commission.

Council Member Kuehne stated that it appears there is a large population of seniors in Lodi who could benefit from assistance from the Commission, particularly on the issue of affordable housing for seniors, which could include input from the Commission on viable locations and needs associated with such housing. Council Member Kuehne further suggested a comprehensive guide for seniors with information on services, activities, and agencies, to which Commissioner Terri Whitmire responded that the Commission produces such a senior resource guide; however, it is costly to print. Ms. Whitmire added that the National census shows that the senior population will see a significant increase over the next ten years. Council Member Kuehne stated that an affordable housing project should be conveniently located near shopping, access to regional transit, and senior-related services.

Mayor Johnson pointed out that there is a segment of the senior population that is not destitute, adding that some seniors need more assistance than others. Chairperson Anderson agreed, stating that seniors must qualify to receive assistance, but some in this category are underserved and need help advocating for their needs. Mr. Anderson reported that San Joaquin County also publishes a book on countywide senior services. Commissioner Whitmire stated that Lodi's directory is user-friendly, it differentiates between Lodi and Stockton services, and is devoid of advertisements. Mayor Johnson suggested a one-stop comprehensive directory for all County services, broken down by community, in order to avoid duplicative efforts and publications.

In response to Mayor Johnson, Chairperson Anderson stated he was unsure as to why the LOEL Center decided to vacate its satellite office at Hutchins Street Square. Mayor Johnson stated that the Commission minutes indicate that over the past year the focus, participation, and enthusiasm began to dissipate and he questioned if that had any impact on LOEL Center closing its satellite office. Commissioner Whitmire stated the Commission is struggling to adequately educate seniors about programs, services, and what the Commission can do for them, adding that many seniors are unaware there is a Senior Citizens Commission. Participation dropped after the Senior Center Coordinator retired, and the current liaison, Jennifer Winn, took over, but only 20 percent of her time was dedicated to the Senior Commission. Recreation Supervisor Jennifer Winn stated that she was originally hired as the Senior Center Coordinator and that 65 to 70 percent of her time was dedicated toward senior center duties; however, after a year and a half, she assumed additional responsibilities when another position merged with hers and she took on the duty of special events and other commissions.

Council Member Kuehne suggested better signage and marketing, stating the Farmers' Market would be an appropriate venue to promote the Commission. Chairperson Anderson stated that the Commission is advisory in nature by identifying issues and concerns important to seniors and that it needs staff in order to be successful in this endeavor.

Commissioner Whitmire stated that the previous Coordinator managed the senior information and referral center, which did not conflict with the LOEL Center, as well as the Hutchins Street Square pool, lifeguards, and classes.

Ms. Winn requested clarification on the role of the liaison, stating she believed the liaison served as the middle person between the Council, departments, and commissions, to which Mayor Johnson concurred. Ms. Winn stated she is able to assist the Commission with advocacy and quarterly reports, but the group is looking for staff to help with events.

In response to Council Member Kuehne, Commissioner Whitmire listed the Commission's past accomplishments including: advocating for and encouraging a functioning Dial-A-Ride transportation system versus a standard taxicab; promoting the Police Partners program; implementing a work group to coordinate services for seniors with minor home repair needs; coordinating educational events and succession seminars; publishing the senior resource guide; and meeting with the Recreation Commission to encourage senior-related activities, such as Bocci ball and a walking court. In response to Mayor Johnson, Ms. Whitmire stated that the attempt to encourage activities for seniors went no further than the meeting with the Recreation Commission. Mayor Johnson suggested it should be simple for the Commission to measure off a walking track for seniors at Hutchins Street Square. Commissioner Whitmire stated the facility previously had a senior walking program before the former Coordinator retired. Parks, Recreation, and Cultural Services Director Jeff Hood stated that the LOEL Center had a walking group when it operated at the Square, but the participation level declined significantly. Ms. Whitmire stated that various reasons contributed to the decline in participation and that Commissioner Williams was instrumental in getting the last portion of the walking track completed. City Manager Steve Schwabauer pointed out that Mr. Hood ensured the track was complete by pressing the Public Works Department to finish the project.

Commissioner Jill Hernandez stated she is concerned that the Commission does not hear from its target audience about their needs and concerns and suggested that, when Council hears about senior concerns, they are passed along to the Commission. Mr. Schwabauer explained that it is a continual struggle to encourage public participation.

Ms. Whitmire asked the attending public to express their concerns, which included the following comments from unidentified individuals: 1) Unaware that the Commission existed; 2) Request to maintain the current Hutchins Street Square pool schedule in light of the participants' efforts to increase attendance; and 3) Lack of adequate notification, advertising, and visibility for all of the City's boards and commissions.

Mayor Johnson expressed that the Council is committed to doing what is necessary to ensure the pool is utilized to its maximum.

In response to Mayor Pro Tempore Chandler, Mr. Schwabauer confirmed that all board and commission meetings are publicized with notices on the posting boards, website, and local newspaper, similar to that of City Council meetings. Mayor Johnson pointed out that it is also incumbent upon the public to become involved in the community's business and activities.

Ms. Winn stated that many of the other commissions she oversees are active in promoting their purpose by producing brochures, posters, and fliers. Chairperson Anderson countered that the other commissions, such as the Greater Lodi Area Youth Commission, have subcommittees and organizations that provide funding, to which Ms. Winn stated that the Youth Commission raises its own funds. In response to Mayor Johnson, Commissioner Whitmire confirmed that the Commission solicited advertisers to help offset the printing costs of the senior resource directory. Mayor Johnson questioned why the Commission does not raise funds, to which Ms. Whitmire responded that the Commission has no place to hold donated funds, such as the recent \$2,000 donation for advertising, and the Commission has entrusted the LOEL Center to hold its funding.

In response to Council Member Kuehne, Mr. Schwabauer stated the City can create a holding account for the Commission's donations, similar to that of the Youth Commission. Mr. Hood added that it may be simpler for the Commission to secure sponsors who can directly pay invoices for needed services instead of recognizing a revenue and expense. Mr. Schwabauer added that the Lodi Community Foundation is another option for housing larger donations.

In response to Commissioner Pat Hill, Ms. Winn stated that the Senior Citizens Commission was budgeted \$500 annually for a number of years, but it was decreased to \$300 and ultimately eliminated due to the fact that it was untouched by the Commission. Ultimately, \$1,500 was placed into a common account for boards and commissions to use for office supplies.

Council Member Kuehne suggested the Commission has the ability to make the group as active and visible as it wants, but the members have to put in the time and effort.

In response to Commissioner Whitmire, Ms. Winn confirmed that she previously reported to the Commission that it had an available budget, that it was reduced, and that it was ultimately eliminated; that Mr. Hood mentioned it in a meeting; and that it was discussed with the Mayor as well. Ms. Winn further reported that the Commission used money from the general commission fund in the past for printing.

In response to Commissioner Hill, Ms. Winn confirmed that Commissioner Williams was reimbursed from the City's general commission account for her expenses associated with advertisements and bulletins for its October training session.

In response to Mayor Pro Tempore Chandler, an unidentified member of the public stated that most seniors use the local newspaper as its form of communication media and she further suggested that Commissioner Williams, who is the LOEL Center director, advocate, distribute, and present information to LOEL Center participants, which is free advertising for the Commission. Commissioner Whitmire responded that Ms. Williams includes Commission information in the LOEL Center newsletter.

In response to Council questions regarding events, Ms. Whitmire stated that event fliers are posted at the hospital and various senior facilities; the Commission hosts the Aging with Grace seminar annually, as well as other seminars; and the events are typically very well attended.

In response to Commissioner Whitmire, Mr. Hood confirmed there is available funding in the general commission printing budget. Mayor Pro Tempore Chandler suggested that printing companies may also be willing to donate services toward the Commission's endeavors.

Mayor Johnson reported that he had a conversation with retired Senior Citizens Commissioner Mark Sey, who suggested the Commission could be folded into the LOEL Center's board to become an educational adjunct of the board and compliment LOEL's vibrant programs and activities. Commissioner Whitmire expressed concern that the LOEL Center, which is a private,

not-for-profit organization, could discontinue operating in Lodi at any time, adding that the County's Meals on Wheels Program was discontinued, as was her Early Memory Loss program that she turned over to the LOEL Center. She believed the Commission should continue, even if it opts not to raise funds, by advocating and planning for ways to meet seniors' needs. She further stated that it is the City's responsibility to buy units for low-income seniors; not the LOEL Center's. Mr. Schwabauer pointed out that the City invested millions of dollars into building low-income housing for seniors, including the future Tienda Drive project, as well as funding construction costs for the LOEL Center. In further response, Mr. Schwabauer stated that the City routinely relies on partnerships with non-profit organizations, such as the Lodi Salvation Army, LOEL Center, and Lodi House, to be successful because it does not have the resources to exclusively handle the magnitude of these projects.

Mayor Johnson stated that many agencies rely on private, non-profit organizations to fill in the gaps they cannot handle and suggested that the Commission could be duplicating the LOEL Center's efforts. Commissioner Whitmire disagreed, stating that the Commission is still necessary to oversee the Center, just as the San Joaquin County Commission on Aging oversees County agencies. Mayor Johnson suggested that an association be formed of the two groups, with the Commission promoting educational programs and the LOEL Center offering services. Chairperson Anderson stated that he believed the Commission's role is to identify and advocate the full spectrum of senior services for the community and he could not see how the LOEL Center would fill that role. In response to Mayor Johnson, Mr. Anderson stated that the LOEL Center is lacking in areas relating to health, isolation, and transportation issues, and those are matters that should be addressed by the Commission.

Mayor Pro Tempore Chandler expressed support for continuing the Commission with a greater focus on fundraising and communication.

Mayor Johnson requested the City Manager and Parks, Recreation, and Cultural Services Director research the feasibility of funding and assigning a staff member to work on senior-related issues, which could determine the future direction and success of the Commission. In response to Mr. Anderson, Mayor Johnson explained that the Commission stated it experienced declining success once the Senior Center Coordinator retired, and his suggestion is to ascertain whether there is funding available to hire an individual to run the on-site program during the day while the Commission continues to advocate and begin its fundraising efforts.

Council Member Kuehne expressed support for continuing the Commission and agreed with Mayor Johnson that it was worthwhile to see if staffing is a viable option.

In response to Ms. Winn, Mayor Johnson stated that at this point it is a question of whether or not a position can be funded. Once that is determined, further discussion is necessary to decide the duties and responsibilities of that position and where it fits into the organization. Mayor Johnson summarized that the Commission has experience in dealing with senior issues, but it needs to develop a working product to bring that effort to fruition, and that the groups meet again once staff reviews the feasibility of adding a position.

Pat Patrick, President/CEO of the Lodi District Chamber of Commerce and member of the LOEL Center board, stated the board has no plans to expand its services to address the growing senior population and he believed the LOEL Center would be unable to meet that demand exclusively.

C. Adjournment - There being no further business to come before the City Council, the meeting was adjourned at 7:25 p.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 14, 2015**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, July 14, 2015, commencing at 7:00 a.m.

Present: Council Member Kuehne, Council Member Mounce, Council Member Nakanishi, Mayor Pro Tempore Chandler, Mayor Johnson, and City Clerk Ferraiolo

Absent: None

Also Present: City Manager Schwabauer, and City Attorney Magdich

B. Topic(s)

B-1 Receive Presentation from Pacific Gas and Electric Regarding Community Gas Pipeline Safety (PW)

Darin Cline with Pacific Gas and Electric (PG&E) provided a PowerPoint presentation regarding community gas pipeline safety. Specific topics of discussion included changes in gas safety operations, Pipeline and Informed Planning Alliance (PIPA), tree-by-tree review, tree replacement and restoration (franchise and private property), community partnership and outreach, next steps, 811 service, and contact information.

In response to Mayor Johnson, Mr. Cline stated that the website for both PG&E and the National Transportation Pipeline and Hazardous Materials Safety Administration has information on the identification of neighborhood pipeline locations. In further response, Mr. Cline stated that PG&E has inspected 167 trees, out of which 11 are unacceptable due to their location directly over a pipeline. The staff report originally pinpointed 20 trees; however, those trees identified on Hutchins Street are manageable because the pipeline is on the opposite side of the street. PG&E will be conducting a tree-by-tree review on private property as well, but that has not yet been instituted as the initial step in this process is to discuss the project with City Council. Mr. Cline stated that first responder access to the pipeline is the primary concern when determining which trees should be relocated or replaced. He indicated there were some on the General Mills property that may need to be moved, but he felt confident that PG&E can work with the City on those private property trees to make the area safe. PG&E is open to developing alternative landscaping designs to work with property owners.

In response to Council Member Mounce, Mr. Cline stated that PG&E is performing this survey throughout San Joaquin County, including the cities of Tracy, Ripon, Manteca, and Escalon. The County has significantly more problematic trees than Lodi, and all of the cities, with the exception of Tracy, have moved forward on private property trees. In further response, Mr. Cline confirmed Lodi does not have a higher risk than the other cities and that statistics for Lodi are equal to the other communities; roughly 10 percent.

In response to Council Member Kuehne, Mr. Cline stated that the pipeline along the General Mills property does not run in a straight line and two of the Evergreen trees are directly over the pipe. The reason for doing this study at this time is that PG&E is looking at its pipe differently in order to be responsible in ensuring safe operation of its system. In further response, Mr. Cline stated that PG&E will work with the City to determine the best replacement options, including performing site drawings prior to any restoration work. PG&E has been successful in many other communities and can provide examples of other restorations.

In response to Council Member Kuehne, Public Works Director Wally Sandelin stated that the

exact restoration will depend on the location and he was hoping to receive Council input on what it would like to see in certain areas. He used Cherokee Lane as an example, stating that an option could be to move the trees to the back of the sidewalk or planting larger trees on the Grape Festival property. Mr. Sandelin pointed out that, under the franchise agreement with PG&E, the City is not required to cooperate, but he encouraged Council to support this joint effort to keep the pipeline safe, while also improving City streets. In further response to Council Member Kuehne, Mr. Sandelin confirmed there are no preliminary renderings at this time because the initial step is to educate Council on this program and receive feedback.

Mayor Johnson questioned if PG&E would consider the concept of removing more than only the two problematic trees at General Mills and planting uniform landscaping that would not leave gaps and be aesthetically pleasing. Mr. Cline responded that PG&E would ensure the design is compatible and appropriate along that stretch of roadway. Mayor Johnson pointed out a similar concern with Cherokee Lane, stating that both sides of the street should be uniform. Mr. Cline stated that PG&E's goal is to leave the area improved and compatible with the surrounding aesthetics and it has a record of working with other communities to meet their unique needs, including drought-tolerant landscaping in one community.

In response to Mayor Pro Tempore Chandler, Mr. Cline confirmed that the pipeline is 40 to 80 inches below ground and that the driving force behind this effort is to ensure PG&E is responsible and performing at a higher standard to ensure public safety.

In response to Council Member Nakanishi, Mr. Cline stated that there are no plans to build new transmission lines; therefore, this will not be an issue for future development. PG&E consistently monitors its pipelines on a regular basis and will continue to do so. Council Member Nakanishi questioned if PG&E considered other alternatives, such as inserting another pipeline into the existing pipeline. Mr. Cline responded that moving a pipeline is a three- to four-year process, can be quite costly, and still runs the risk of corrosion. He added that inserting a smaller pipe into the existing system does not eliminate the risk of tree roots damaging the pipeline. Mr. Cline agreed that trees add value, which is the reason for the company's effort to replace trees with the most appropriate species at the most appropriate location. He further stated he would inquire if other options were explored and provide that information to Council.

In response to Council Member Kuehne, Mr. Cline stated that the cathodic protection around the pipe keeps it from corroding and the material in the coating varies depending on the age of the pipe, but it is never made from asbestos.

Council Member Mounce expressed support for receiving information on alternatives to tree removal.

In response to Mayor Johnson, Mr. Cline stated that this review represents the extent of the problem with the transmission line and that there would be no additional trees earmarked for removal. Mayor Johnson expressed concern that the trees along Hutchins Street are on narrow private properties and questioned if this would entail taking portions of these properties, to which Mr. Cline reaffirmed that the solution would be to plant an appropriate species, such as Crepe Myrtle trees, in such locations to best fit a property. Mr. Sandelin pointed out that the trees along Hutchins Street are no longer in conflict because the pipeline was moved approximately one year ago. Mr. Cline stressed that PG&E is doing everything possible to work with owners to save trees if possible or to replant with a compatible tree to best fit the location.

Council Member Kuehne stated the other option is to move the pipeline instead of the trees, to which Mr. Cline reminded that the process would take years, during which time the risks from tree roots would increase. Mr. Cline stated that all attempts will be made to work with neighbors to determine the best option, while taking both sides of the street and aesthetics into account. Council Member Kuehne expressed interest in drought resistant plants on both side of Cherokee Lane to create a balanced appearance and a beautified entrance into the City. With regard to the General Mills property, he would like an alternative option considered instead of removing the Evergreen trees. Mr. Cline responded that all options will be explored.

Ed Miller expressed support for moving the trees on Cherokee Lane by the Grape Festival to the area behind the fence and suggested trees with some height be planted to reduce the barren appearance of the area.

Mayor Johnson informed PG&E that a citizen reported an individual who was posing as a PG&E worker in their neighborhood, claiming to check meters, yet the individual was not wearing a PG&E uniform or driving a marked vehicle. Dillon George, PG&E Local Government Representative, could not confirm if this individual was representing PG&E, but he stated that the company will often hire contractors for this type of work, all of whom are required to have identification.

Council Member Mounce expressed appreciation to PG&E for being proactive in this effort, but cautioned against making assumptions or decisions regarding private properties. Mr. George agreed, stating that outreach will be made to all property owners.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:43 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JULY 21, 2015**

The July 21, 2015, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Pamela M. Farris
Deputy City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Approve Plans and Specifications and Authorize Advertisement for Bids for Michael David Winery Force Main Project

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve plans and specifications and authorize advertisement for bids for Michael David Winery Force Main Project.

BACKGROUND INFORMATION: This project consists of trenching and installing approximately two miles of eight inch force main and other incidental and related work, all as shown on the plans and specifications for the project. The alignment of the force main is presented in Exhibit A.

Currently, Michael David Winery (Winery) production levels require approximately one million gallons of winery wastewater to be conveyed via tanker truck to the White Slough Water Pollution Control Facility (WSWPCF). Since typical transport trucks can carry approximately 6,500 gallons, installation of the proposed facilities will eliminate the need for approximately 150 truck trips per year.

On November 19, 2014, Council authorized the City Manager to execute a Winery Waste Water Pipeline Agreement (Agreement) with the Winery. The Agreement authorizes the discharge of up to 10 million gallons of winery wastewater to the WSWPCF by connecting to the City's industrial waste outfall pipeline and, thereby, eliminating up to 1,500 truck trips per year.

The Agreement requires the Winery to pay all costs associated with the planning, designing, environmental review, construction and operation, and maintenance of the proposed pipeline, along with a surcharge of 150 percent for service outside the City limits in accordance with Lodi Municipal Code Section 13.12.150.

The work will be performed under an encroachment permit from San Joaquin County Public Works Department.

The plans and specifications are on file in the Public Works Department. The planned bid opening date is August 26, 2015. The project estimate is \$1,500,000.

FISCAL IMPACT: None. All associated design, construction and maintenance costs will be reimbursed by the Winery.

APPROVED: _____
Stephen Schwabauer, City Manager

FUNDING AVAILABLE: Funding will be identified at project award.

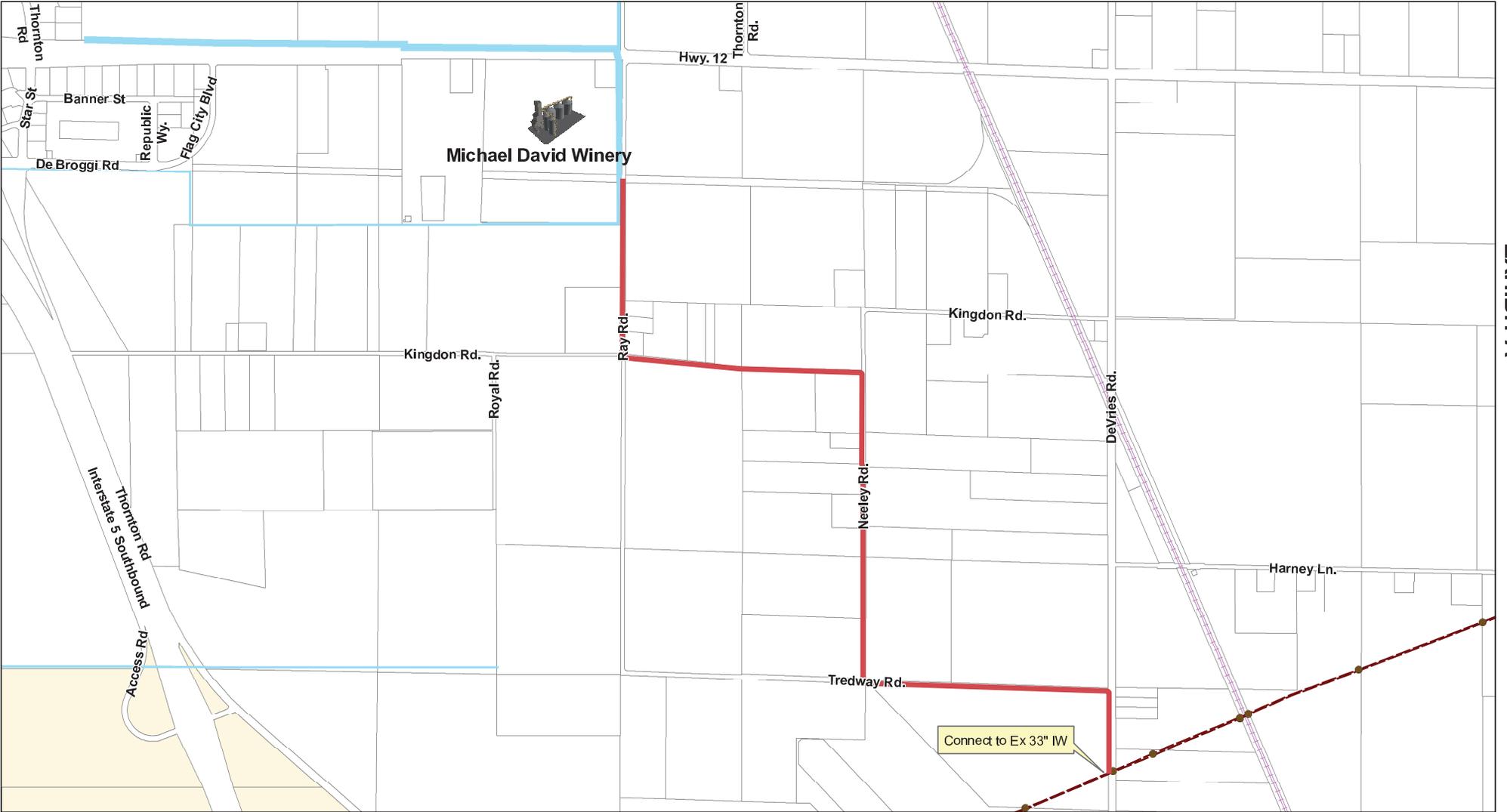
F. Wally Sandelin
Public Works Director

Prepared by Lyman Chang, Senior Civil Engineer

FWS/LC/tb

Attachments

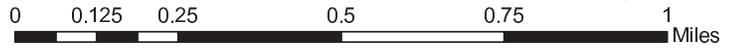
cc: City Engineer
Senior Civil Engineer
Utility Superintendent
Michael David Winery
KSN Inc.



- Legend**
- Proposed Wastewater Force Main
 - Ex Wastewater Pipe



**CITY OF LODI
Winery Wastewater Pipeline Project**





CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Plans and Specifications and Authorize Advertisement for Bids for Lodi Public Library Children's Area Expansion Project

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Approve plans and specifications and authorize advertisement for bids for Lodi Public Library Children's Area Expansion Project.

BACKGROUND INFORMATION: The Lodi Library Board has been developing plans to renovate the Lodi Public Library and has implemented the renovation as a phased project. Phases 1, 2 and 3 have been completed.

WMB Architects, of Stockton, has been working with the Library Foundation to transform a former outside patio area into useable interior space as shown in Attachment 1 and Attachment 2.

The Children's Area Expansion Project will enclose the existing inaccessible west end patio and make it a 538-square-foot ADA-compliant interior space for use by the Library. The project will provide a large glass-walled room which will be multi-functional to fit Library programing needs.

Working with Library and Public Works staff, WMB Architect has completed plans and specifications for the Children's Area Expansion project.

The planned bid opening date is September 24, 2015. The project estimate is \$210,000.

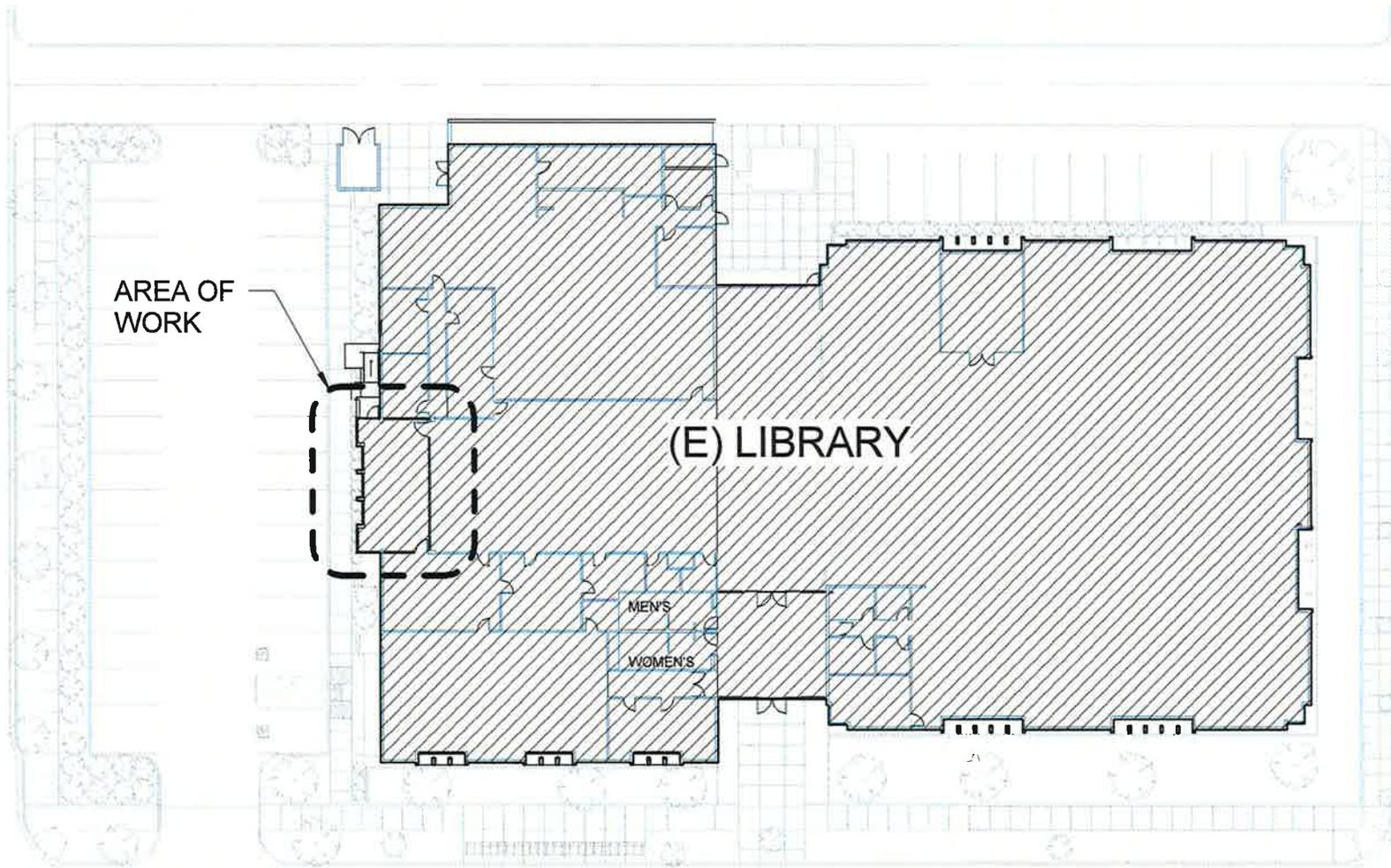
FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Funding will come from the Library Foundation.

F. Wally Sandelin
Public Works Director

Prepared by Gary Wiman, Construction Project Manager
FWS/GRW/tb
Attachments
cc: Library Services Manager

APPROVED: _____
Stephen Schwabauer, City Manager



OVERALL FLOOR PLAN

SCALE: 1" = 40'-0"

Library Expansion

Lodi, California



WMB ARCHITECTS



Library Expansion

Lodi, California



WMB ARCHITECTS



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Approve Specifications and Authorize Advertisement for Bids to Procure Padmount Switches

MEETING DATE: August 5, 2015

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Approve specifications and authorize advertisement for bids to procure padmount switches.

BACKGROUND INFORMATION: Padmount switches are needed to support the Super Walmart development project and maintain prudent inventory levels as this is a long lead time item.

The Super Walmart development project is in progress and will consume two (2) padmount switches. A third switch is needed as field replacement of an obsolete unit, and a fourth switch is needed to maintain inventory levels. The developer will pay for the materials to be consumed for the Super Walmart development.

Switch Type	Recommended Purchase Quantity
4 Way - 2 Way VFI 600A / 200A 15 kV Padmount Switch	4

The specifications are on file at the Electric Utility, 1331 South Ham Lane. The planned bid opening date is August 20, 2015.

FISCAL IMPACT: The total cost of the switches is estimated to be \$120,000.

FUNDING AVAILABLE: Included in FY2015/16 Account No. 500.13496.

Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Hasan Shahriar, Senior Power Engineer

EAK/JM/HS/lst

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Approve the Purchase of Bucket Truck from Altec Industries Inc., of Dixon (\$155,000)
MEETING DATE: August 5, 2015
PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to approve the purchase of a bucket truck from Altec Industries, Inc. of Dixon in an amount not to exceed \$155,000.

BACKGROUND INFORMATION: The Electric Utility (EU) maintains approximately 123 miles of overhead electric lines and 105 miles of underground electric lines as well as four substations, to deliver safe and reliable electric service to nearly 26,000 customers. To facilitate maintenance on the system in an efficient manner, the EU requires a fleet that is appropriately equipped and configured for specialized tasks that are unique to an electric utility environment. As such, the EU is in need of an additional bucket truck to accommodate the increased staffing levels as approved in the FY 2015/16 Budget.

The vehicle as configured on attached Exhibit A will enable EU staff to perform tasks efficiently and support EU's ongoing efforts of providing safe and reliable electricity to the community. This vehicle will be a valuable asset to the utility and will provide versatility in its application; this truck can be used by all Construction and Maintenance Divisions for a wide array of tasks that require aerial work.

Staff recommends the purchase be made under the National Joint Powers Alliance (NJPA). Per Lodi Municipal Code §3.20.045 as well as Fleet Policies and Procedures, the bidding process may be waived when it is advantageous for the City to use contracts that have been awarded by other California public agencies, provided that their award was in compliance with their formally-adopted bidding or negotiation procedures. Staff recommends the purchase of the Altec Bucket Truck using NJPA Contract Number 31014, as specified on the attached, Exhibit A.

NJPA Price	Estimated Tax	Delivery Fee	Grand Total
\$143,299	\$11,463.92	\$116.00	\$154,878.92

FISCAL IMPACT: The addition of a vehicle will increase EU fleet maintenance costs; however, this properly equipped vehicle will offset costs by reducing staff time by increasing efficiency and productivity.

FUNDING AVAILABLE: \$155,000 is included in FY2015/16 Capital Equipment Fund, Account No. 50199000.77040.

Jordan Ayers
Deputy City Manager/Internal Services Director

Elizabeth A. Kirkley
Electric Utility Director

Prepared By: Charles J. Berry, Electric Utility Superintendent
EAK/CJB/lst

APPROVED: _____
Stephen Schwabauer, City Manager

EXHIBIT A



Opportunity Number: 58673
 Quotation Number: 284632
 NJPA Contract #: 31014
 Date: 7/9/2015

Quoted for: City of Lodi
 Customer Contact: Ed Fitzpatrick
 Phone: (209) 333-6769 / Email: efitzpatrick@lodi.gov

Quoted by: Rhawnie Kraak
 Phone: (707) 693-2578 / Email: rhawnie.kraak@altec.com
 Altec Account Manager: Don Hildebrandt

REFERENCE ALTEC MODEL

AT40M	Articulating Telescopic Aerial Device with Material Handling (Insulated)	\$112,202
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Per NJPA Specifications plus Options below

(A.) NJPA OPTIONS ON CONTRACT (Unit)

1			
2			
3			
4			
5			

(A1.) NJPA OPTIONS ON CONTRACT (General)

1	SPOT4	SIX (6) POINT STROBE SYSTEM (Recessed, LED)	\$664
2	FE	FORD POWER EQUIPMENT (Power Locks and Power Windows)	\$945
3			
4			
5			
6			
7			
8			

NJPA OPTIONS TOTAL: \$113,811

(B.) OPEN MARKET ITEMS (Customer Requested)

1	UNIT	Material Handling Jib/Winch, Remove Safety Harness	\$3,488
2	UNIT & HYDRAULIC ACC		
3	BODY	Custom LGSS with Custom Streetside Compartmentation	\$14,851
4	BODY & CHASSIS ACC	Custom Tailshelf, Frame Rail Storage, Custom Towing Device, Rear Torsion Bar, Compartment Top Access Step, Belted Step, Cable Step, Custom Grab Handles, Custom Cone Holder, Driveaway Safety Kit, Punched Metal Box, Prime Design UXV Ladder Rack	\$8,378
5	ELECTRICAL	Directional Light Bar, Custom Spot Light, Backup Camera System, PTO Indicator Light, Dehumidifiers	\$3,676
6	FINISHING	Licensing	\$65
7	CHASSIS	2016 Ford F550	-\$4,107
8	OTHER	Regional Build	\$3,137

OPEN MARKET OPTIONS TOTAL: \$29,488

SUB-TOTAL FOR UNIT/BODY/CHASSIS: \$143,299.00

Estimated Sales Tax (8%) \$11,463.92

Delivery to Customer: \$116.00

TOTAL FOR UNIT/BODY/CHASSIS: \$154,878.92

(C.) ADDITIONAL ITEMS (items are not included in total above)

1			
2			
3			

Pricing valid for 45 days

NOTES

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty - One (1) year parts warranty One (1) year labor warranty Ninety (90) days warranty for travel charges (Mobile Service) Limited Lifetime Structural Warranty. Chassis to include standard warranty, per the manufacturer. (Parts only warranty on mounted equipment for overseas customers)

TO ORDER: To order, please contact the Altec Inside Sales Representative listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: No later than **310-340** days ARO, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Equipment trades must be received in operational condition (as initial inspection) and DOT compliant at the time of pick-up. Failure to comply with these requirements, may result in customer bill-back repairs.

BUILD LOCATION: Dixon, CA

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE PURCHASE OF A BUCKET TRUCK
FROM ALTEC INDUSTRIES, INC.

WHEREAS, the Electric Utility (EU) maintains approximately 123 miles of overhead electric lines and 105 miles of underground electric lines, as well as four substations, to deliver safe and reliable electric service to nearly 26,000 customers; and

WHEREAS, to facilitate maintenance on the system in an efficient manner, the EU requires a fleet that is appropriately equipped and configured for specialized tasks that are unique to an electric utility environment; and

WHEREAS, as such, the EU is in need of an additional bucket truck to accommodate the increased staffing levels as approved in the FY 2015/16 Budget; and

WHEREAS the vehicle will enable EU staff to perform tasks efficiently and support EU's ongoing efforts of providing safe and reliable electricity to the community; and

WHEREAS, this vehicle will be a valuable asset to the utility, will provide versatility in its application, and can be used by all Construction and Maintenance Divisions for a wide array of tasks that require aerial work; and

WHEREAS, staff recommends the purchase be made under the National Joint Powers Alliance (NJPA); and

WHEREAS, per Lodi Municipal Code §3.20.045, as well as Fleet Policies and Procedures, the bidding process may be waived when it is advantageous for the City to use contracts that have been awarded by other California public agencies, provided that their award was in compliance with their formally-adopted bidding or negotiation procedures; and

WHEREAS, staff recommends the purchase of the Altec Bucket Truck using NJPA Contract Number 31014, as specified on Exhibit A, attached and made a part of this Resolution.

NJPA Price	Estimated Tax	Delivery Fee	Grand Total
\$143,299	\$11,463.92	\$116.00	\$154,878.92

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the purchase of a bucket truck from Altec Industries, of Dixon, California, in an amount not to exceed \$155,000.

Dated: August 5, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-_____

EXHIBIT A



Opportunity Number: 58673
 Quotation Number: 284632
 NJPA Contract #: 31014
 Date: 7/9/2015

Quoted for: City of Lodi
 Customer Contact: Ed Fitzpatrick
 Phone: (209) 333-6769 / Email: efitzpatrick@lodi.gov

Quoted by: Rhawnie Kraak
 Phone: (707) 693-2578 / Email: rhawnie.kraak@altec.com
 Altec Account Manager: Don Hildebrandt

REFERENCE ALTEC MODEL

AT40M	Articulating Telescopic Aerial Device with Material Handling (Insulated)	\$112,202
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Per NJPA Specifications plus Options below

(A.) NJPA OPTIONS ON CONTRACT (Unit)

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5			

(A1.) NJPA OPTIONS ON CONTRACT (General)

1	SPOT4	SIX (6) POINT STROBE SYSTEM (Recessed, LED)	\$664
2	FE	FORD POWER EQUIPMENT (Power Locks and Power Windows)	\$945
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NJPA OPTIONS TOTAL: \$113,811

(B.) OPEN MARKET ITEMS (Customer Requested)

1	UNIT	Material Handling Jib/Winch, Remove Safety Harness	\$3,488
2	UNIT & HYDRAULIC ACC		
3	BODY	Custom LGSS with Custom Streetside Compartmentation	\$14,851
4	BODY & CHASSIS ACC	Custom Tailshelf, Frame Rail Storage, Custom Towing Device, Rear Torsion Bar, Compartment Top Access Step, Belted Step, Cable Step, Custom Grab Handles, Custom Cone Holder, Driveaway Safety Kit, Punched Metal Box, Prime Design UXV Ladder Rack	\$8,378
5	ELECTRICAL	Directional Light Bar, Custom Spot Light, Backup Camera System, PTO Indicator Light, Dehumidifiers	\$3,676
6	FINISHING	Licensing	\$65
7	CHASSIS	2016 Ford F550	-\$4,107
8	OTHER	Regional Build	\$3,137

OPEN MARKET OPTIONS TOTAL: \$29,488

SUB-TOTAL FOR UNIT/BODY/CHASSIS: \$143,299.00

Estimated Sales Tax (8%) \$11,463.92

Delivery to Customer: \$116.00

TOTAL FOR UNIT/BODY/CHASSIS: \$154,878.92

(C.) ADDITIONAL ITEMS (items are not included in total above)

1			
2			
3			

Pricing valid for 45 days

NOTES

PAINT COLOR: White to match chassis, unless otherwise specified

WARRANTY: Standard Altec Warranty - One (1) year parts warranty One (1) year labor warranty Ninety (90) days warranty for travel charges (Mobile Service) Limited Lifetime Structural Warranty. Chassis to include standard warranty, per the manufacturer. (Parts only warranty on mounted equipment for overseas customers)

TO ORDER: To order, please contact the Altec Inside Sales Representative listed above.

CHASSIS: Per Altec Commercial Standard

DELIVERY: No later than **310-340** days ARO, FOB Customer Location

TERMS: Net 30 days

BEST VALUE: Altec boasts the following "Best Value" features: Altec ISO Grip Controls for Extra Protection, Only Lifetime Warranty on Structural Components in Industry, Largest Service Network in Industry (Domestic and Overseas), Altec SENTRY Web/CD Based Training, Dedicated/Direct Gov't Sales Manager, In-Service Training with Every Order.

TRADE-IN: Equipment trades must be received in operational condition (as initial inspection) and DOT compliant at the time of pick-up. Failure to comply with these requirements, may result in customer bill-back repairs.

BUILD LOCATION: Dixon, CA



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Purchase Order for Yeoman Return Activated Sludge Pump at White Slough Water Pollution Control Facility from Pump Repair Service Company, of San Francisco (\$31,000)

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute purchase order for Yeoman return activated sludge pump at White Slough Water Pollution Control Facility from Pump Repair Service Company, of San Francisco, in the amount of \$31,000.

BACKGROUND INFORMATION: The function of the return activated sludge (RAS) pump is to move sludge from the secondary clarifiers and to the aeration basins. White Slough Water Pollution Control Facility (WSWPCF) has three RAS pumps, two for operation and the third for backup/redundancy. This RAS pump was installed in 1990. Through the years, the pump has been repaired and parts have been replaced. As part of routine preventive maintenance, this RAS pump is due to be replaced.

The manufacturer's estimated life span of these pumps is 20 years. The new RAS pump includes a mechanical seal that should extend its life beyond the 20 years. This RAS pump is the third replacement as part of the preventive maintenance program. The other two pumps were replaced in 2010 and 2014.

Pump Repair Service Company is the sole authorized dealer for Yeoman pumps in Northern California. Per Lodi Municipal Code Section 3.20.070, Bidding, the bidding process may be dispensed when the City Council determines that the purchase or method of purchase is in the best interests of the City. Staff recommends purchase of this RAS pump from Pump Repair Service Company.

FISCAL IMPACT: If the RAS pump fails, the WSWPCF might violate the discharge permit requirements resulting in a significant daily fine.

FUNDING AVAILABLE: Plant Operations Capital Improvements FY 2015/16 (53053003.72359)

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

FWS/KH/jr
Attachments

APPROVED: _____
Stephen Schwabauer, City Manager

G3 Engineering, Inc.

P.O. Box 2148, Granite Bay, CA 95746

Phone 916-797-1880 FAX 916-797-1881

www.g3engineering.com e-mail: jim@g3engineering.com

June 30, 2015

To Whom It May Concern

Subject: Yeomans Pumps Distribution, California

Dear Sir or Madam,

Pump Repair Service is the sole authorized dealer and serviced center for Yeomans Pumps in Northern CA.

If you have any questions, or need additional information, please contact me:

Sincerely,
G3 Engineering, Inc.


G.J. (Jim) Billings III, PE



PUMP REPAIR SERVICE CO.

**QUOTE
REPRINT**

P.O. BOX 34327
SAN FRANCISCO, CA 94134
Phone: (415) 467-2150

Number	005618
Date	06/30/2015
Page	1

Ship To: 02	CITY OF LODI WHITE SLOUGH WPCF 12751 NORTH THORNTON ROAD LODI, CA 95242	Bill To: 149052	CITY OF LODI ACCOUNTS PAYABLE P.O. BOX 3006 LODI, CA 95241-1910
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Reference #	Expires	Slsp	Terms	Wh	Freight	Ship Via
	09/30/15	06C	NET 30 DAYS	01	PREPAID	PREPAID & ADD
Quoted By: EB	Quoted To: KELLY POWERS					

Item	Description	Ordered	UM	Price	UM	Extension
6150-8518-4B	YEOMAN SPECIAL HORIZONTAL PUMP ASSEMBLY W/ IMPELLER LESS MOTOR, LESS BASEPLATE, LESS COUPLING, INCLUDING ASTM A-48 CI 30 CAST IRON CASING, IMPELLER, SUCTION COVER, BEARING FRAME, 420SS, 450BHN SHAFT SLEEVE, SS IMPELLER KEY, IMPELLER LOCKNUT, SS SUCTION AND IMPELLER WEAR RINGS, DOUBLE MECHANICAL SEAL, (FRESH WATER FLUSH FOR SEAL BY OTHERS) AND FF FLANGES. RATED FOR 300GPM @ 57"TDH 880RPM.	1	EA	25104.00	EA	25104.00
FD	FACTORY FREIGHT DIRECT (ESTIMATED AT)	1	EA	1000.00	EA	1000.00
	F.O.B.: FACTORY, ILL DELIVERY: 12 WEEKS, ARO QUOTED BY: ELLEN BURGOYNE					

QUOTE

Merchandise	Misc	Tax	Freight	Total
25104.00	1000.00	2008.32		28112.32

PLEASE CALL IF YOU HAVE ANY QUESTIONS!!!

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE A
PURCHASE ORDER FOR A YEOMAN RETURN
ACTIVATED SLUDGE PUMP AT WHITE SLOUGH
WATER POLLUTION CONTROL FACILITY FROM PUMP
REPAIR SERVICE COMPANY

WHEREAS, City staff has determined that Pump Repair Service Company is the sole authorized dealer for Yeoman pumps in Northern California; and

WHEREAS, staff has determined that if the Return Activated Sludge Pump fails, the White Slough Water Pollution Control Facility might violate the discharge permit requirements, resulting in a significant daily fine; and

WHEREAS, staff recommends using Plant Operations Capital Improvements FY 2015/16 (53053003.72359) funds for the purchase of the Return Activated Sludge Pump, at an estimated total cost of \$31,000; and

WHEREAS, per Lodi Municipal Code 3.20.070, Bidding, the bidding process may be dispensed when the City Council determines that the purchase or method of purchase is in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a purchase order for a Return Activated Sludge Pump from Pump Repair Service Company, of San Francisco, California, in an amount not to exceed \$31,000, including California sales tax.

Dated: August 5, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Purchase Order for Software Upgrades and Support for Supervisory Control and Data Acquisition System at the Surface Water Treatment Facility from Wonderware Norcal, of Healdsburg (\$38,000)

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute purchase order for software upgrades and support for supervisory control and data acquisition system at the Surface Water Treatment Facility from Wonderware Norcal, of Healdsburg, in the amount of \$38,000.

BACKGROUND INFORMATION: The City of Lodi owns and operates a number of water and waste water facilities that include the Surface Water Treatment Facility (SWTF), 28 groundwater wells, 13 storm water pump stations and nine sanitary sewer lift stations. All of these facilities utilize a computer-monitored alarm response, control and data acquisition system commonly referred to as a supervisory control and data acquisition (SCADA) system. The central SCADA system for the water system, the storm water pump stations, and the sewer lift stations is located at the SWTF. The SCADA system uses the operator interface software known as Wonderware. The City currently owns a total of 12 Wonderware licenses that require the purchase of support in order to regularly receive software upgrades. Due to continuous advances in technology, computers often become obsolete and require replacing hardware and software with updated operating systems. By maintaining Wonderware software support, the SWTF will retain the ability to upgrade hardware and software as needed by using the same licenses.

Related to the SCADA system, the City has recently entered into a professional service agreement with Telstar Instruments Inc., (Telstar) to assist in the maintenance and integration of the SCADA system. This software support will allow Telstar to contact Wonderware on the City's behalf and obtain maintenance releases, service packs, and patches.

Staff believes by maintaining the support of these licenses, the cost to update the SCADA system would be minimal. Updating hardware with unsupported licenses would require a substantial increase in software cost.

Staff recommends approval of the purchase order provided as Attachment A. These funds are budgeted in Water Operations for Fiscal Year 2015/16.

FISCAL IMPACT: Upgrading software and maintaining support services are critical to maintaining operations of critical functions with the Public Works Department thereby reducing unexpected expenditures.

FUNDING AVAILABLE: Water Plant Operating Fund (56052005)

APPROVED: _____
Stephen Schwabauer, City Manager

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

Prepared by Andrew Richle, Water Plant Superintendent
FWS/ASR/tb
Attachment

cc: Lance Roberts, Utility Superintendent



July 17, 2015

Andrew Richle
City of Lodi Surface Water Treatment
2001 West Turner Road
Lodi California 95240

REF: Representation of Wonderware Operator Interface Products

This letter is to certify that Wonderware Norcal (aka EandM Electric) is the only authorized distributor in the area of industrial operator interface products from Wonderware and the only company authorized by Wonderware to sell and support our products.

As the exclusive distributor of Wonderware operator interface products in Lodi, Wonderware Norcal is the only authorized distributor in the area for City of Lodi Surface Water Treatment to purchase Wonderware software and support.

Wonderware industrial operator interface products may be procured and supported by contacting Wonderware Norcal. Please call me or anyone at Wonderware Norcal whenever we can be of service.

Sincerely,

A handwritten signature in red ink, appearing to be "Eric Talbott", written over a white background.

Eric Talbott
Wonderware Software
Sales Operations Manager
Ph: 949-639-8609

Avantis. SimSci. Wonderware.

Avantis, SimSci and Wonderware products and services are developed and managed by a specialized team, now part of Schneider Electric.



126 Mill Street
 Healdsburg, CA 95448
 (866) WONDER N
 (866) 966-3376

QUOTE 146060.6

CILOD1

WW Version Upgrades/ Prorated Suppor for 3 Years
 07/14/2015

Direct
 Delivered

Attn: Andrew Richle
CITY OF LODI
direct ((20) 9) -333- 6878

fax

From: Dan Ponce
dan.ponce@eandm.com
direct (707) 473-3105
main (866) 966-3376
fax (707) 473-3190

Ship To: CITY OF LODI
 PUBLIC WORKS DEPARTMENT
 131 S. HAM LANE
 LODI, CA 95242

Bill To: CITY OF LODI
 PUBLIC WORKS DEPARTMENT
 131 S. HAM LANE
 LODI, CA 95242

Thank you for the opportunity to offer you this quote!

SiteID: 142554 City of Lodi Public Works Dept., 221 West Pine Street, Lodi California 95241 , UNITED STATES

Please Change Site ID Address to: City of Lodi Surface Water Treatmen, 2001 West Turner Road, Lodi California 95240 , UNITED STATES

Note: Quote reflects that license #'(s) 1310715,1310713, 1310714, 1310717, 1310718, 1310719, 1310720, 1310721, 131072 will be moved to Site ID: 142554

Interested in additional training? Please visit our websites and view our events schedule at www.eandm.com.

Access the status of your order on our Online Order Status system!! Just click on the link contained in your order confirmation to begin the login process. Once signed up you can access via www.eandm.com.

Version Upgrades

** Wonderware provides customers with a 25% discount on upgrades when purchased with a year of Customer Support. If you do not intend to purchase support with upgrades, then please contact Wonderware Norcal/ EandM for updated pricing on the version upgrades.

Quantity	Part Number/Description	Availability*	Price	Extension
1	12-12505 SN 1310715: Upg, Wonderware Historian 2014R2 Standard, 5,000 Tag	1 Estimated 1-2 Weeks	\$5,381.25	\$5,381.25
2	12-12404 1310713, 1310714: Upg, InTouch 2014R2 Runtime 60K Tag with I/O	2 Estimated 1-2 Weeks	\$2,220.00	\$4,440.00
3	12-12300 SN 1310717, 1310718, 1310719: Upg, WW Historian Client 2014R2 Per Device	3 Estimated 1-2 Weeks	\$311.25	\$933.75
3	12-0531 SN 1310720, 1310721, 1310722: Upg, WW CAL with MS CAL Runtime, Single, SQL 2012 Std	3 Estimated 1-2 Weeks	\$202.50	\$607.50
			Sub-Total	\$11,362.50

PO Number:
Duration: This quote is valid for 30 days. **FOB:** Healdsburg, CA
Freight: Prepaid and Add
Terms: Visa/MC
Pages: 1 of 2



126 Mill Street
 Healdsburg, CA 95448
 (866) WONDER N
 (866) 966-3376

QUOTE 146060.6 CILOD1

WW Version Upgrades/ Prorated Suppor for 3 Years
 07/14/2015

Direct
 Delivered

Attn: Andrew Richle
CITY OF LODI
direct ((20) 9) -333- 6878

fax

From: Dan Ponce
dan.ponce@eandm.com
direct (707) 473-3105
main (866) 966-3376
fax (707) 473-3190

Ship To: CITY OF LODI
 PUBLIC WORKS DEPARTMENT
 131 S. HAM LANE
 LODI, CA 95242

Bill To: CITY OF LODI
 PUBLIC WORKS DEPARTMENT
 131 S. HAM LANE
 LODI, CA 95242

Standard Support/ Prorated Support of Both Sites to Expire on 3/27/18

Included with Invensys/ Wonderware Standard Customer First Program are the following services:

- No Charge for Version Upgrades
- Get Your Tech Support Questions Answered for FREE (M-F, 8:00am - 5:00pm PST)
- Access to the Wonderware Global Customer Support Website Access: Search for answers to your questions and log and track cases
- Customer Support Shipments Including New Releases of Software, maintenance releases, Service Packs, and Patches, updates and hotfixes
- Online Training Webinars: Access to library of eLearning webinars

Please note: Customer first support contracts START from the date of license issue and are due for renewal one (1) year after date of contract inception. Support is calculated based on the list price of all licenses at the site.

Quantity	Part Number/Description	Availability*	Price	Extension
1	10-7050 Add to Existing CFP #CFP# 109065 ,Exp 27-Mar-2018	1 Estimated 1-2 Weeks	\$22,515.11	\$22,515.11

Base Quotation Pricing Summary

Taxable:	\$33,877.61
Non-Taxable:	\$0.00
Subtotal:	\$33,877.61
Tax (8.00%):	\$1,809.60
Freight:	TBD
TOTAL:	\$35,687.21

Freight is NOT included in this total. Your final invoice may include shipping charges!

Availability:

- Part availability is subject to change and is based on the availability at the time this quote was created.
- Time in transit is subject to change depending on the "Ship To" address that is provided by the customer at the time the order is placed and the method in which customer requests that the part(s) ship.
- For "In Stock" parts, orders must be received by 3:00PM PST to ship same day.
- For Factory Stock parts, please allow approximately one week for delivery via our standard shipping methods.

PO Number:
Duration: This quote is valid for 30 days. **FOB:** Healdsburg, CA
Freight: Prepaid and Add
Terms: Visa/MC
Pages: 2 of 2

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE ORDER FOR SOFTWARE UPGRADES AND SUPPORT FOR SUPERVISORY CONTROL AND DATA ACQUISITION SYSTEM AT THE SURFACE WATER TREATMENT FACILITY FROM WONDERWARE NORCAL

WHEREAS, City staff has determined that Wonderware Norcal is the sole authorized distributor in the area for industrial interface products from Wonderware; and

WHEREAS, City staff believes by maintaining the support of these licenses, the cost to replace hardware would be minimal and updating hardware with unsupported licenses would require a substantial increase in cost; and

WHEREAS, City staff recommends approval and purchase of the Wonderware version upgrades and prorated support for three years, which is budgeted for under Water Operations for Fiscal Year 2015/16.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a purchase order for Wonderware version upgrades and prorated support for three years at the Surface Water Treatment Facility from Wonderware Norcal, of Healdsburg, California, in the amount of \$38,000.

Dated: August 5, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Awarding Contract for LED Luminaire Retrofit of Cobra Head Street Lights with Tanko Lighting, of San Francisco (\$1.3 Million)

MEETING DATE: August 5, 2015

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution awarding contract for LED luminaire retrofit of cobra head street lights with Tanko Lighting, of San Francisco, in an amount not to exceed \$1.3 million.

BACKGROUND INFORMATION: On December 19, 2012, the City Council authorized the City Manager to submit an application to participate in a California Energy Commission’s low-interest loan of up to \$3 million for an LED Street Light Retrofit Project. There were many entities competing for these loans, and as such, the City’s application was not selected.

On March 19, 2014, the City Council approved specifications and authorized advertisement for bids for the LED Street Light Retrofit Project for all of the City’s non-LED street lights. The completion of this work will achieve an energy savings of approximately 40 percent, or about \$142,000 a year for the 5,477 cobra head street lights and \$55,000 a year for the 1,903 decorative post top street lights. In addition, the LED retrofit will illuminate the streets with a white-colored light that will benefit public safety.

Separate bids for both cobra head and post top decorative street lights were requested. The bids included a turn-key solution as described below:

- Sourcing the street light luminaires consistent with Lodi Electric Utility (LEU) Standards
- Installation including labor, materials, and equipment
- Financing over a 10-year period

The City received the following two bids on June 5, 2014:

Bidder	Cobra Head	Post Top Decorative	Financing Rate
Tanko Lighting of San Francisco	\$1,275,572	\$ 788,404	3.55%
Aegis ITS Inc. of Anaheim	\$1,725,263	\$1,837,305	3.55%

Both firms submitted responsive bids for the cobra head street lights, however Aegis ITS Inc. was the only responsive bid for the post top decorative fixtures. Since Tanko Lighting was the lowest responsive bid for the cobra head retrofit, staff recommends awarding a contract for that project to Tanko Lighting.

APPROVED: _____
Stephen Schwabauer, City Manager

The time and material estimate for an LEU crew to install the Post Top Decorative Street Light retrofits is approximately \$670,000. Therefore, staff recommends using internal labor for that portion of the LED retrofit project, rather than Aegis ITS Inc.

A separate City Council agenda item addresses the financing component of the project.

FISCAL IMPACT: See separate City Council agenda item regarding financing of this project.

FUNDING AVAILABLE: Funding for the repayment of the loan will come from Greenhouse Gas Allowance Proceeds as authorized in the LEU Greenhouse Gas Free Allowance Proceeds Spending Plan approved by the City Council (Resolution 2014-110).

Jordan Ayers
Deputy City Manager/Internal Services Director

Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Jules Marchesseault, Engineering and Operations Manager

EAK/JLM/lst

SECTION 4
CONTRACT

Supply and Installation of LED Street Light Luminaires(Cobra Head)

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and Tanko Lighting, herein referred to as the "Contractor."

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

Notice Inviting Bids	The July 1992 Edition,
Information to Bidders	Standard Specifications,
General Provisions	State of California,
Special Provisions	Business and Transportation Agency,
Bid Proposal	Department of Transportation
Contract	
Contract Bonds	
Plans	

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare,

pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

Perform the work necessary to to replace existing high pressure sodium (HPS) luminaires on cobra head street light poles with new energy efficient light emitting diode (LED) street lighting luminaires within the City limits and other incidental and related work, all as shown on the plans and specifications for the above project all as shown on the plans and specifications for the above project.

CONTRACT ITEMS

Item #	Description	Est'd Unit Qty	Unit Price	Total Price
1	70W HPS Cobra Head Replacement – 30W GE ERX1 Series LED	78	\$214.00	\$16,692.00
2	100W HPS Cobra Head Replacement – 51W GE ERX1 Series LED	4,052	\$226.00	\$915,752.00
3	175W MV Cobra Head Replacement – 98W GE ERX1 Series LED	20	\$275.25	\$5,505.00
4	250W HPS Cobra Head Replacement – 118W GE ERX1 Series LED	1,137	\$296.25	\$336,836.25
5	400W MV Cobra Head Replacement – 118W GE ERS2 Series LED	2	\$393.25	\$786.50

TOTAL \$1,275,571.75

ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 15 calendar days after the City Manager has executed the contract and to diligently prosecute to completion to a schedule as agreed upon between both parties.

ARTICLE IX – State of California Senate Bill 854 requires the following:

- No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:

_____ Tanko Lighting _____

By: _____

_____ Title

(CORPORATE SEAL)

CITY OF LODI

By: _____
Stephen Schwabauer
City Manager

Date: _____

Attest

Jennifer M. Ferraiolo
City Clerk

Approved As To Form

Janice D. Magdich
City Attorney 

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING THE BID AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT FOR THE LED LUMINAIRE RETROFIT OF COBRA HEAD STREET LIGHTS WITH TANKO LIGHTING

WHEREAS, in answer to notice duly published in accordance with law and the order of this City Council, sealed bids were received and publicly opened on June 5, 2014, at 11:00 a.m., for the LED Street Light Retrofit Project, described in the plans and specifications therefore approved by the City Council on March 19, 2014; and

WHEREAS, said bids have been checked and tabulated and a report thereof filed with the City Manager as follows:

Bidder	Cobra Head	Post Top Decorative	Financing Rate
Tanko Lighting, of San Francisco	\$1,275,572	\$ 788,404	3.55%
Aegis ITS, Inc., of Anaheim	\$1,725,263	\$1,837,305	3.55%

WHEREAS, the time and material estimate for an Electric Utility Department crew to install the Post Top Decorative Street Light retrofits is approximately \$670,000, therefore, staff recommends using internal labor for that portion of the LED retrofit project; and

WHEREAS, a separate City Council agenda item addresses the financing component of the project; and

WHEREAS, staff recommends awarding the contract for the Cobra Head Street Light Retrofit to the lowest bidder, Tanko Lighting, of San Francisco, in the amount of \$1,275,572.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award the bid for the Cobra Head Street Light Retrofit to the lowest bidder, Tanko Lighting, of San Francisco, California, in the amount of \$1,275,572; and

BE IT FURTHER RESOLVED that the installation of the Post Top Decorative Street Light retrofits will be performed internally; and

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to execute the contract on behalf of the City of Lodi.

Dated: August 5, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution to Approve Debt Financing with Farmers and Merchants Bank of Lodi for LED Street Light Retrofit Project in the amount of \$1.5 Million and Authorize the City Manager and Deputy City Manager to Execute All Necessary Financing Documents

MEETING DATE: August 5, 2015

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution to approve debt financing with Farmers and Merchants Bank of Lodi for the LED Street Light Retrofit Project in the amount of \$1.5 million and authorize the City Manager and Deputy City Manager to execute all necessary financing documents.

BACKGROUND INFORMATION: On March 19, 2014, the City Council approved specifications and authorized advertisement for bids for the LED Street Light Retrofit Project for all of the City’s non-LED street lights.

Separate bids for both cobra head and post top decorative street lights were requested. The bids included a turn-key procurement, installation, and financing solution. The City received the following two bids on June 5, 2014:

Bidder	Cobra Head	Post Top Decorative	Financing Rate
Tanko Lighting of San Francisco	\$1,275,572	\$ 788,404	3.55%
Aegis ITS Inc. of Anaheim	\$1,725,263	\$1,837,305	3.55%

Both firms submitted responsive bids for the cobra head street lights; however Aegis ITS Inc. was the only responsive bid for the post top decorative fixtures. Since Tanko Lighting was the lowest responsive bid, staff is recommending, via a separate Council Communication, award of a contract for the cobra head retrofit to Tanko Lighting. As for the post top decorative retrofit, the time and material estimate for a Lodi Electric Utility (LEU) crew to perform the work is approximately \$670,000. Therefore, staff recommends using internal labor for that portion of the LED retrofit project.

To pursue a lower cost of financing and to ensure compliance with the City’s Debt Management Policy, an RFP for debt financing of the LED Street Light Retrofit Project was issued on June 22, 2015 with a response deadline of July 7, 2015. Nine responses were received; three of which were deemed non-qualifying. A review of the qualifying proposals in accordance with the City’s Debt Management Policy resulted in the selection and recommendation of a seven-year debt financing with Farmers and Merchants Bank at an annual interest rate of 2.3 percent. The proposed term minimizes total interest costs while providing a reasonable period of time to repay the debt without an adverse impact on LEU

APPROVED: _____
Stephen Schwabauer, City Manager

cash reserves. The estimated annual payment of approximately \$235,000 will be paid from Greenhouse Gas Free Allowance Proceeds as authorized in the LEU Greenhouse Gas Free Allowance Proceeds Spending Plan approved by the City Council (Resolution 2014-110). Documents in substantially final form are attached.

FISCAL IMPACT: Not to exceed \$1.5 million, financed over seven years at 2.3 percent with an estimated annual payment of \$235,000. Total interest cost over the life of the loan is \$154,593.

FUNDING AVAILABLE: LEU Capital Account 50199000.77020

Jordan Ayers
Deputy City Manager/Internal Services Director

Elizabeth A. Kirkley
Electric Utility Director

PREPARED BY: Jules Marchesseault, Engineering and Operations Manager

EAK/JLM/lst



BUSINESS LOAN APPLICATION

Company Information *If more than one applicant, fill out page 3 of this form.*

Business or Individual's Name: _____ Type of Business: _____

Mailing Address: _____ City: _____ State: _____ Zip Code: _____

Physical Address: _____ City: _____ State: _____ Zip Code: _____

Primary Contact Information: _____ Phone: _____ Cell: _____

Secondary Contact Information: _____ Phone: _____ Cell: _____

Tax ID #: _____ Date Established: _____ Email: _____

Type of Entity: Proprietorship (Individual -or- Joint) General Partnership Ltd Partnership
 Trust: (Individual -or- Joint) C-Corp. S-Corp LLC LLP

Company Ownership *List all principals, partners, members or managers with 20% or more ownership in the company.*

Name	Title	DOB	SSN	% of Ownership

Existing Business Locations

Do you own / lease the property your business now occupies? _____ Years Remaining on Lease: _____ Total Square Footage: _____
 Monthly Lease Payment: \$ _____ Do you pay taxes \$ _____ per year, maintenance \$ _____ per year and insurance \$ _____ per year in addition to your monthly lease payment?

Name of Insurance Company: _____ Agent's Name: _____ Phone: _____

Address: _____ City: _____ State: _____ Zip Code: _____

Loan Request

Purpose	\$ Amount
Total Loan Request:	

Collateral Offered:

Rev 2015-5-20



Primary Source of Loan Repayment:

Miscellaneous Questions

Yes No

Has the business, you or any officer of your company ever been involved in bankruptcy or insolvency proceedings?

Is the business an endorser, guarantor, or co-maker for obligations not listed in its financial statements?

Are any assets pledged or mortgaged other than as stated on business and/or personal financial statements?

Is the business a party to any claims or lawsuits, whether past or present?

Does the business owe any taxes for years prior to the current year?

Do any of the proposed guarantors have a trust (revocable or irrevocable)?

Please provide an explanation, if you have answered 'yes' to any of the above questions.

Authorization to Release Information For additional signatures, use Page 3 of this application

By signing below I/We certify that the information provided on and with this form or hereafter by us or on our behalf, is true, correct, and complete and that I/We are authorized to execute this form on behalf of the Applicant/Guarantors. Applicant/Guarantor authorizes F&M Bank ("Bank") to obtain credit reports, and to release credit information to others (including, without limitation, companies affiliated with Bank) regarding Applicant/Guarantor, from time to time. Applicant/Guarantor also authorizes Bank to obtain copies of its tax returns and information from the IRS and taxing authorities, and agrees to execute whatever forms Bank requests to obtain such information

Verbal Approval for Applicants only (Guarantor authorization must be in writing.): This certification confirms _____ (employee) obtained verbal permission to pull credit prior to accessing credit information from _____, _____ and _____ for the purpose of determining qualifications for a loan. _____ (employee initial)

REQUIRED SIGNER: Corporations – the persons named in the corporate documents. **Partnerships** – all General partners. **Sole Proprietors** – the Owner (if married you may apply for a separate account). **Limited Liability Company or Limited Liability Partnership** – all Members or Manager(s). **Trust** – all Trustees. **PLEASE INCLUDE ALL GUARANTORS.**

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

GUARANTORS For additional guarantors, use Page 3 of this application.

Name of Guarantor: _____ Title: _____ Signature: _____ Date: _____

Name of Guarantor: _____ Title: _____ Signature: _____ Date: _____

Name of Guarantor: _____ Title: _____ Signature: _____ Date: _____

Name of Guarantor: _____ Title: _____ Signature: _____ Date: _____

Additional Applicants *Use this Page if More than 1 Applicant, 5 Applicant Signatures and/or More than 4 Guarantors are Needed.*

Business or Individual's Name:		Tax ID#:	
Mailing Address:	City:	State:	Zip Code:
Physical Address:	City:	State:	Zip Code:
Additional Contact Information:		Phone:	Fax:
Type of Entity: <input type="checkbox"/> Proprietorship (<input type="checkbox"/> Individual -or- <input type="checkbox"/> Joint)		<input type="checkbox"/> General Partnership <input type="checkbox"/> Ltd Partnership	
<input type="checkbox"/> Trust: (<input type="checkbox"/> Individual -or- <input type="checkbox"/> Joint)		<input type="checkbox"/> C-Corp. <input type="checkbox"/> S-Corp <input type="checkbox"/> LLC <input type="checkbox"/> LLP	

Additional Applicant Ownership *List all principals with 20% or more ownership in the company.*

Name	Title	DOB	SSN	% of Ownership

Additional Applicant Signatures

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

Name of Signer: _____ Title: _____ Signature: _____ Date: _____

Additional Guarantor Signatures

Name of Guarantor: _____ Title: _____ Signature: _____ Date: _____

Name of Guarantor: _____ Title: _____ Signature: _____ Date: _____

Name of Guarantor: _____ Title: _____ Signature: _____ Date: _____

Name of Guarantor: _____ Title: _____ Signature: _____ Date: _____

Notice: U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person (individuals or businesses) who opens an account. What this means to you: when you open an account or add any additional service, we will ask you for your name, address, and taxpayer identification number that will allow us to identify you. We may also ask to see other identifying documents.

GOVERNMENTAL CERTIFICATE

Principal \$1,500,000.00	Loan Date 08-05-2015	Maturity 12-01-2022	Loan No DRAFT	Call / Coll 4	Account	Officer 968	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Entity: CITY OF LODI 221 W. PINE STREET LODI, CA 95240	Lender: Farmers & Merchants Bank of Central California LOAN CENTER 116 WEST PINE STREET P. O. BOX 3000 LODI, CA 95241-1902 (800) 888-1498
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WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE ENTITY'S EXISTENCE. The complete and correct name of the governmental entity is CITY OF LODI ("Entity"). The Entity is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws and regulations of the State of California. The Entity has the full power and authority to own its properties and to transact the business and activities in which it is presently engaged or presently proposes to engage. The Entity maintains an office at 221 W. PINE STREET, LODI, CA 95240. The Entity shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of the Entity and any other governmental or quasi-governmental authority or court applicable to the Entity and the Entity's business activities.

CERTIFICATES ADOPTED. At a meeting of the appropriate governing body of the Entity, duly called and held on August 5, 2015, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Certificate were adopted.

OFFICIALS. The following named persons is an Officials of CITY OF LODI:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>	<u>ACTUAL SIGNATURES</u>
STEPHEN SCHWABAUER	City Manager	Y	X _____
JORDAN AYERS	Deputy City Manager	Y	X _____

ACTIONS AUTHORIZED. Any one (1) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Entity. Specifically, but without limitation, any one (1) of such authorized persons is authorized, empowered, and directed to do the following for and on behalf of the Entity:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Entity and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Entity's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Entity's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Entity or in which the Entity now or hereafter may have an interest, including without limitation all of the Entity's real property and all of the Entity's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Entity to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Entity or in which the Entity may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Entity's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the Officials may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Certificate.

ASSUMED BUSINESS NAMES. The Entity has filed or recorded all documents or filings required by law relating to all assumed business names used by the Entity. Excluding the name of the Entity, the following is a complete list of all assumed business names under which the Entity does business:

<u>Assumed Business Name</u>	<u>Filing Location</u>	<u>Date</u>
LODI PUBLIC FINANCING AUTHORITY		
LODI PUBLIC IMPROVEMENT CORPORATION		

NOTICES TO LENDER. The Entity will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Entity's name; (B) change in the Entity's assumed business name(s); (C) change in the structure of the Entity; (D) change in the authorized signer(s); (E) change in the Entity's principal office address; (F) change in the Entity's principal residence; or (G) change in any other aspect of the Entity that directly or indirectly relates to any agreements between the

**GOVERNMENTAL CERTIFICATE
(Continued)**

Loan No: DRAFT

Entity and Lender.

CERTIFICATION CONCERNING OFFICIALS AND CERTIFICATES. The Officials named above is duly elected, appointed, or employed by or for the Entity, as the case may be, and occupy the positions set opposite their respective names. This Certificate now stands of record on the books of the Entity, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

CONTINUING VALIDITY. Any and all acts authorized pursuant to this Certificate and performed prior to the passage of this Certificate are hereby ratified and approved. This Certificate shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Entity's agreements or commitments in effect at the time notice is given.

IN TESTIMONY WHEREOF, we have hereunto set our hand and attest that the signatures set opposite the names listed above is their genuine signatures.

We each have read all the provisions of this Certificate, and we each personally and on behalf of the Entity certify that all statements and representations made in this Certificate are true and correct. This Governmental Certificate is dated August 5, 2015.

CERTIFIED TO AND ATTESTED BY:

X
STEPHEN SCHWABAUER, City Manager of CITY OF LODI

X
JORDAN AYERS, Deputy City Manager of CITY OF LODI

NOTE: If the Officials signing this Certificate is designated by the foregoing document as one of the officials authorized to act on the Entity's behalf, it is advisable to have this Certificate signed by at least one non-authorized official of the Entity.

DRAFT

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,500,000.00	08-05-2015	12-01-2022	DRAFT	4		968	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

Borrower: CITY OF LODI
221 W. PINE STREET
LODI, CA 95240

Lender: Farmers & Merchants Bank of Central California
LOAN CENTER
116 WEST PINE STREET
P. O. BOX 3000
LODI, CA 95241-1902
(800) 888-1498

THIS BUSINESS LOAN AGREEMENT dated August 5, 2015, is made and executed between CITY OF LODI ("Borrower") and Farmers & Merchants Bank of Central California ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of August 5, 2015, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any indebtedness exists:

Organization. Borrower is a governmental entity which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in all other states in which Borrower is doing business; having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 221 W. PINE STREET, LODI, CA 95240. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business:

<u>Borrower</u>	<u>Assumed Business Name</u>	<u>Filing Location</u>	<u>Date</u>
CITY OF LODI	LODI PUBLIC FINANCING AUTHORITY LODI PUBLIC IMPROVEMENT CORPORATION		

Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: DRAFT

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all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of: (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with the following:

Annual Statements. As soon as available, but in no event later than one-hundred-eighty (180) days after the end of each fiscal year, Borrower's balance sheet and income statement for the year ended, audited by a certified public accountant satisfactory to Lender.

Additional Requirements.

- 1) Borrower to provide Lender with written verifications that Borrower is a tax-exempt entity throughout the entire loan term;
- 2) Borrower must file form 8038 with the IRS by the 15th of the second calendar month after the quarter in which the loan is issued;
- 3) Borrower to maintain the Bond Rating not lower than the following:
 - (a) Moody's: Ba3
 - (b) Standard & Poor: BBB
 - (c) Fitch: BBB

Failure to maintain all of these minimum ratings will be an event of default;

- 4) If Borrower fails to maintain a tax-exempt status during the loan term, the Interest Rate will increase to 1.50 times the Pre-Tax Interest Rate.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: DRAFT

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interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds. Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens. Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP.

Performance. Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Operations. Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies. Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements. Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection. Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Environmental Compliance and Reports. Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentally concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances. Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

Required Financial Items. Borrower acknowledges the importance to Lender of the timely delivery of each of the items required by this section (each a "Required Financial Item" and collectively, the "Required Financial Items"). In the event Borrower fails to deliver to Lender any of the Required Financial Items within the time frame specified herein (each such event, a "Reporting Failure"), in addition to constituting an Event of Default hereunder and without limiting Lender's other rights and remedies with respect to the occurrence of such an Event of Default, Borrower shall pay to Lender the sum of \$250.00 per occurrence for each Reporting Failure; provided, however, as it relates solely to the first two (2) Reporting Failures in any calendar year, such occurrence shall not be deemed an Event of Default unless Borrower fails to provide the Required Financial Items following thirty (30) days notice from Lender. It shall constitute a further Event of Default hereunder if any such payment is not received by Lender within thirty (30) days of the date on which such payment is due, and Lender shall be entitled to the exercise of all of its rights and remedies provided hereunder.

RECOVERY OF ADDITIONAL COSTS. If the imposition of or any change in any law, rule, regulation or guideline, or the interpretation or application of any thereof by any court or administrative or governmental authority (including any request or policy not having the force of law) shall impose, modify or make applicable any taxes (except federal, state or local income or franchise taxes imposed on Lender), reserve requirements, capital adequacy requirements or other obligations which would (A) increase the cost to Lender for extending or maintaining the credit facilities to which this Agreement relates, (B) reduce the amounts payable to Lender under this Agreement or the Related Documents, or (C) reduce the rate of return on Lender's capital as a consequence of Lender's obligations with respect to the credit facilities to which this Agreement relates, then Borrower agrees to pay Lender such additional amounts as will compensate Lender therefor, within five (5) days after Lender's written demand for such payment, which demand shall be accompanied by an explanation of such imposition or charge and a calculation in reasonable detail of the additional amounts payable by Borrower, which explanation and calculations shall be conclusive in the absence of manifest error.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if

BUSINESS LOAN AGREEMENT (Continued)

Loan No: DRAFT

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Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Continuity of Operations. (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise.

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business.

Agreements. Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

CESSATION OF ADVANCES. If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Loan.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

Right to Cure. If any default, other than a default on Indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after Lender sends written notice to Borrower or Grantor, as the case may be, demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

BUSINESS LOAN AGREEMENT (Continued)

Loan No: DRAFT

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ADDITIONAL EVENT OF DEFAULT. The following shall constitute an Event of Default under this Agreement:

Should Borrower, any guarantor, or any grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement in favor of Lender or any other creditor or person that may materially affect any of Borrower's property or Borrower's, any guarantor's, or any grantor's ability to repay the loans or perform their respective obligations under this Agreement or any of the related documents.

ARBITRATION. Each party to this agreement, on behalf of themselves and each of their respective subsidiaries, affiliates, and all of their respective shareholders, directors, officers, employees, agents, representatives, successors and assigns, agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes against any party or any such party's shareholders, directors, officers, employees, agents, representatives, successors and assigns, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. All parties agree that in the event of an action for judicial foreclosure pursuant to California Code of Civil Procedure Section 726, or any similar provision in any other state, the commencement of such an action will not constitute a waiver of the right to arbitrate and the court shall refer to arbitration as much of such action, including counterclaims, as lawfully may be referred to arbitration. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision. Any such arbitration shall be conducted at a location determined by the arbitrator in San Joaquin County, California, and administered by the American Arbitration Association ("AAA") in accordance with the California Arbitration Act (Title 9, California Code of Civil Procedure Section 1280 et. seq.) and the then existing Commercial Rules of the AAA.

WAIVER OF JURY TRIAL. To the extent permitted by applicable law, each party to this agreement, on behalf of themselves and each of their respective subsidiaries, affiliates, and all of their respective shareholders, directors, officers, employees, agents, representatives, successors and assigns, hereby irrevocably waives, to the fullest extent permitted by applicable law, any right such party may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this agreement or any other loan document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory) whether by claim or counterclaim, and whether against any party or any such party's shareholders, directors, officers, employees, agents, representatives, successors and assigns. Each party hereto acknowledges that it and the other parties hereto have been induced to enter into this agreement and the other loan documents by, among other things, the mutual waivers and certifications in this section.

COLLECTION COSTS. Upon default, Lender will have the following rights in addition to any other rights provided in this Agreement or by law. Lender may require Borrower to pay, on demand, any of its internal costs of the costs of third parties which Lender reasonably determines were incurred because of the default. This includes internal costs such as the allocable cost of in-house counsel, staff appraisers, collection personnel, accounting personnel or other salaried employees, and the overtime or regular-time compensation of Lender's hourly employees, that is reasonably incurred as a result of my default. It further includes any fees or costs paid to third parties as a result of or on account of the default, including fees to appraisers, collection agencies, foreclosure services, title services and other reasonably incurred amounts. Amounts due under this paragraph shall be due on demand, or Lender may, at its option, add them to the balance of the Note, in which case they shall bear interest at the Note rate.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees, Expenses. Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of SAN JOAQUIN County, State of California.

**BUSINESS LOAN AGREEMENT
(Continued)**

Loan No: DRAFT

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No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement.

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

Borrower. The word "Borrower" means CITY OF LODI and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous

**BUSINESS LOAN AGREEMENT
(Continued)**

Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means Farmers & Merchants Bank of Central California, its successors and assigns.

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

Note. The word "Note" means all of the obligations of Borrower in favor of Lender or to its order under all existing promissory notes and that certain promissory note dated AUGUST 5, 2015 for the original or maximum principal amount of ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,500,000.00) executed by Borrower and payable to Lender, and any renewals, extensions, modifications, amendments, or supplements thereto, together with further sums as Borrower or any successor in ownership hereafter may borrow from Lender when evidenced by another note or other instruments, reciting it is so secured, payable to Lender or to its order and made by Borrower or any successor-in-ownership, and all renewals, extensions, modifications, amendments, or supplements thereof.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED AUGUST 5, 2015.

BORROWER:

CITY OF LODI

By: STEPHEN SCHWABAUER, City Manager of CITY OF LODI

By: JORDAN AYERS, Deputy City Manager of CITY OF LODI

LENDER:

FARMERS & MERCHANTS BANK OF CENTRAL CALIFORNIA

By: Authorized Signer

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,500,000.00	08-05-2015	12-01-2022	DRAFT	4		968	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: CITY OF LODI
221 W. PINE STREET
LODI, CA 95240

Lender: Farmers & Merchants Bank of Central California
LOAN CENTER
116 WEST PINE STREET
P. O. BOX 3000
LODI, CA 95241-1902
(800) 888-1498

Principal Amount: \$1,500,000.00

Date of Note: August 5, 2015

PROMISE TO PAY. CITY OF LODI ("Borrower") promises to pay to Farmers & Merchants Bank of Central California ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Million Five Hundred Thousand & 00/100 Dollars (\$1,500,000.00), together with interest on the unpaid principal balance from August 5, 2015, until paid in full.

PAYMENT. Borrower will pay this loan in accordance with the following payment schedule, which calculates interest on the unpaid principal balances as described in the "INTEREST CALCULATION METHOD" paragraph using the interest rates described in this paragraph: one interest payment on December 1, 2015, with interest calculated on the unpaid principal balances using an interest rate of 2.300%; 8 annual consecutive principal and interest payments of \$234,755.01 each, beginning December 1, 2016, with interest calculated on the unpaid principal balances using an interest rate of 2.300%; and one principal and interest payment of \$234,755.04 on December 1, 2022, with interest calculated on the unpaid principal balances using an interest rate of 2.300%. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied to the loan as described in the "HOW YOUR PAYMENTS ARE APPLIED" section. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis, that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method. This calculation method results in a higher effective interest rate than the numeric interest rates stated in this Note.

PREPAYMENT; MINIMUM INTEREST CHARGE. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. In any event, even upon full prepayment of this Note, Borrower understands that Lender is entitled to a minimum interest charge of \$100.00. Other than Borrower's obligation to pay any minimum interest charge, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Farmers & Merchants Bank of Central California, LOAN CENTER, 116 WEST PINE STREET, P. O. BOX 3000, LODI, CA 95241-1902.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$100.00, whichever is less.

INTEREST AFTER DEFAULT. Upon default, the interest rate on this Note shall, if permitted under applicable law, immediately increase by adding an additional 4.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. After maturity, or after this Note would have matured had there been no default, the Default Rate Margin will continue to apply to the final interest rate described in this Note.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Death or Insolvency. The death of Borrower or the dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or

**PROMISSORY NOTE
(Continued)**

Loan No: DRAFT

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disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Cure Provisions. If any default, other than a default in payment is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of California.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of SAN JOAQUIN County, State of California.

COLLATERAL. This loan is unsecured.

LOAN AGREEMENT. This Note is subject to a Business Loan Agreement dated of even date herewith.

LEAP YEAR. In the event of a leap year, the annual interest rate for this Note will be computed on a 366/360 day basis.

PARTNERSHIP BORROWER. If Borrower is a partnership, each of the general partners of Borrower will be jointly and severally liable with Borrower for Borrower's obligations under this Agreement and the Related documents, and Lender may enforce any monetary judgment obtained in an action related to any thereof directly against the assets of any one or more of Borrower's general partners without proceeding against the assets of Borrower or any of Borrower's other general partners.

PREFERRED RATE REDUCTION. The interest rate on this Note includes a preferred rate reduction. The interest rate is based on all loan payments being automatically debited from a checking account you have with Lender as those payments are due. If (1) your checking account is closed before the loan is paid in full, or (2) there is an insufficient balance in the checking account to cover the automatic debit on the due date of any payment, or (3) you revoke Lender's authority to debit the checking account, the interest rate will be subject to a one time increase of an additional one quarter of one percent (0.25%) for the remainder of the loan. On variable interest rate loans, the increase will be applied to the spread used in calculating the interest rate. Any minimum interest rate on your loan will also increase by this percentage. Lender, at its option, immediately or subsequently may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will payoff by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

ADDITIONAL DEFAULT. The following shall constitute a Default under this Note:

Should Borrower, any guarantor, or any grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement in favor of Lender or any other creditor or person that may materially affect any of Borrower's property or Borrower's, any guarantor's, or any grantor's ability to repay the loans or perform their respective obligations under this Note or any of the related documents.

COLLECTION COSTS. Upon default, Lender will have the following rights in addition to any other rights provided in this Note or by law. Lender may require Borrower to pay, on demand, any of its internal costs or the costs of third parties which Lender reasonably determines were incurred because of the default. This includes internal costs such as the allocable cost of in-house counsel, staff appraisers, collection personnel, accounting personnel or other salaried employees, and the overtime or regular-time compensation of Lender's hourly employees, that is reasonably incurred as a result of my default. It further includes any fees or costs paid to third parties as a result of or on account of the default, including fees to appraisers, collection agencies, foreclosure services, title services and other reasonably incurred amounts. Amounts due under this paragraph shall be due on demand, or Lender may, at its option, add them to the balance of the Note, in which case they shall bear interest at the Note rate.

HOW YOUR PAYMENTS ARE APPLIED. Unless otherwise agreed or required by applicable law, payments will be applied first to any interest due; then to principal; then to all other charges (including but not limited to late charges, attorney fees, appraisal fees, collection costs, and any other costs or expenses) associated with enforcing this Note.

PAYMENT UPON DEFAULT. If in default at any time during the loan, the entire balance of the loan, principal and interest, or any portion thereof, may become due and payable upon demand by Lender, including any costs or expenses associated with enforcing this Note. The Lender reserves the right to apply payments in any order to the extent not prohibited by applicable law.

ARBITRATION. Each party to this agreement, on behalf of themselves and each of their respective subsidiaries, affiliates, and all of their respective shareholders, directors, officers, employees, agents, representatives, successors and assigns, agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes against any party or any such party's shareholders, directors, officers, employees, agents, representatives, successors and assigns, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. All parties agree that in the event of an action for judicial foreclosure pursuant to California Code of Civil Procedure Section 726, or any similar provision in any other state, the commencement of such an action will not constitute a waiver of the right to arbitrate and the court shall refer to arbitration as much of such action, including counterclaims, as lawfully may be referred to arbitration. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought

**PROMISSORY NOTE
(Continued)**

Loan No: DRAFT

Page 3

by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision. Any such arbitration shall be conducted at a location determined by the arbitrator in San Joaquin County, California, and administered by the American Arbitration Association ("AAA") in accordance with the California Arbitration Act (Title 9, California Code of Civil Procedure Section 1280 et. seq.) and the then existing Commercial Rules of the AAA.

WAIVER OF JURY TRIAL. To the extent permitted by applicable law, each party to this agreement, on behalf of themselves and each of their respective subsidiaries, affiliates, and all of their respective shareholders, directors, officers, employees, agents, representatives, successors and assigns, hereby irrevocably waives, to the fullest extent permitted by applicable law, any right such party may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this agreement or any other loan document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory), whether by claim or counterclaim, and whether against any party or any such party's shareholders, directors, officers, employees, agents, representatives, successors and assigns. Each party hereto acknowledges that it and the other parties hereto have been induced to enter into this agreement and the other loan documents by, among other things, the mutual waivers and certifications in this section.

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

GENERAL PROVISIONS. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

CITY OF LODI

By: _____
STEPHEN SCHWABAUER, City Manager of CITY OF
LODI

By: _____
JORDAN AYERS, Deputy City Manager of CITY OF
LODI

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,500,000.00	08-05-2015	12-01-2022	DRAFT	4		968	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: CITY OF LODI
221 W. PINE STREET
LODI, CA 95240

Lender: Farmers & Merchants Bank of Central California
LOAN CENTER
116 WEST PINE STREET
P. O. BOX 3000
LODI, CA 95241-1902
(800) 888-1498

LOAN TYPE. This is a Fixed Rate (2.300% initial rate) Nondisclosable Loan to a Government Entity for \$1,500,000.00 due on December 1, 2022.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
 Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: ACQUISITION AND INSTALLATION OF ENERGY EFFICIENT LED LIGHT FIXTURES IN STREETLIGHTS.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$1,500,000.00 as follows:

Amount paid to Borrower directly: \$1,496,050.00
 \$1,496,050.00 Deposited to Checking Account #

Total Financed Prepaid Finance Charges: \$3,950.00
 \$3,750.00 Loan Fee
 \$200.00 Loan Processing Fee

Note Principal: \$1,500,000.00

AUTOMATIC PAYMENTS. Borrower hereby authorizes Lender automatically to deduct from Borrower's Checking account, numbered 00-100013-01, the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

AUTOMATIC PAYMENT TRANSFERS. If you are set up for automatic payments from a deposit account and your due date falls on a Saturday, Sunday, or holiday, the payment will be transferred from your deposit account on the prior business day. Due to variations in the last payment amount, the last payment will not be made via automatic transfer. Borrower will need to make the final payment, due at maturity, manually.

SOCIAL SECURITY NUMBER OR TAXPAYER IDENTIFICATION NUMBER: By signing below I hereby certify that the Social Security Number or Taxpayer Identification Number as provided by me is true and correct.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED AUGUST 5, 2015.

BORROWER:

CITY OF LODI

By: STEPHEN SCHWABAUER, City Manager of CITY OF LODI

By: JORDAN AYERS, Deputy City Manager of CITY OF LODI

CUSTOMER VERIFICATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,500,000.00	08-05-2015	12-01-2022	DRAFT	4		968	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.

Borrower: CITY OF LODI
221 W. PINE STREET
LODI, CA 95240

Lender: Farmers & Merchants Bank of Central California
LOAN CENTER
116 WEST PINE STREET
P. O. BOX 3000
LODI, CA 95241-1902
(800) 888-1498

This CUSTOMER VERIFICATION is attached to and by this reference is made a part of the Disbursement Request and Authorization, dated August 5, 2015, and executed in connection with a loan or other financial accommodations between FARMERS & MERCHANTS BANK OF CENTRAL CALIFORNIA and CITY OF LODI.

New Account Identification. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means to you: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

The below information is to be verified by an F&M Bank employee or verifying agent:

Borrower/Authorized Signer Full Name: _____

Physical Address: _____

Identification Type: _____ Identification Number: _____

Identification State of Issuance: _____ Date of Issuance: _____

Identification Expiration Date: _____ Date of Birth: _____

Borrower/Authorized Signer Full Name: _____

Physical Address: _____

Identification Type: _____ Identification Number: _____

Identification State of Issuance: _____ Date of Issuance: _____

Identification Expiration Date: _____ Date of Birth: _____

I certify that all of the above identifying information was personally verified by me through visual inspection of US government issued identification.

Verifying Representative Name: _____ Date: _____

Verifying Representative Signature: _____

THIS CUSTOMER VERIFICATION IS EXECUTED ON AUGUST 5, 2015.

BORROWER:

CITY OF LODI

By: STEPHEN SCHWABAUER, City Manager of CITY OF LODI

By: JORDAN AYERS, Deputy City Manager of CITY OF LODI

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,500,000.00	08-05-2015	12-01-2022	DRAFT	4		968	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: CITY OF LODI
221 W. PINE STREET
LODI, CA 95240

Lender: Farmers & Merchants Bank of Central California
LOAN CENTER
116 WEST PINE STREET
P. O. BOX 3000
LODI, CA 95241-1902
(800) 888-1498

Disbursement Date: August 5, 2015
Interest Rate: 2.300

Repayment Schedule: Irregular
Calculation Method: 365/360 Actuarial

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	12-01-2015	11,308.33	11,308.33	0.00	1,500,000.00
2	12-01-2016	234,755.01	35,075.00	199,680.01	1,300,319.99
3	12-01-2017	234,755.01	30,322.74	204,432.27	1,095,887.72
4	12-01-2018	234,755.01	25,565.49	209,189.52	886,688.20
5	12-01-2019	234,755.01	20,677.08	214,077.93	672,610.27
6	12-01-2020	234,755.01	15,727.87	219,027.14	453,583.13
7	12-01-2021	234,755.01	10,577.31	224,177.70	229,405.43
8	12-01-2022	234,755.04	5,349.61	229,405.43	0.00
TOTALS:		1,654,593.43	154,593.43	1,500,000.00	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING DEBT FINANCING WITH FARMERS AND MERCHANTS BANK FOR THE LED STREET LIGHT RETROFIT PROJECT IN THE AMOUNT OF \$1.5 MILLION AND AUTHORIZING THE CITY MANAGER AND DEPUTY CITY MANAGER TO EXECUTE ALL NECESSARY FINANCING DOCUMENTS

=====

WHEREAS, on March 19, 2014, the City Council approved specifications and authorized advertisement for bids for the LED Street Light Retrofit Project for all of the City's non-LED street lights; and

WHEREAS, separate bids for both cobra head and post top decorative street lights were requested, and the bids included a turn-key procurement, installation, and financing solution; and

WHEREAS, on June 5, 2014, the City received the following two bids:

Bidder	Cobra Head	Post Top Decorative	Financing Rate
Tanko Lighting, of San Francisco	\$1,275,572	\$ 788,404	3.55%
Aegis ITS, Inc., of Anaheim	\$1,725,263	\$1,837,305	3.55%

WHEREAS, both firms submitted responsive bids for the cobra head street lights, however, Aegis ITS, Inc., was the only responsive bid for the post top decorative fixtures; and

WHEREAS, since Tanko Lighting was the lowest responsive bid for the cobra head retrofit, staff recommends awarding a contract for the cobra head retrofit to Tanko Lighting; and

WHEREAS, since Tanko Lighting's bid for the post top decorative street lights was non-responsive, and since staff has determined this work can be done with in-house labor for a significantly lower cost than the Aegis ITS, Inc., bid, staff is recommending doing the post top decorative street lights in-house; and

WHEREAS, to pursue a lower cost of financing and to ensure compliance with the City's Debt Management Policy, an Request for Proposals for debt financing of the LED Street Light Retrofit Project was issued on June 22, 2015, with a response deadline of July 7, 2015; and

WHEREAS, nine responses were received; three of which were deemed non-qualifying; and

WHEREAS, a review of the qualifying proposals in accordance with the City's Debt Management Policy resulted in the selection and recommendation of a seven-year debt financing with Farmers and Merchants Bank, at an interest rate of 2.3 percent, and the proposed term minimizes total interest costs while providing a reasonable period of time to repay the debt without an adverse impact on Lodi Electric Utility cash reserves; and

WHEREAS, the estimated annual payment of approximately \$235,000 will be paid from Greenhouse Gas Free Allowance Proceeds, as authorized in the Lodi Electric Utility Greenhouse Gas Free Allowance Proceeds Spending Plan approved by City Council Resolution No. 2014-110.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby approves debt financing with Farmers and Merchants Bank, of Lodi, California, for financing the LED luminaire retrofit of cobra head street lights, in an amount not to exceed \$1.5 million; and

BE IT FURTHER RESOLVED that the City Council hereby authorizes the City Manager and Deputy City Manager to execute all necessary financing documents.

Dated: August 5, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept Improvements Under Contract for Lodi Lake Park – Wading Pool Resurfacing Improvements
MEETING DATE: August 5, 2015
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept improvements under contract for Lodi Lake Park – Wading Pool Resurfacing Improvements.

BACKGROUND INFORMATION: The contract was awarded to Dave Gross Enterprises, Inc., doing business as Adams Pool Specialties, of Sacramento, in the amount of \$13,400, on May 6, 2015. The contract has been completed in substantial conformance with the plans and specifications approved by City Council.

This project consisted of removal and disposal of the existing plaster pool finish, preparation of the surface of the existing concrete pool shell, application of new white plaster pool finish, installation of new drain grate covers that meet the Virginia Graeme Baker Pool and Spa Safety Act and current pool requirements put forth by San Joaquin County Health and Safety Department and other incidental and related work, as shown on the plans and specifications for the above project.

The completion date was June 29, 2015. The final contract price was \$13,400.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: This project is funded by Parks Donation (140.23702).

F. Wally Sandelin
Public Works Director

Prepared by Dorothy Kam, Assistant Engineer
FWS/DK/tb
cc: City Engineer/Deputy Public Works Director
Parks, Recreation and Cultural Services Director

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Accept Improvements Under Contract for Lodi Lake Storm Drain Outfall Improvement Project

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept improvements under contract for Lodi Lake Storm Drain Outfall Improvement Project

BACKGROUND INFORMATION: The project was awarded to Diede Construction Inc., of Woodbridge, on December 17, 2014, in the amount of \$63,120. The contract has been completed in substantial conformance with the plans and specifications approved by City Council.

This project consists of replacing the existing storm drain outfall pipe and constructing a new concrete outfall structure for the existing Lodi Lake storm drain pump station and an existing 48-inch slide gate was purchased by the City and installed by the contractor. The work had to be completed during the period when Lodi Lake is drained for Woodbridge Irrigation District maintenance.

The contract was completed within the contract schedule. The original contract amount was \$63,120.00. The final contract price was \$88,963.03. The difference between the contract amount and the final contract price is due to Change Order #1 which includes additional removal of unsuitable soil material and replacing it with class 2 aggregate base and increases in contract unit quantities of AB and Rip Rap materials totaling \$25,843.03.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: The new pipe and outfall will decrease the on-going maintenance of the Lodi Lake storm drain system.

FUNDING AVAILABLE: This project is funded by Lodi Lake Storm Drain Pipe (53199000.77020) \$40,000 and Wastewater Capital Fund (53199000.77020) \$60,000

F. Wally Sandelin
Public Works Director

Prepared by Gary Wiman, Construction Project Manager
FWS/GW/tb

APPROVED: _____
Stephen Schwabauer, City Manager



TM

CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Approving Final Map for Sunwest Cottages, Tract No. 3858
MEETING DATE: August 5, 2015
PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt a resolution approving the final map for Sunwest Cottages, Tract No. 3858.

BACKGROUND INFORMATION: The subdivision is located at 2126, 2128 and 2130 Tienda Drive as shown on Exhibit A. The development consists of eight medium-density, single-family residential lots.

The Developer, Brittany, LLC, has furnished the City with all necessary agreements and fees for the proposed subdivision.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Charlie Swimley, City Engineer / Deputy Public Works Director

FWS/CES/tb

Attachment

cc: Senior Engineering Technician Wiman
Brittany, LLC.

APPROVED: _____
Stephen Schwabauer, City Manager

TRACT NO. 3858
SUBDIVISIONS OF SAN JOAQUIN COUNTY
SUNWEST COTTAGES
 A PORTION OF THE SOUTHEAST QUARTER OF
 OF SEC. 10, T.3 N., R.6 E., M.D.B. & M.,
 City of Lodi, San Joaquin County, California
 January, 2015 Scale: 1"=20'



BAUMBACH & PIAZZA, INC. 323 W. Elm St.
 CIVIL ENGINEERS • SURVEYORS Lodi, CA 95240
 www.bpeengineers.net 209.368.6618

LEGEND:

- B.O.B. BASIS OF BEARINGS
- S.F.N. SEARCHED, FOUND NOTHING
- FD. FOUND
- I.N. INSTRUMENT NUMBER
- P.M. PARCEL MAP
- R.S. RECORD OF SURVEY
- //// RESTRICTED ACCESS
- SET 3/4" X 30" IRON ROD CAPPED AND STAMPED "BAUMBACH AND PIAZZA ELSON P.L.S. 7889", UNLESS OTHERWISE NOTED.
- FD. 3/4" X 30" IRON ROD CAPPED AND STAMPED "R.C.E. 19638" PER (1) UNLESS OTHERWISE NOTED.
- ⊙ FD. MONUMENT IN BOX AS NOTED.

REFERENCES:

- (1) P.M. 23-169
- (2) R.S. 37-50
- (3) P.M. 21-38
- (4) D.N. 2007-202371

CURVE DATA TABLE						
CURVE	RADIUS	DELTA	LENGTH	TANGENT	CHORD LENGTH	CHORD BEARING
C-1	750.00'	00°57'35"	12.56'(1)	6.28'	12.56'	N 81°37'56" W
C-2	784.00'	00°17'20"	3.95'(1)	1.98'	3.95'	N 81°17'51" W

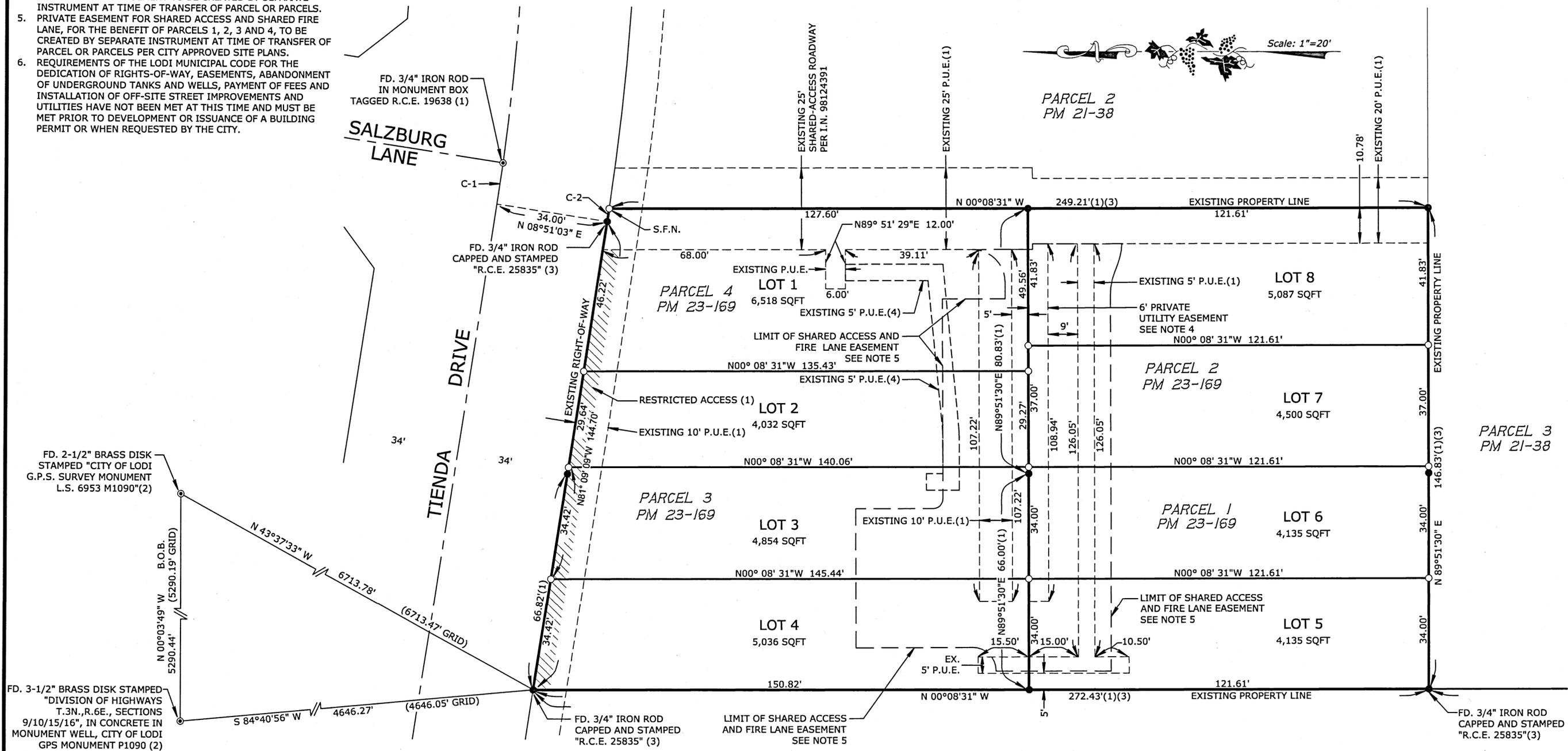
BASIS OF BEARINGS:

BEARINGS, DISTANCES AND COORDINATES ARE BASED ON THE NAD83 CALIFORNIA COORDINATE SYSTEM, ZONE III (CC583). A LINE BETWEEN CITY OF LODI MONUMENTS NO. M1090 AND NO. P1090 BEARS NORTH 00°03'49" WEST AS CALCULATED ON "CITY OF LODI G.P.S. CONTROL NETWORK", FILED FOR RECORD IN BOOK 37 OF SURVEYS, AT PAGE 50, SAN JOAQUIN COUNTY RECORDS. ALL DISTANCES ARE GROUND LEVEL DISTANCES AND MUST BE MULTIPLIED BY 0.999953470 TO OBTAIN GRID DISTANCES.

Sheet 2 of 2

NOTES:

1. REFER TO CITY OF LODI TENTATIVE MAP APPLICATION 2014-39.
2. ALL REFERENCES ARE TO SAN JOAQUIN COUNTY RECORDS AND BOOK OR VOLUME PRECEDES PAGE.
3. ALL DISTANCES ARE MEASURED UNLESS OTHERWISE NOTED.
4. PRIVATE UTILITY EASEMENT TO BE CREATED BY SEPARATE INSTRUMENT AT TIME OF TRANSFER OF PARCEL OR PARCELS.
5. PRIVATE EASEMENT FOR SHARED ACCESS AND SHARED FIRE LANE, FOR THE BENEFIT OF PARCELS 1, 2, 3 AND 4, TO BE CREATED BY SEPARATE INSTRUMENT AT TIME OF TRANSFER OF PARCEL OR PARCELS PER CITY APPROVED SITE PLANS.
6. REQUIREMENTS OF THE LODI MUNICIPAL CODE FOR THE DEDICATION OF RIGHTS-OF-WAY, EASEMENTS, ABANDONMENT OF UNDERGROUND TANKS AND WELLS, PAYMENT OF FEES AND INSTALLATION OF OFF-SITE STREET IMPROVEMENTS AND UTILITIES HAVE NOT BEEN MET AT THIS TIME AND MUST BE MET PRIOR TO DEVELOPMENT OR ISSUANCE OF A BUILDING PERMIT OR WHEN REQUESTED BY THE CITY.



Scale: 1"=20'

FD. 2-1/2" BRASS DISK STAMPED "CITY OF LODI G.P.S. SURVEY MONUMENT L.S. 6953 M1090"(2)

FD. 3-1/2" BRASS DISK STAMPED "DIVISION OF HIGHWAYS T.3N., R.6E., SECTIONS 9/10/15/16", IN CONCRETE IN MONUMENT WELL, CITY OF LODI GPS MONUMENT P1090 (2)

FD. 3/4" IRON ROD CAPPED AND STAMPED "R.C.E. 25835" (3)

FD. 3/4" IRON ROD CAPPED AND STAMPED "R.C.E. 25835"(3)

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE FINAL MAP FOR
SUNWEST COTTAGES, TRACT NO. 3858

=====

WHEREAS, Sunwest Cottages is located at 2126, 2128, and 2130 Tienda Drive, consisting of eight medium-density, single-family residential lots; and

WHEREAS, the Developer, Brittany, LLC, has furnished the City with all necessary agreements and fees for the proposed subdivision.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the final map for Sunwest Cottages, Tract No. 3858.

Dated: August 5, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Three-Year Professional Services Agreement with Lyons Security Service, Inc., of Orange, CA for Security Services at Hutchins Street Square and Authorizing Parks, Recreation and Cultural Services Director to Execute Extensions (\$40,000)

MEETING DATE: August 5, 2015

PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Adopt resolution authorizing the City Manager to execute a three-year Professional Services Agreement with Lyons Security Service, Inc., of Orange, CA, for security services at Hutchins Street Square and authorizing the Parks, Recreation and Cultural Services Director to execute extensions.

BACKGROUND INFORMATION: The Parks, Recreation and Cultural Services Department (PRCS) uses contracted security services for events at Hutchins Street Square and, in some cases, other PRCS facilities. Most of the charges are passed through to facility renters; sometimes the cost is absorbed as an expense of a PRCS-sponsored event. Security guards are hired on behalf of the City and PRCS to protect patrons, employees, facilities and guests and to deter improper behavior. They do not carry firearms, and report undesired behavior to police or a PRCS event attendant, who notifies authorities if necessary.

The City's three-year contract with Lyons Security Service, Inc., of Orange, CA expired on August 2. PRCS issued a Request for Proposals for security services in June and received three responses. Lyons, a California corporation with more than 30 years of experience, submitted the best proposal. It was the only responder to meet the City requirements for insurance, and it offered a competitive hourly rate in light of recent state-mandated wage increases. The hourly fee for security guard services will be \$17.85 per hour under the proposed agreement's three-year term, an increase from \$17 per hour. PRCS is generally satisfied with the service provided by Lyons and recommends the City Council authorize the City Manager to execute the three-year contract beginning August 7, 2015, and expiring August 7, 2018, subject to two one-year extensions. The contract caps annual fees at \$40,000.

FISCAL IMPACT: Security costs are passed through to facility renters, although City-sponsored events will see costs increase by 85 cents per hour.

APPROVED: _____
Stephen Schwabauer, City Manager

Adopt Resolution Authorizing City Manager to Execute Three-Year Professional Services Agreement with Lyons Security Service, Inc., of Orange, CA for Security Services at Hutchins Street Square and Authorizing Parks, Recreation and Cultural Services Director to Execute Extensions (\$40,000)

August 5, 2015

Page 2

FUNDING AVAILABLE: 20071300 (HSS theater), 2071200 (HSS rentals and events)
20073300 (Recreation special events).

Jordan Ayers, Deputy City Manager/Internal Services Director

Jeff Hood
Parks, Recreation and Cultural Services Director

JH/tl

cc: City Attorney

Attachments

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on August 7, 2015, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and Lyons Security Service, Inc. (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for security guard services (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall

remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on August 7, 2015 and terminates on August 7, 2018.

Section 2.7 Option to Extend Term of Agreement

At its option, City may extend the terms of this Agreement for an additional two (2) one (1)-year extensions; provided, City gives Contractor no less than thirty (30) days written notice of its intent prior to expiration of the existing term. In the event City

exercises any option under this paragraph, all other terms and conditions of this Agreement continue and remain in full force and effect.

The total duration of this Agreement, including the exercise of any option under this paragraph, shall not exceed five (5) years.

ARTICLE 3 **COMPENSATION**

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and

inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
 221 West Pine Street
 P.O. Box 3006
 Lodi, CA 95241-1910
 Attn: Jeff Hood

To CONTRACTOR: Lyons Security Service, Inc.
 2582 N. Santiago Blvd.
 Orange, CA 92687

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's

fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

JENNIFER M. FERRAILOLO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

LYONS SECURITY SERVICE, INC.

By: _____


By: _____
Name:
Title:

- Attachments:**
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 20071300,20071200,20073300
(Business Unit & Account No.)

Doc ID:

CA:Rev.01.2015

A. Scope of Services for Hutchins Street Square Community Center

Contractor's security guards, as required by the City of Lodi at Hutchins Street Square shall act in the best interests of the City as listed below:

1. Guard arrival times are ½ hour before events, except for theatre events which arrival time is 1 hour before event. Guards are expected to display a professional image and manner at all times while on duty. Consistent with this is the expectation that guards will be alert to their surroundings at all times while on duty and will not be engaged in any activities that distract them (i.e. reading, eating, smoking, etc.) from the performance of their assigned duties. The guards are expected to remain onsite during meal breaks or be relieved by another guard during his or her meal break. Breaks shall be reported to HSS event attendant prior to onset. Eating and smoking shall occur in designated areas only.
2. Security guards, as required by the CITY, are to act in the best interests of the CITY to protect its patrons, contract employees, facilities, vehicles and guests. The security guards shall be present to monitor persons and activities in and around the designated facilities to ensure a safe environment for all individuals. The guard(s) will be required to act on behalf of the City of Lodi in an efficient, courteous, and professional manner at all times, to monitor and notify the event attendant on duty of improper or destructive behavior, and to insist that appropriate behavior prevail. Security personnel powers of arrest are no greater than that of a private citizen. The security company shall assume full liability for any of their employees in the exercising of any police authority. When necessary, the proper police authority shall be summoned. Security personnel, shall use no force unless absolutely necessary for self-defense. Security personnel shall always be cooperative with authorized emergency personnel, by providing assistance, while not interfering in the performance of their duties.
3. Hutchins Street Square will be patrolled on foot. The guard(s) will be required to perform security sweeps of the parking lots and perimeters of Hutchins Street Square Community Center as directed for the event. In addition to the security sweeps, upon arrival to Hutchins Street Square Community Center, the guard(s) will report for check in with the event attendant for site placement, depending on events requirements.
4. Guards shall make available, at any time while on duty, their security guard cards. Guards shall be expected to present cards to members of the Lodi Police Department or designated City of Lodi employees on

demand. Failure to produce a valid security guard card shall be grounds for termination of the contract.

5. All guards must be neat, clean and properly uniformed and have a clear command of the English language. The security guards must possess and exercise strong personal interactive skills in dealing with the HSS Event Staff and the public. Uniforms shall not be similar to those of the Lodi Police Department. All shirts shall be tucked in. Head covers, if worn, shall be a part of the uniform. Service provider will provide photo identification badges for all security guards assigned to work at HSS facilities.
6. All guards will be equipped with City issued radios or phones capable of communicating with other guards and their dispatch site. In addition to the radios, guards must have a cellular phone for communication with Lodi Police or other departments/individuals provided by the service provider. No personal media players will be allowed to be used by any security personnel while on duty.
7. Security guards shall arrive at Hutchins Street Square Community Center properly uniformed, with all necessary equipment to perform job satisfactorily. Additionally, guards shall refrain from socializing with any one group for any period of time unless necessitated as part of their patrol duties. Guards shall refrain from onsite visitors at all times while on duty.
8. Area of security service shall include back of sidewalk encompassed by 4 streets surrounding Hutchins Street Square: Hutchins, Rose, Walnut, and Oak Streets. See Addendum B – Map.
9. Security guards will serve as a visual deterrent to criminal and disruptive behavior for inside and outside the HSS facility.
10. Security guard(s) will patrol all parking lots as required by onsite manager or event attendant.
11. Service provider will contact onsite manager or event attendant immediately on issues that arise during supervision.
12. Security personnel are to follow specific direction of Hutchins Street Square/City of Lodi Staff at all times while on duty at the HSS facility.
13. Security guard(s) will patrol areas as specified by on site manager or event attendant via radio issued by HSS facility staff.
- 14 B. Addendum – Map of HSS facilities.

ADDENDUM TO SCOPE OF SERVICES MAP OF HUTCHINS STREET SQUARE FACILITIES

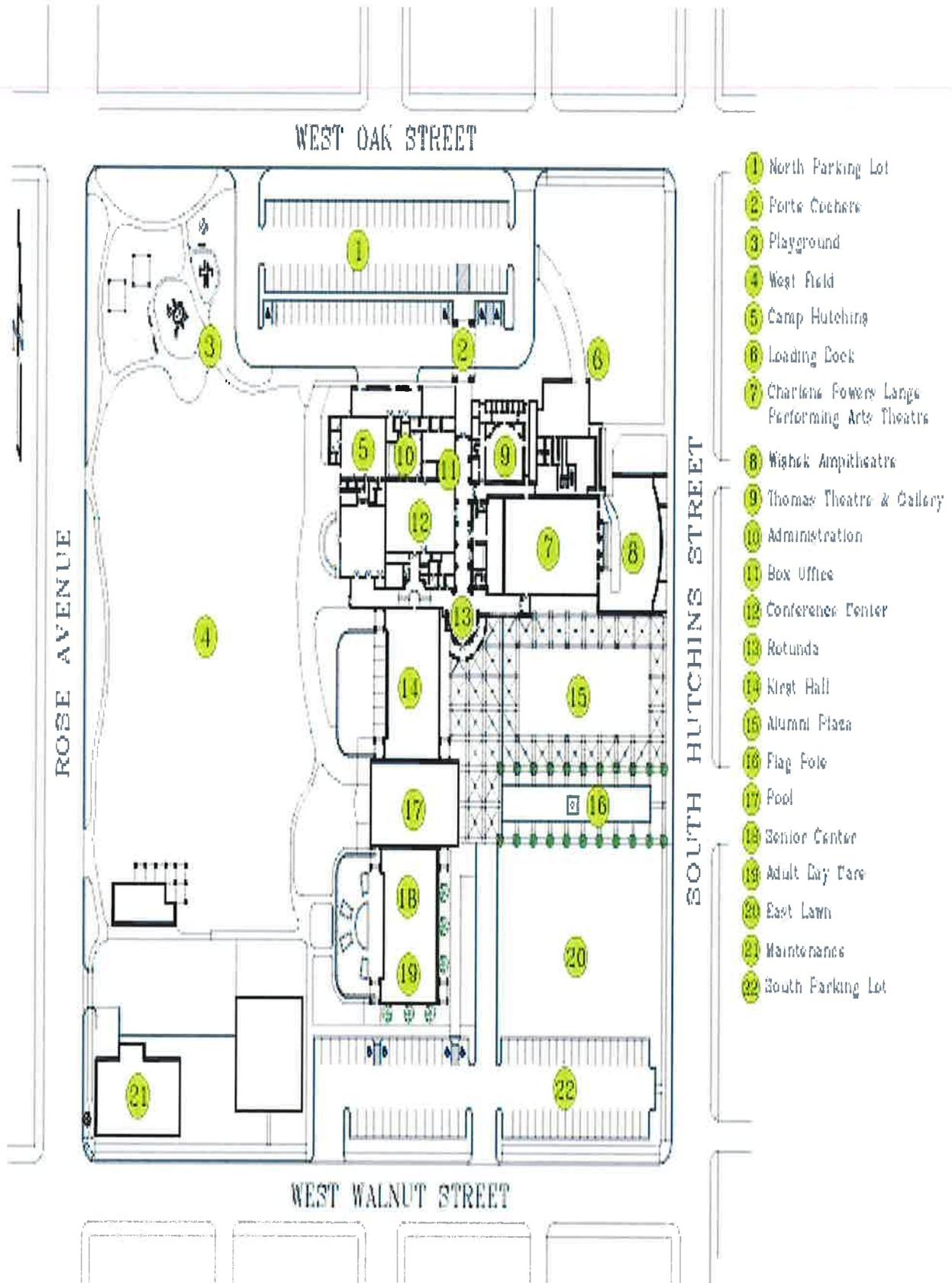


Exhibit B
City of Lodi
Standard Professional Services Agreement
Hutchins Street Square Security Guard Services

Security Officer: \$17.85 per hour
\$26.77 per hour for Overtime and Holidays

The annual fee is not to exceed \$40,000.00.



Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this Agreement, insurance coverage as listed below. These insurance policies shall protect Contractor and any subcontractor performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, or by any subcontractor, or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. **COMPREHENSIVE GENERAL LIABILITY**
\$2,000,000 Each Occurrence
\$4,000,000 General Aggregate
2. **COMPREHENSIVE AUTOMOBILE LIABILITY**
\$1,000,000 Combined Single Limit
Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version of this form, or an equivalent form providing equivalent liability coverage.

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City's Risk Manager for approval and shall not reduce the limits of liability set forth hereinabove. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Contractor; whichever is greater.

Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

A copy of the certificate(s) of insurance with the following endorsements shall be furnished to the City:

- (a) **Additional Named Insured Endorsement**
Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or equivalent form) such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers as additional named insureds.
- (b) **Primary and Non-Contributory Insurance Endorsement**
Additional insurance coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

- (c) **Limits of Coverage**
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Contractor shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect the City as a named insured.
- (d) **Severability of Interest Clause**
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

Insurance Requirements for Contractor (continued)

- (e) **Notice of Cancellation or Change in Coverage Endorsement**
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.
- (f) **Continuity of Coverage**
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance.
- (g) **Failure to Comply**
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding and other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.
- (h) **Qualified Insurer(s)**
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Workers Compensation Insurance The Contractor shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this Agreement at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. **A waiver of subrogation is required for workers compensation insurance.** This policy may not be canceled nor the coverage reduced without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

NOTE: The City reserves the right to obtain a full certified copy of any insurance policy or endorsements required. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A THREE-YEAR PROFESSIONAL SERVICES AGREEMENT WITH LYONS SECURITY SERVICE, INC., FOR SECURITY SERVICES AT HUTCHINS STREET SQUARE AND FURTHER AUTHORIZING THE PARKS, RECREATION, AND CULTURAL SERVICES DIRECTOR TO EXECUTE EXTENSIONS

WHEREAS, the Parks, Recreation, and Cultural Services Department (PRCS) uses contracted security services for events at Hutchins Street Square and, in some cases, other PRCS facilities; and

WHEREAS, security guards are hired on behalf of the City and PRCS to protect patrons, employees, facilities, and guests and to deter improper behavior; and

WHEREAS, the City's three-year contract with Lyons Security Service, Inc., expired on August 2, 2015; and

WHEREAS, the term of the agreement is for three years, commencing on August 7, 2015, and expiring August 7, 2018, subject to two one-year extensions; and

WHEREAS, the contract caps annual fees at \$40,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a three-year Professional Services Agreement with Lyons Security Services, Inc., of Orange, California, for services at Hutchins Street Square, at a cost not to exceed \$40,000 annually; and

BE IT FURTHER RESOLVED that the City Council further authorizes the Parks, Recreation, and Cultural Services Director to execute up to two one-year extensions, at a cost not to exceed \$40,000 annually.

Dated: August 5, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with ICF Jones & Stokes, Inc., of Sacramento, for Lodi Lake Park Grant Applications (\$73,891) and Appropriating Funds

MEETING DATE: August 5, 2015

PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute a Professional Services Agreement with ICF Jones and Stokes, Inc., of Sacramento, for Lodi Lake Park grant applications in a not-to-exceed amount of \$73,891 and appropriating funds.

BACKGROUND INFORMATION: Lodi Lake Park is the jewel of the City's park system and heavily used by the public. In a scientific community survey conducted for Parks, Recreation and Cultural Services this year, 87 percent of respondents indicated they had visited Lodi Lake in the previous 12 months, and 83 percent indicated it is important for the City to "upgrade Lodi Lake facilities and amenities." The park has become more of a regional draw with the success of the boat house concessionaire.

In the past six years, the City has applied for three grants to improve the park, but none of the attempts succeeded. Two were aimed at mitigating erosion along the riverbank adjacent to Pigs Lake, and another to upgrade the parking facilities at the south end of the park. While erosion at Pigs Lake remains a concern, parkland is receding along the shoreline at the Rotary Area and Youth Area, including collapse of an amphitheater wall. Those are reaching critical stages and a solution is needed to either halt the erosion or reclaim some of the lost property. PRCS does not have the capacity in-house to develop potential projects with the short turnaround required by upcoming grant deadlines.

The Natural Resources Agency, which administers the River Parkways grant program, indicated it is generally supportive of the City's efforts to obtain grant funding, but suggested we seek outside technical assistance with the grants. PRCS seeks to use the services of ICF Jones & Stokes a multidisciplinary consulting firm that specializes in water and natural resource management. One of the sub consultants retained by ICF Jones & Stokes is John Brodie, former Director of the San Joaquin Resource Conservation District, who secured nearly \$11 million in grant funding in support of District priorities and operations. Staff has previously worked with Mr. Brodie and is pleased he would be working on this project. Other professionals involved in proposed projects include an engineer, a fish biologist, landscape architects, a geomorphologist and restoration specialist, and other project advisors with experience in soliciting and managing grants for various nonprofits and other environmental work.

The proposed Professional Services Agreement calls for ICF Jones & Stokes to prepare up to three grant applications. The first, the River Parkways program, is due September 1, 2015. The application would be

APPROVED: _____
Stephen Schwabauer, City Manager

for the Lodi Lake Park North Side Restoration and Bank Stabilization Project, focused on the Youth and Rotary areas, and perhaps a portion of the kayak entry point at Hughes Beach. ICF Jones & Stokes has identified four other potential grant programs and possible partners, listed in the attached proposed scope of work. PRCS staff will meet with the consultants to determine which other programs should be pursued and what elements the proposed projects should incorporate. Staff is hopeful these decisions would be accomplished with assistance of the public forum afforded by the Recreation Commission.

FISCAL IMPACT: PRCS considers this expenditure an investment into the future of preserving Lodi Lake Park. If successful, this expenditure will be leveraged with grant funds. If not successful, PRCS will have defined and planned several projects that could be built upon for future applications.

FUNDING AVAILABLE: Parks Capital (432), although PRCS anticipates replenishing this fund with available fund balance dollars upon close of FY 2014/15 financials.

Jordan Ayers, Deputy City Manager/Internal Services Director

Jeff Hood
Parks, Recreation and Cultural Services Director

JH:tl

cc: City Attorney

Attachments

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1 PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on August 5, 2015, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and ICF JONES & STOKES, INC. (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for assistance with Lodi Lake Park grant applications (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to

weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on August 6, 2015 and terminates upon the completion of the Scope of Services or on June 30, 2016, whichever occurs first.

ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
 221 West Pine Street
 P.O. Box 3006
 Lodi, CA 95241-1910
 Attn:

To CONTRACTOR: Trina L. Prince, Contracts Administrator
 ICF Jones & Stokes, Inc.
 630 K Street, Suite 400
 Sacramento CA 95814

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of

the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as “Confidential” or “Proprietary”, except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney’s Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney’s fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

JENNIFER M. FERRAILOLO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

ICF JONES & STOKES, INC.

By: _____


By: _____
Name:
Title:

- Attachments:**
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 432
(Business Unit & Account No.)

Doc ID:

CA:Rev.01.2015



July 22, 2015

Mr. Jeff Hood
Director
City of Lodi Parks, Recreation and Cultural Services Department
125 North Stockton Street
Lodi, CA 95240

**Subject: Scope of Work for Assistance with Lodi Lake Park Grant Applications
(Contract #2)**

Dear Mr. Hood:

ICF Jones & Stokes, Inc. (an ICF International company hereafter referred to as ICF) is pleased to present this scope of work and cost estimate to the City of Lodi Parks, Recreation and Cultural Services Department (City) for professional services to prepare up to three grant applications for potential actions at Lodi Lake Park.

The City and local stakeholders have been working for years to increase and expand opportunities for recreation and to balance objectives of bank protection, habitat enhancement, restoration, and environmental education at the 114-acre park. However, the City still has a long list of improvements that could be made to improve conditions, and wishes to pursue grant opportunities to fund some of these improvements.

Utilizing the Opportunities and Constraints Report developed under Contract #1 as a basis, ICF will develop up to three grant applications for projects at Lodi Lake Park on behalf of the City. The first grant application will be for the River Parkways Grant Program administered by the California Natural Resources Agency, and will utilize the draft conceptual project description for the Lodi Lake Park North Side Restoration and Bank Stabilization Project developed under Contract #1.

The grant programs for which the second and third applications will be prepared have not been formally chosen at this time; however, this scope lays out the work necessary to prepare three full grant applications, regardless of the target programs.

Task 1. Grant Application #1 (California River Parkways Grant Program)

Objectives

ICF will prepare, on behalf of the City, a grant application for the Lodi Lake Park North Side Restoration and Bank Stabilization Project, to be considered for funding by the California Natural Resources Agency's River Parkways Grant Program (due date September 1, 2015). The application will clearly and persuasively describe the elements of the project that would make it an attractive

funding opportunity for the California Natural Resources Agency, and how the project fulfills the technical criteria of the funding program.

Assumptions

A draft conceptual project description for the Lodi Lake Park North Side Restoration and Bank Stabilization Project will be prepared under Contract #1. If a cost-share element is proposed in the application, the City will negotiate terms with any identified local agency/group. The City will provide any maps and deeds necessary to support the proposal.

Methods

Task 1A: Project Description. ICF will respond to the City's comments on the draft conceptual project description for the Lodi Lake Park North Side Restoration and Bank Stabilization Project (prepared under Contract #1) and finalize the project description. This may include additional figures and/or detail.

Task 1B: Grant Application. ICF will analyze Request for Proposal (RFP) requirements for eligibility and scope of project or project components including funding limits, cost share requirements, and submission requirements and format, and will open communications with granting agency contacts to discuss project overview and objectives for appropriateness and to ask clarifying questions about RFP specifics. The grant application will be carefully crafted in order to ensure strict compliance with RFP instructions and to highlight the most relevant aspects of the project, and ICF will work closely with the City to develop cost-share ideas (both in-kind and volunteer support), and identify potential partners and their roles. A draft of the grant application will be submitted to the City for review and comment to ensure it meets the City's expectations. The application will be finalized and submitted prior to or on the due date (September 1, 2015).

Deliverables

- Final conceptual project description for the Lodi Lake Park North Side Restoration and Bank Stabilization Project in PDF format.
- Draft California River Parkways grant application in digital format.
- Final California River Parkways grant application in digital format with two (2) hard copies (one for submission to California Natural Resources Agency and one for the City's files).

Task 2. Grant Application #2

Objectives

ICF will prepare, on behalf of the City, a grant application for a project at Lodi Lake Park that combines one or more of the City's priorities as described in the Opportunities and Constraints Report (to be prepared under Contract #1) with the goals and criteria of an upcoming grant program (to be selected at a later date) to create an attractive funding opportunity for the granting agency. Potential grant possibilities include, but are not limited to, the following:

Habitat Conservation Fund Grant Program—California Department of Parks and Recreation

Maximum Grant Amount:	No minimum or maximum
Funding Match Requirement	1:1 match (non-state funds)
Total Funding Available:	\$2 Million
Application Deadline:	October 1, 2015
Grant Program Goals/Priorities:	Provides funds to local entities to protect threatened species, to address wildlife corridors, to create trails, and to provide for nature interpretation programs which bring urban residents into park and wildlife areas.

Watershed Restoration Grant Program—California Department of Fish and Wildlife

Maximum Grant Amount:	No minimum or maximum identified at this time
Funding Match Requirement	None required, but proposed projects that leverage other cost share funds, either state or non-state, will receive additional points during technical review.
Total Funding Available:	\$24 Million
Application Deadline:	Not specified at this time
Grant Program Goals/Priorities:	Provides funds for water quality, river, and watershed protection and restoration projects of statewide importance outside of the Delta. Target projects will provide fisheries or ecosystem benefits or improvements that are greater than required applicable environmental mitigation measures or compliance obligations.

Ecosystem Restoration and Water Quality Grant Program—The Delta Conservancy

Maximum Grant Amount:	\$2 Million
Funding Match Requirement	25-50% cost share requirement, and a cost share over 50% will rank the project higher during evaluation.
Total Funding Available:	Not known at this time.
Application Deadline:	Concept proposals due September 15, 2015; full proposals due January 30, 2016.
Grant Program Goals/Priorities:	Restoration of aquatic, wetland, and migratory bird habitat and fish and wildlife corridors. Recovery of anadromous fish populations and their habitat. Adaptation to reduce impacts of climate change.

Another potential grant program is the National Park Service's Land and Water Conservation Fund, and potential sources for smaller amounts of matching funds include the Lower Mokelumne River Partnership, which often has interest in funding planting activities, USFWS, and NOAA Fisheries. There may be other opportunities not listed here that the City may wish to pursue.

Assumptions

ICF assumes up to two meetings with City staff will be necessary to determine which grant program should be pursued and what elements the proposed project should incorporate. These meetings will occur in the Sacramento ICF office. A site visit may be necessary to inform development of the project description. If a cost-share element is proposed in the application, the City will negotiate terms with any identified local agency/group. The City will provide any maps and deeds necessary to support the proposal.

Methods

Task 1A: Project Description. ICF will prepare a conceptual-level project description for a project that combines one or more of the City's priorities for Lodi Lake Park (as described in the Opportunities and Constraints Report) with the goals and criteria of the selected grant funding program. ICF will coordinate closely with the City to decide on the goals and fundamental elements of the project. This project description will discuss the purpose and need of the project and will include a narrative description of the project itself, plan view drawings that illustrate proposed project features, a list of project permitting requirements, and a project cost estimate.

Task 1B: Grant Application. ICF will analyze the RFP requirements of the selected grant program for eligibility and scope of project or project components including funding limits, cost share requirements, and submission requirements and format. ICF will open communications with granting agency contacts to discuss project overview and objectives for appropriateness and to ask clarifying questions about RFP specifics. The grant application will be carefully crafted in order to ensure strict compliance with RFP instructions and to highlight the most relevant aspects of the project, and ICF will work closely with the City to develop cost-share ideas (both in-kind and volunteer support), and identify potential partners and their roles. A draft of the grant application will be submitted to the City for review and comment to ensure it meets the City's expectations. The application will be finalized and submitted prior to or on the due date.

Deliverables

- Draft conceptual project description PDF format.
- Final conceptual project description in PDF format.
- Draft grant application in digital format.
- Final grant application in digital format with up to four (4) hard copies.

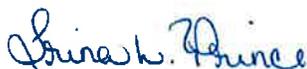
Task 3. Grant Application #3

The description of Task 3 is the same as for Task 2, above.

ICF proposes to invoice costs monthly, with a not-to-exceed amount of \$73,891, on a time and materials basis.

If selected, ICF looks forward to negotiating mutually acceptable terms. Thank you for giving ICF the opportunity to assist the City with these exciting opportunities. We look forward to working with you.

Sincerely,



Trina L. Prince
Contracts Administrator

Attachment
Cost Spreadsheet

Table 1. Cost Estimate for Lodi Lake Grant Application Assistance

Task	Employee Name	Consulting Staff									Subtotal	Subcontractor		Production Staff			Subtotal	Labor Total	Direct Expenses	Total Price
		Elliott C	Martin S	Weller P	Peters J	Kozowski J	Lantz K	Angier A	Seville S	Holcomb V		John Brodie	Subtotal	Editor	Pub Spec	Admin Tech				
Task	Labor Classification	Project Director	Project Manager	Landscape Architect	Geomorphologist	Sr Fish Biologist	Recreation Designer	Assoc Consult II	Supervising Engineer	Senior Advisor		Development Specialist								
Task 1. Grant Application #1 (River Parkways Grant Program)											\$0						\$0	\$0.00		
Task 1A. Project Description											\$0						\$0	\$0.00		
Respond to comments from City on Draft Conceptual Project Description			4	4	4	2		4			\$2,740						\$0	\$2,740.00		
Cost estimation								2			\$420						\$0	\$420.00		
Task 1B. Grant Application											\$0						\$0	\$0.00		
Analyze RFP requirements											\$0	5	\$500				\$0	\$500.00		
Communications with granting agency											\$0	5	\$500				\$0	\$500.00		
Draft Grant Application			2								\$280	25	\$2,500				\$0	\$2,780.00		
Internal review of draft grant application			4	2						4	\$1,610		\$0	4			\$380	\$1,990.00		
Respond to comments from City on Draft Grant Application			4								\$560	8	\$800				\$0	\$1,360.00		
Finalize and submit grant application			4							1	\$740	12	\$1,200	2	2	2	\$330	\$2,270.00		
Task 2. Grant Application #2											\$0						\$0	\$0.00		
Task 2A. Project Description											\$0						\$0	\$0.00		
Up to 2 meetings with City staff to discuss priorities and preferred project			4	4	4	4				4	\$3,360	4	\$400				\$0	\$3,760.00		
Project description outline			2							2	\$780	2	\$200				\$0	\$980.00		
Site Visit			6	6	6						\$2,820		\$0				\$0	\$2,820.00		
Prepare draft conceptual project description			10	12	8		6	10			\$6,740		\$0				\$0	\$6,740.00		
Cost estimation								2			\$420		\$0				\$0	\$420.00		
Internal review of draft conceptual project description			2	2				2		2	\$1,530	2	\$200	4			\$380	\$2,110.00		
Respond to comments from City on draft conceptual project description			4	4	4	2	2				\$2,540		\$0				\$0	\$2,540.00		
Task 2B. Grant Application											\$0						\$0	\$0.00		
Analyze RFP requirements											\$0	5	\$500				\$0	\$500.00		
Communications with granting agency											\$0	5	\$500				\$0	\$500.00		
Draft Grant Application			2								\$280	20	\$2,000				\$0	\$2,280.00		
Internal review of draft grant application			4							4	\$1,280		\$0	4			\$380	\$1,660.00		
Respond to comments from City on Draft Grant Application			4								\$560	8	\$800				\$0	\$1,360.00		
Finalize and submit grant application			4							1	\$740	12	\$1,200	2	2	2	\$330	\$2,270.00		
Task 3. Grant Application #3											\$0						\$0	\$0.00		
Task 3A. Project Description											\$0						\$0	\$0.00		
Up to 2 meetings with City staff to discuss priorities and preferred project			4	4	4	4				4	\$3,360	4	\$400				\$0	\$3,760.00		
Project description outline			2							2	\$780	2	\$200				\$0	\$980.00		
Site Visit			6	6	6						\$2,820		\$0				\$0	\$2,820.00		
Prepare draft conceptual project description			10	12	8		6	10			\$6,740		\$0				\$0	\$6,740.00		
Cost estimation								2			\$420		\$0				\$0	\$420.00		
Internal review of draft conceptual project description			2	2				2		2	\$1,530	2	\$200	4			\$380	\$2,110.00		
Respond to comments from City on draft conceptual project description			4	4	4	2	2				\$2,540		\$0				\$0	\$2,540.00		
Task 3B. Grant Application											\$0						\$0	\$0.00		
Analyze RFP requirements											\$0	5	\$500				\$0	\$500.00		
Communications with granting agency											\$0	5	\$500				\$0	\$500.00		
Draft Grant Application			2								\$280	20	\$2,000				\$0	\$2,280.00		
Internal review of draft grant application			4							4	\$1,280		\$0	4			\$380	\$1,660.00		
Respond to comments from City on Draft Grant Application			4								\$560	8	\$800				\$0	\$1,360.00		
Finalize and submit grant application			4							1	\$740	12	\$1,200	2	2	2	\$330	\$2,270.00		
Project Management and Coordination with City Staff			4	20							\$3,640		\$0				\$0	\$3,640.00		
Total hours		12	114	62	48	14	16	24	10	31		171		20	6	6				
ICF E&P 2015 Billing Rates		\$210	\$140	\$165	\$165	\$190	\$140	\$120	\$210	\$180		\$100		\$95	\$95	\$70				
Subtotals		\$2,520	\$15,960	\$10,230	\$7,920	\$2,660	\$2,240	\$2,880	\$2,100	\$5,580	\$52,090	\$17,100	\$17,100	\$1,900	\$570.00	\$420	\$2,890	\$72,060.00		
Direct Expenses																				
523.05 Travel, Auto, Incd. Mileage at current IRS rate (.575/mile)																				\$92
Mark up on all non-labor costs and subcontractors' 10%																				\$1,719
Direct expense subtotal																				\$1,811
Total price																				\$73,871

RESOLUTION NO. 2015-

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE A PROFESSIONAL
SERVICES AGREEMENT WITH ICF JONES & STOKES, INC.,
FOR LODI LAKE PARK GRANT APPLICATIONS; AND
FURTHER APPROPRIATING FUNDS

=====

WHEREAS, Lodi Lake Park is the jewel of the City’s park system and heavily used by the public; and

WHEREAS, in a scientific community survey conducted for the Parks, Recreation, and Cultural Services Department this year, 87 percent of respondents indicated they had visited Lodi Lake in the previous 12 months, and 83 percent indicated it is important for the City to “upgrade Lodi Lake facilities and amenities”; and

WHEREAS, the City has applied for three grants to improve Lodi Lake, but none of the attempts succeeded and erosion continues to effect areas of Lodi Lake, reaching the critical stage; and

WHEREAS, the Professional Services Agreement calls for ICF Jones & Stokes, Inc., to prepare up to three grant applications with the first, the River Parkways program, due September 1, 2015; and

WHEREAS, the \$73,891 cost for utilizing ICF Jones & Stokes, Inc., for Lodi Lake Park grant applications will be funded from the Parks Capital account, which PRCS anticipates replenishing with available fund balance dollars upon close of FY 2014/15 financials.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with ICF Jones & Stokes, Inc., of Sacramento, California, for Lodi Lake Park grant applications, in an amount not to exceed \$73,891; and

BE IT FURTHER RESOLVED that funds in the amount of \$73,891 be appropriated from Parks Capital (432) funds.

Dated: August 5, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Approving City Payment of Central Valley Regional Water Quality Control Board Oversight Costs for PCE Cleanup Program and Appropriating Funds (\$220,000)

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution approving City payment of Central Valley Regional Water Quality Control Board Oversight Costs for PCE cleanup program and appropriating funds in the amount of \$220,000.

BACKGROUND INFORMATION: The Central Valley Regional Water Quality Control Board (Board) oversees the progress of the City’s effort to clean up and monitor the groundwater conditions in the Central, Southern, Western and Northern plume areas. City activities include operation of the vapor extraction and treatment facilities within the Central plume area, monitoring and reporting work for the Central, Southern and Western plume areas, construction of the Northern plume monitoring well on Garfield Street, and design of new groundwater extraction and treatment facilities on Church Street south of Tokay Street.

Board staff and City staff have been continual partners in the planning, execution, and monitoring of the City’s cleanup activities. Board staff reviews work plans prior to their implementation, reviews monthly monitoring reports, reviews monthly project operations reports and regularly meets with the City and its consultants. Relations between the Board and the City are excellent based upon a long history of trust and cooperation.

Staff recommends approval of the attached resolution and appropriation of funds in the amount of \$220,000. These funds are allocated \$110,000 to cover the Board’s oversight costs and \$110,000 to cover staff time for fiscal year 2015/16.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Requested Appropriation:

PCE/TCE Rates (56599000.77020)	\$100,000
Central Plume (59099000.77020)	\$50,000
Northern Plume (59399000.77020)	\$20,000
Western Plume (59499000.77020)	\$50,000

Jordan Ayers
Deputy City Manager/Internal Services Director

F. Wally Sandelin
Public Works Director

FWS/FWS/tb

APPROVED: _____
Stephen Schwabauer, City Manager

1. AA# _____

2. JV# _____

**CITY OF LODI
APPROPRIATION ADJUSTMENT REQUEST**

TO:	Internal Services Dept. - Budget Division		
3. FROM:	Rebecca Areida-Yadav	5. DATE:	7/16/2015
4. DEPARTMENT/DIVISION:	Public Works		

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW

	FUND #	BUS. UNIT #	ACCOUNT #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	565		32205	Fund Balance	\$ 100,000.00
	590		32205	Fund Balance	\$ 50,000.00
	593		32205	Fund Balance	\$ 20,000.00
	594		32205	Fund Balance	\$ 50,000.00
B. USE OF FINANCING	565	56599000	77020	Capital Projects	\$ 100,000.00
	590	59099000	77020	Capital Projects	\$ 50,000.00
	593	59399000	77020	Capital Projects	\$ 20,000.00
	594	59499000	77020	Capital Projects	\$ 50,000.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET

Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.

State Water Resources Control Board and Staff time for oversight costs for PCE cleanup

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: _____ Res No: _____ Attach copy of resolution to this form.

Department Head Signature: Wally Sanders

8. APPROVAL SIGNATURES

Deputy City Manager/Internal Services Manager	Date
---	------

Submit completed form to the Budget Division with any required documentation.
Final approval will be provided in electronic copy format.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL APROVING THE CITY'S PAYMENT OF CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD OVERSIGHT COSTS FOR THE PCE CLEANUP PROGRAM AND FURTHER APPROPRIATING FUNDS

WHEREAS, during operation of the Busy Bee Cleaners, tetrachloroethene (PCE) was recovered from dry cleaning process wastewater and recycled; however, some PCE was routinely discharged into the wastewater system during normal operations; and

WHEREAS, from 1989 through 2004, extensive site investigation activities were conducted to evaluate the degree and size of PCE impacts to the subsurface at and near the site. In 2008, site cleanup commenced with the startup of two remediation systems operated by E2C Remediation. In 2012, the remediation systems were shut down as it was no longer cost-effective to operate the systems due to reduction of contaminants to very low concentrations; and

WHEREAS, in 2013, the Site Decommissioning Workplan was approved by the Regional Water Quality Control Board. The decommissioning work is complete and included the abandonment of one extraction well, 22 groundwater monitoring wells, 38 groundwater air sparge wells, and 29 vapor extraction wells. Piping was abandoned in place, street and parking lot surfaces were restored, and the treatment equipment was removed; and

WHEREAS, staff recommends approval of the City's payment of Central Valley Regional Water Quality Control Board Oversight costs for PCE cleanup program and appropriation of \$220,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the City's payment of Central Valley Regional Water Quality Control Board Oversight costs for PCE cleanup program; and

BE IT FURTHER RESOLVED that funds in the amount of \$220,000 be appropriated from the PCE/TCE Rates and Settlement Funds.

Dated: August 5, 2015

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2015-_____



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Declaring City Council's Support of the Mokelumne Watershed Interregional Sustainability Evaluation Program

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution declaring City Council's support of the Mokelumne Watershed Interregional Sustainability Evaluation Program.

BACKGROUND INFORMATION: The Mokelumne Watershed Interregional Sustainability Evaluation (MokeWISE) Program was created to develop and evaluate alternatives to optimize water resources management within the upper and lower watersheds of the greater Mokelumne River watershed. The MokeWISE Program offers a bi-regional approach to managing surface and groundwater resources in the watershed to benefit the needs of both regions while maximizing water resource opportunities.

The purpose of the MokeWISE Program is to provide interregional water supply, water quality, and environmental benefits in Amador, Calaveras, and San Joaquin counties and within the East Bay Municipal Utility District service area. Through the State Integrated Regional Water Management (IRWM) Program, the Mokelumne-Amador-Calaveras and Eastern San Joaquin IRWM regions have joined together to create a joint water resources plan for the Mokelumne River watershed.

The MokeWISE Program was guided by the MokeWISE Planning Committee, comprised of the representatives from the grant recipient agencies, including the Upper Mokelumne River Watershed Authority and the Groundwater Basin Authority, and the technical and facilitation consultants. The Planning Committee reached out to agencies, non-governmental organizations, private entities, resource agencies, and local and state agencies to participate on the Mokelumne Collaborative Group (MCG). The MCG was responsible for guiding the development of the MokeWISE Program and the public outreach. A list of the MCG members is provided in Attachment A.

The Executive Summary of the MokeWISE Program report is provided in Attachment B. A full copy of the report is 140 pages in length and is available for review in the Public Works Department.

A copy of the summary presentation provided to the MCG is provided in Attachment C for your information and will be available for presentation to the City Council, if desired. Implementation Project 2a: Municipal Recycled Wastewater Recharge Program is sponsored by the City of Lodi

APPROVED: _____
Stephen Schwabauer, City Manager

and is the subject of a Proposition 84 grant application previously approved this year by the City Council.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by F. Wally Sandelin, Public Works Director
FWS/fws/tb
Attachments

Mokelumne Collaborative Group Members

Amador County

Amador Water Agency

Calaveras County

Calaveras County Water District

Calaveras Planning Coalition

Calaveras Public Utility District

California Sportfishing Protection Alliance

City of Lodi, Public Works

City of Stockton, Municipal Utilities

Delta Fly Fishers, Inc.

East Bay Municipal Utility District

Foothill Conservancy

Jackson Valley Irrigation District

MyValleySprings.com

North San Joaquin Water Conservation District

Pacific Gas and Electric

Restore the Delta

San Joaquin County

San Joaquin County Resource Conservation District

San Joaquin County, Public Works

San Joaquin Farm Bureau

Sierra Club California

Sierra Nevada Conservancy

Stockton East Water District

Trout Unlimited (state level)

Woodbridge Irrigation District

EXECUTIVE SUMMARY

Executive Summary

INTRODUCTION

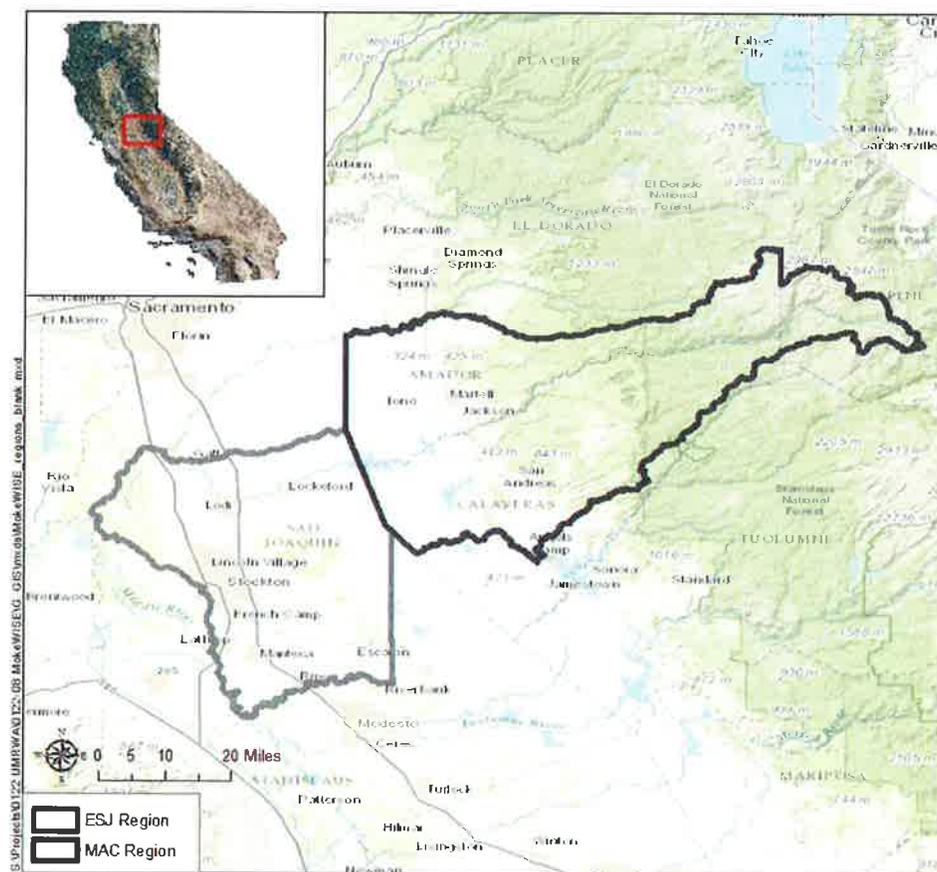
Through the State of California's Integrated Regional Water Management (IRWM) program, the Mokelumne-Amador-Calaveras (MAC) and Eastern San Joaquin (ESJ) IRWM Regions have joined together to create a joint water resources plan for the Mokelumne River watershed. The Mokelumne Watershed Interregional Sustainability Evaluation (MokeWISE) Program was created to develop and evaluate alternatives to optimize water resources management within the upper and lower watersheds of the greater Mokelumne River watershed. The MokeWISE Program offers a bi-regional approach to managing surface and groundwater resources in the watershed to benefit the needs of both regions while maximizing water resource opportunities.

As shown in **Figure ES-**, the eastern border of the ESJ region is the western border of the MAC region. The two IRWM regions have remained separate because of the differing water supply issues, with the ESJ region predominately focused on groundwater and the MAC region on surface water. Although they are separate IRWM regions, some of the participants of the MAC and ESJ regions have been engaged in regular coordination and communication (through the Mokelumne River Forum and other groups) for many years regarding their common interests and issues, with the goal of evaluating interregional opportunities to enhance integrated water management efforts.

The purpose of the MokeWISE Program is to provide interregional water supply, water quality, and environmental benefits in Amador, Calaveras, and San Joaquin counties, and within the East Bay Municipal Utility District (EBMUD) service area. In developing the MokeWISE Program, the MAC and ESJ Regions have a comprehensive understanding of opportunities and alternatives for enhanced integrated water resource management, which will ultimately strengthen both IRWM Plans. Implementing the MokeWISE Program will demonstrate the success of bi-regional consensus with respect to managing surface water and groundwater resources in the watershed.

The following sections provide an overview of the MokeWISE program process, as well as the project list and implementation plan that evolved out of this effort.

Figure ES-1: MAC and ESJ IRWM Regional Boundaries



STAKEHOLDER AND PUBLIC INVOLVEMENT

The MokeWISE Program is guided by the MokeWISE Planning Committee, comprised of representatives from the grant recipient agencies, including the Upper Mokelumne River Watershed Authority (UMRWA) and the Groundwater Basin Authority (GBA), and technical and facilitation consultants. The MokeWISE Planning Committee conducted outreach and invited a group of water agencies, non-governmental organizations (NGOs), private entities, resource agencies, and local and state agencies with a direct and expressed interest in the Mokelumne River watershed to participate on the Mokelumne Collaborative Group (MCG). The MCG was responsible for guiding the development of the MokeWISE Program and initiating public outreach. Other stakeholder groups were classified into five tiers to target outreach efforts based on their anticipated level of interest and ability to engage in program development. These tiers included Tier 2 stakeholders, interested parties, general public, disadvantaged communities (DACs), and Native American Tribes. The strategy for obtaining input from stakeholder interests and the public is outlined in a Public and Disadvantaged Community Outreach Plan.

PROGRAM OUTCOMES AND MEASURES

The development of the MokeWISE Program was guided by established priorities identified by the MCG. The MokeWISE Program Objectives to be Achieved and Consequences to be Avoided (“Program Objectives”) were developed from the MCG’s initial collection of thoughts related to benefits and consequences, as well as potential ways of measuring these outcomes, in order to gauge the success of the MokeWISE Program. The Program Outcomes and Measures are summarized in **Table ES-1** and **Table ES-2** below.

TABLE ES-1: MOKEWISE PROGRAM OBJECTIVES TO BE ACHIEVED

CATEGORY	OBJECTIVE	SUMMARY
Water Supply	WS-1: Promote demand-side management strategies	The program should promote projects and policies that support demand-side management strategies including conservation, water use efficiency, peak period rationing and leak detection.
	WS-2: Increase supply reliability	The program should result in increased water supply reliability for water purveyors.
	WS-3: Increase amount of stored water	The program should result in an increase in the amount of water stored within the watershed and consider both ground and surface options.
	WS-4: Promote smart, responsible development	The program should promote projects and policies that ensure that the water needs of new development are met while limiting negative externalities and end use harm.
	WS-5: Reduce reliance on groundwater for irrigation	The program should result in a reduced reliance on groundwater for irrigation and explore surface water alternatives.
	WS-6: Promote a long-term groundwater balance	The program should promote projects and policies that seek to contribute to a positive long-term groundwater balance.
	WS-7: Maximize water resource availability for all beneficial uses	The program should promote projects and policies that allocate water to the full spectrum of beneficial uses based on full analysis of all potential sources of supply.
	WS-8: Decrease the need to import water	The program should seek to implement state legislative goals to improve self-sufficiency and reduce the need to import water
Water Demands	WD-9: Review and understand existing agency demand estimates	The MCG should review and come to a common understanding of water demand estimates described in existing planning documents

TABLE ES-1: MOKEWISE PROGRAM OBJECTIVES TO BE ACHIEVED

CATEGORY	OBJECTIVE	SUMMARY
Water Quality	WD-10: To identify water demand issues for timely consideration by the water agencies during their next Urban Water Management Plan (UWMP) update.	The program should identify issues and analyses for water agencies to consider as they prepare demand and population estimates.
	WQ-11: Protect and improve surface and groundwater quality	The program should result in improved water quality within the watershed for both surface water and groundwater.
	WQ-12: Match delivered water quality to use	The program should try to avoid wasting high quality water on uses that do not need it.
	WQ-13: Use water purification technology as a tool to maximize beneficial uses	The program should seek to implement the state's legislative goals to use water purification technology as a tool to increase the beneficial uses of water.
	R-14: Increase access for water-based recreation	The program should result in increased access to the Mokelumne River from Highway 12 to the headwaters.
Recreation	R-15: Increase angling and other recreational opportunities	The program should result in increased spawning habitat, designating sections of the river for hatchery and wild species, and designating appropriate environmental flows.
	R-16: Increase angling and other recreational opportunities	The program should result in the stocking of hatchery-raised trout in designated areas on the Upper Mokelumne and designating and managing wild trout sections.
	R-17: Increase angling and other recreational opportunities	The program should result in the reintroduction of salmon in the Upper Mokelumne river.
	R-18: Increase angling and other recreational opportunities	The program should result in increased angling, harvesting, and other recreational opportunities.
Water Rights	WR-19: Resolve existing water rights conflicts in the watershed	The program should seek to resolve existing water rights protests and to achieve a common understanding of the application of relevant water rights law in the watershed.
Flood Management	F-20: Enhance flood protection and management	The program should result in multi-benefit projects which provide flood protection for residents and businesses within the watershed and enhance ecosystem function.

TABLE ES-1: MOKEWISE PROGRAM OBJECTIVES TO BE ACHIEVED

CATEGORY	OBJECTIVE	SUMMARY
Data	D-21: Use sound, agreed-upon data to evaluate program alternatives	The program should produce an agreed-upon hydrology dataset and Water Availability Analysis
	D-22: Use sound, agreed-upon data to evaluate program alternatives	Program components should be described with sufficient detail to allow for evaluation.
	D-23: Promote the contribution of sound scientific data to current body of knowledge	The program should generate and promote projects with monitoring and reporting requirements to increase water resources data
Other Human Values	O-24: Increase investment in forest management	The program should promote forest management that reduces the economic impact of wildfires and other natural disasters, particularly on water supply.
	O-25: Maximize socio-economic, cultural, recreational, public health, and public safety benefits with a particular emphasis on DACs	The program should seek to design projects and policies to improve socio-economic, cultural, recreational, public health, and public safety benefits with a particular emphasis on DACs.
	O-26: Achieve equity	The program should be designed to achieve equity across regions, cultures, incomes, and time.
Environment	E-27: Protect and enhance natural environment	The program should result in the protection and enhancement of the natural environment of the Mokelumne watershed.
	E-28: Protect and enhance natural environment	The program should include support for wild and scenic designation of the Mokelumne River down to the Pardee High Pool.
	E-29: Protect and restore fisheries	The program should protect, restore, and enhance fisheries in the Mokelumne River downstream of Woodbridge Dam.
Agricultural Benefits	A-30: Enhance or maintain the water supply for beneficial use of agricultural practices	The project should increase the current agricultural water supply
Collaboration	C-31: Foster long-term regional relationships and avoid unnecessary conflict and litigation	The program should foster long-term regional relationships which will promote continued collaboration on water management issues and reduce unnecessary litigation.

TABLE ES-1: MOKEWISE PROGRAM OBJECTIVES TO BE ACHIEVED

CATEGORY	OBJECTIVE	SUMMARY
	C-32: Promote broadly-supported outcomes that benefit a wide range of interests	The program should promote projects and policies that support outcomes benefiting a wide range of interests within the watershed.
	C-33: Promote broadly-supported outcomes that benefit a wide range of interests	The program should promote the least controversial projects and policies.
	C-34: Promote broadly-supported outcomes that benefit a wide range of interests	The program should result in agreements that reduce conflict.
	C-35: Develop a program consistent with all existing licenses, permits, and agreements affecting the River	The program should facilitate a common understanding of the requirements contained in all existing licenses, permits, and agreements affecting the Mokelumne River and ensure that MCG proposals will not interfere with their implementation.
	C-36: Develop a program consistent with all existing licenses, permits, and agreements affecting the River	The program should adhere to all California Environmental Quality Act and the National Environmental Policy Act (CEQA/NEPA) regulations.

TABLE ES-2: MOKEWISE PROGRAM CONSEQUENCES TO BE AVOIDED

CATEGORY	CONSEQUENCE TO BE AVOIDED	SUMMARY
Data	CA-37: Avoid basing decisions on incomplete or inaccurate information	The program should avoid decision-making based on incomplete or inaccurate information.
	CA-38: Avoid demand for new or larger on-stream dams	The program should avoid demand for new or larger on-stream dams.
	CA-39: Avoid harmful impacts to fisheries and other wildlife	The program should avoid harming fisheries and other aquatic and terrestrial wildlife.
Environment	CA-40: Avoid conversion of agricultural lands to developed uses	The program should avoid urbanization of agricultural lands.
	CA-41: Avoid shifting environmental impacts from one area to another	The program should avoid shifting environmental impacts from one sensitive area to another.
	CA-42: No diminishment of the benefits of existing in-stream flow	The program should protect against any decrease in benefits to public trust resources of existing in-stream flows.
Collaboration	CA-43: Avoid closing the process to the public	The program should avoid closing the process to the public.
	CA-44: Avoid dependency on potentially unreliable supply	The program should support projects and policies that will prevent downstream users from becoming dependent on unreliable supplies
	CA-45: Minimize adverse socio-economic and public health and safety impacts	The program should promote projects and policies that limit or appropriately mitigate adverse socio-economic and public health and safety impacts.
Other Human Values	CA-46: Avoid end use harm	The program should seek to allocate water in ways that do the least end use harm.
	CA-47: Avoid violating procedural or substantive laws.	The program should commit to completing CEQA/NEPA analysis prior to the agencies adopting and implementing the program.
	CA-48: Avoid interregional inequity	The program should provide parity or equity among the regions.

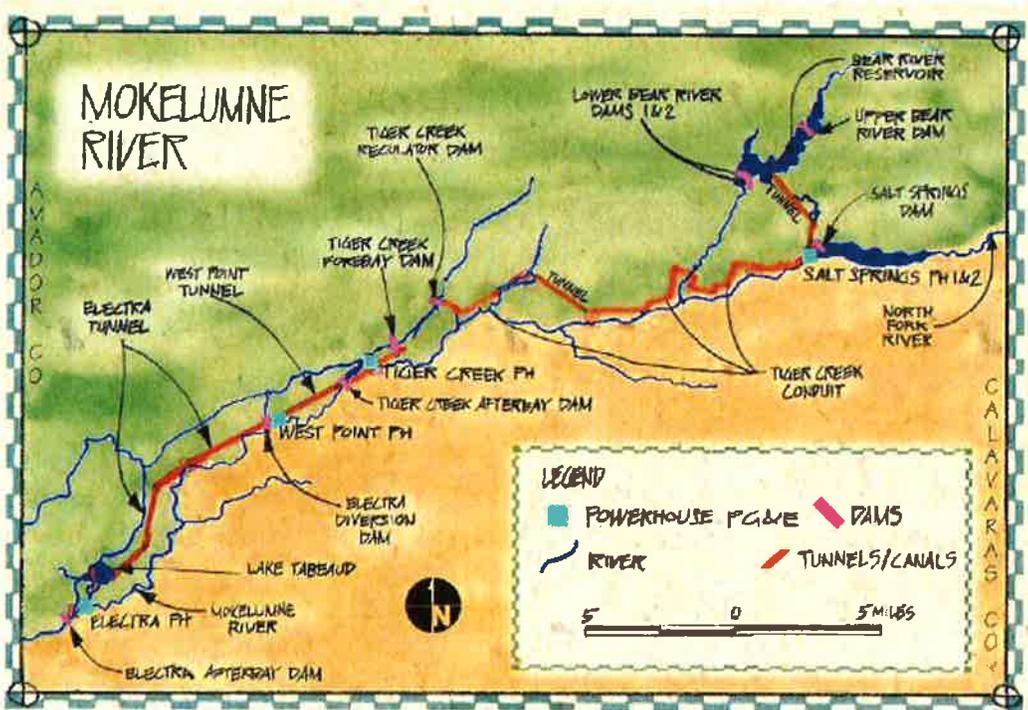
WATERSHED CONDITIONS

Three documents related to the Mokelumne River watershed, its current conditions, and water availability were developed to provide an understanding of baseline conditions through preparation of three documents: the Baseline Environmental Conditions report, the Water Availability Analysis, and the Climate Change Memorandum.

Baseline Environmental Conditions Report

The Baseline Environmental Conditions report provided the MCG with an initial background on watershed environmental conditions, including the geomorphic work and fisheries benefits provided by the watershed and the Mokelumne River. This analysis discusses the physical aspects of the watershed, along with the various facilities and projects that may affect natural flow. There are a number of PG&E hydropower facilities in the upper watershed, as shown below in **Figure ES-**. Pardee and Camanche Dams, both owned and operated by East Bay Municipal Utility District (EBMUD), serve as the boundary between the upper and lower watersheds. The large dams and reservoir systems diminish flow and sediment between the upper and lower watershed and provide habitat for a number of native and introduced fish species. The Mokelumne River downstream of Camanche Dam supports a diverse assemblage of resident and migratory fish species including fall-run Chinook salmon and steelhead.

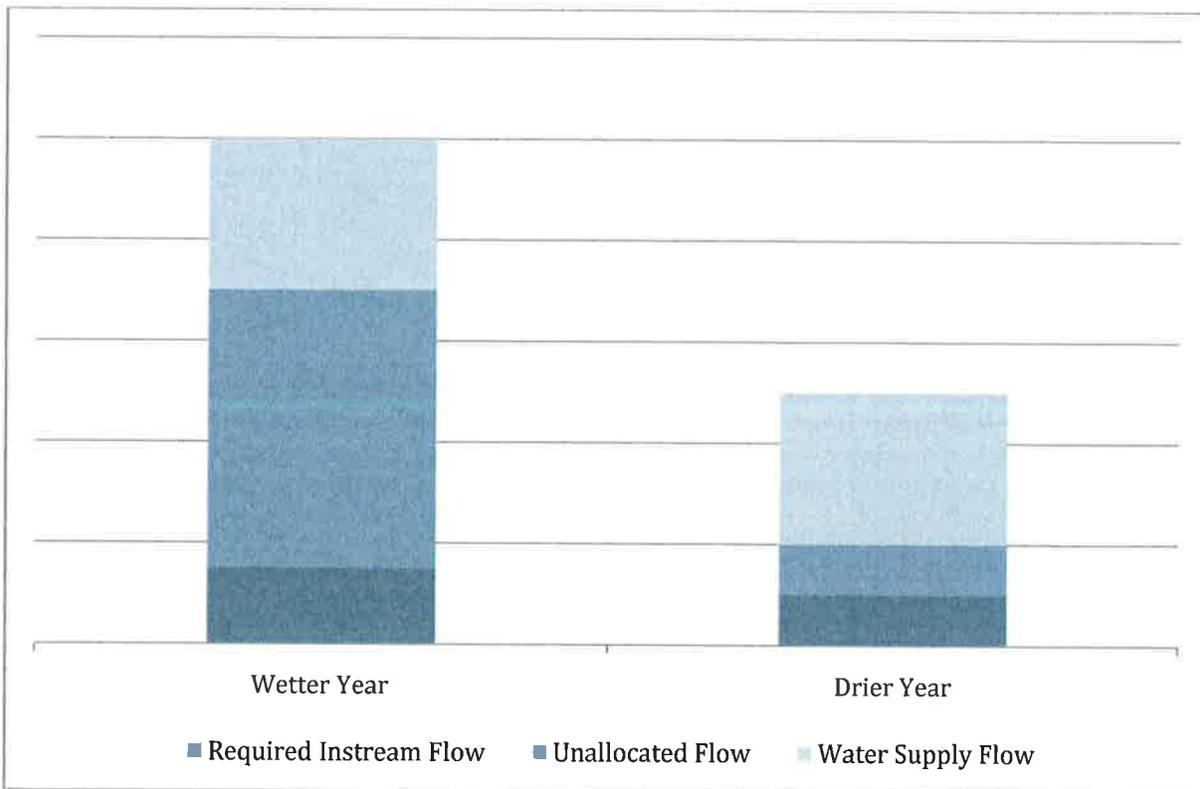
Figure ES-2: PG&E Projects on the Upper Mokelumne River



Water Availability Analysis

The Water Availability Analysis quantified potentially available supply from a variety of sources, including the Mokelumne River, other surface water, groundwater, recycled water, stormwater, agricultural drainage water, desalination, and conservation. This analysis was performed at a feasibility level as part of the MokeWISE Program and was not designed to serve as the basis for a water rights proceeding. **Figure ES-** shows components of Mokelumne River flow in both wetter and drier years.

Figure ES-3: Mokelumne River Flow Components*



*This figure is provided as an example to show components of Mokelumne River flow and does not represent actual modeling results.

Climate Change Memorandum

The Climate Change Memorandum summarizes information developed by groups in the upper and lower watersheds related to climate change vulnerabilities and strategies for addressing these vulnerabilities. The Mokelumne River watershed was found to be most vulnerable to a combination of the three metrics that were studied: diversions for water supply, diversions for hydropower generation, and disruptions in ecosystems. This result indicates that the Mokelumne River watershed is less resilient to climate change than

some of the other Sierra watersheds. As such, a review of climate change information developed by the MAC and ESJ IRWM Regions and related subsequent publications was conducted to determine how climate change may impact the upper and lower watersheds in the future.

PROGRAM DEVELOPMENT

The MCG guided the development of the projects that were ultimately included in the MokeWISE Implementation Plan. The MCG initially brainstormed, revised, and expanded project concepts. To begin developing project concepts, MCG entities identified potential projects and project ideas, referred to as “concepts,” that could provide water management, environmental, or other benefits to the region and be included in the MokeWISE program. These concepts were placed on a master list, which were reviewed and refined by a subgroup of the MCG. From this master list, nine categories or project types were created including Ecosystem and Habitat Restoration, Recycled Water, Desalination, Groundwater Management, Water Conservation, Stormwater Management and Flood Control, Surface Water, Local Infrastructure, and Policies and Initiatives. The first eight categories were comprised of project concepts, while the Policies and Initiatives category included supportive policy statements and initiatives for implementation.

Each of the project concepts was further evaluated by undergoing three sequential assessments in order to determine whether or not the concept would be included in the MokeWISE Implementation Plan.

Assessment 1: Preliminary Screening Assessment. The first assessment, Preliminary Screening Assessment, consisted of four screening criteria to determine if the project concepts were feasible, beneficial, attainable, and compatible. This assessment addressed potential concept issues and ultimately removed any concepts which may have been fatally flawed. The concepts were modified such that all concepts, as revised, passed all four screening criteria and were carried forward for further analysis. The MCG-approved Project Assessment Memorandum provides more information about this preliminary screening assessment.

Assessment 2: Fishery and Geomorphic Benefits and Impacts Assessment. The second assessment was based on the potential fishery and geomorphic benefits and impacts the project concepts provided. Each concept was assessed on a scale from 1 to 5, with 1 indicating less potential benefit or greater potential impact and 5 indicating greater potential benefit or less potential impact. Since the Policies and Initiatives are not actual projects and would generally not have quantifiable environmental benefits and/or impacts, they did not undergo this assessment.

Assessment 3: MokeWISE Program Objectives Assessment. The information provided was then incorporated in the third assessment which assessed the project concepts against the objectives and consequences to be avoided. Each project concept was identified as fully addressing, partially addressing, or not addressing each of the MokeWISE program objectives and consequences to be avoided.

Following these three assessments, the MCG reviewed alternative ways of grouping projects for further development and evaluation. Each project concept was evaluated to resolve any conflicts for MCG members and determine whether it would potentially provide a high value to the region. For a number of projects, workgroups consisting of a subset of MCG members were formed to review edits and work through outstanding issues. A Policies and Initiatives Workgroup, a subgroup of the MCG, expanded the descriptions of policies and initiatives. Once the workgroup reached consensus on a policy and initiative, the revised descriptions were reviewed and approved by the full MCG.

The MCG identified a series of 21 projects for inclusion in the MokeWISE implementation plan, based on their potential value to the region and broad support among the MCG member agencies. Implementation of these projects will depend on a variety of factors, including available funding. In addition to identifying broadly-supported projects, the MCG identified a series of Policies and Initiatives with broad support which should be furthered as part of program implementation. The following list includes all projects included in the Implementation Plan; **Figure ES-** and **Figure ES-** graphically show these projects. Some of these projects are feasibility studies only and do not have implementation components; these projects are marked with an asterisks.

MokeWISE Projects Included in the Implementation Plan

- 1a: Re-Introduction of Fall-Run Chinook Salmon Upstream of Pardee Reservoir
- 1b: High Country Meadow Restoration Program
- 1c: Mokelumne River Day Use Area Floodplain Habitat Restoration Project
- 1d: Fish Screens for Riparian Diversions in the Lower Mokelumne
- 1f: Riparian Restoration Program – Below Camanche
- 1g: Mokelumne Water Quality, Soil Erosion, & Sedimentation Inventory/Monitoring
- 2a: Municipal Recycled Wastewater Recharge Program
- 2b: Constellation Winery Wastewater Reuse
- 2c: Amador County Regional Reuse
- 4a: Groundwater Banking Evaluation within the Eastern San Joaquin Groundwater Basin*
- 4b: Amador and Calaveras Counties Hydrologic Assessment*

- 4d: NSJWCD Infrastructure Improvements
- 5a: Regional Urban Water Conservation Program
- 5b: Regional Agriculture Conservation Program¹
- 7a: PG&E Storage Recovery*
- 7b: Lower Bear Reservoir Feasibility Update and Preliminary Engineering*
- 7d: Re-operation of Existing Storage*
- 7f: Blue and Twin Lakes Dams Reliability and Replacement Assessment*
- 8b: Rehab of Transmission Main
- 8c: Barney Way Septic System Conversion
- 8d: Lake Camanche Village Recycled Water Project*

MokeWISE Policies and Initiatives Included in the Implementation Plan

- 9a: Land Use Coordination
- 9b: Sustainable Forest - Watershed Management Project
- 9c: Watershed Coordinator
- 9f: MokeWISE Project Public Involvement Initiative

* These projects are studies and do not have implementation components.

¹ This project was identified as having outstanding concerns. These concerns have been characterized and appended to the project scope, which is included in **Appendix N**.

Figure ES-4: Upper and Lower Watershed Projects Included in the MokeWISE Implementation Plan

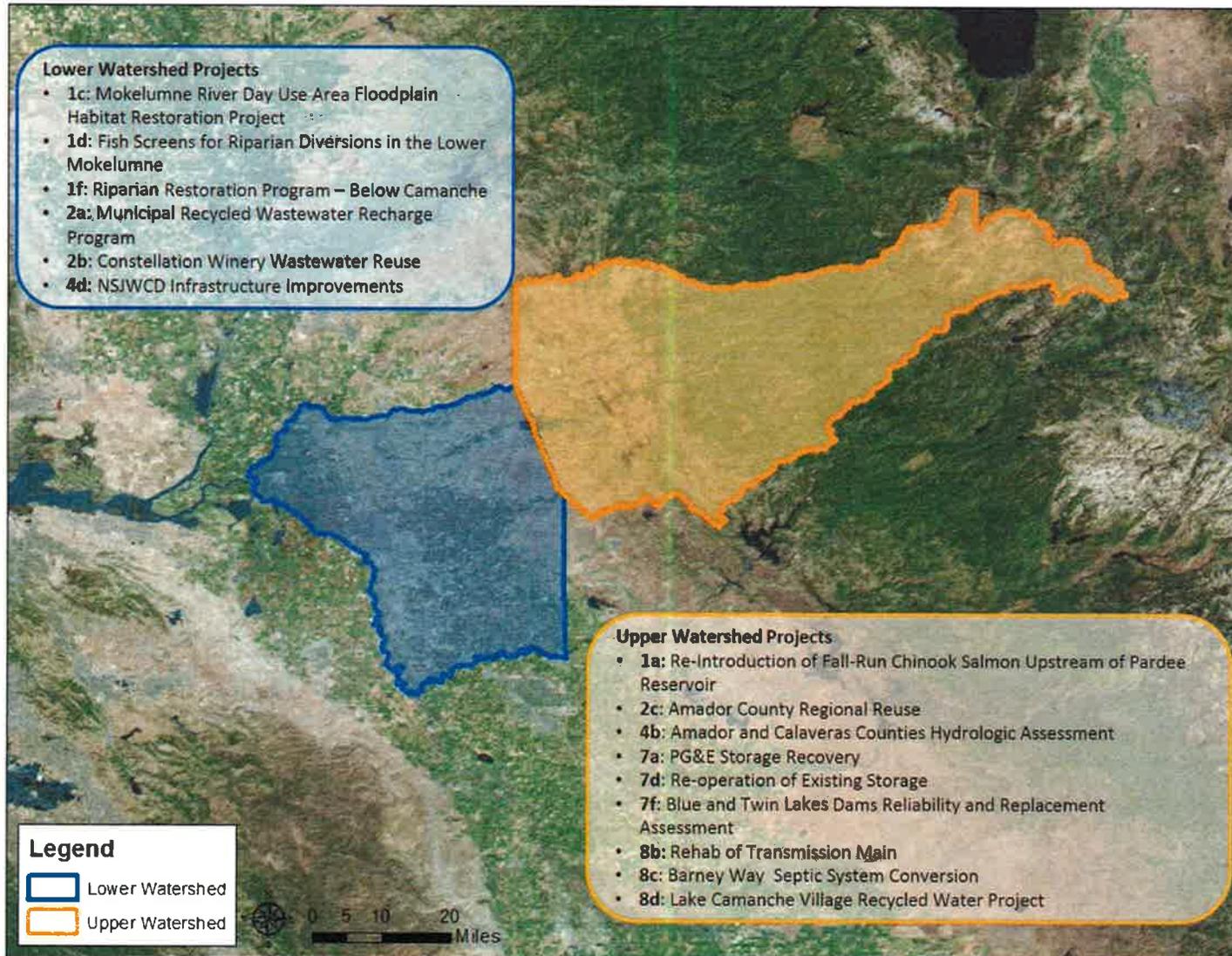
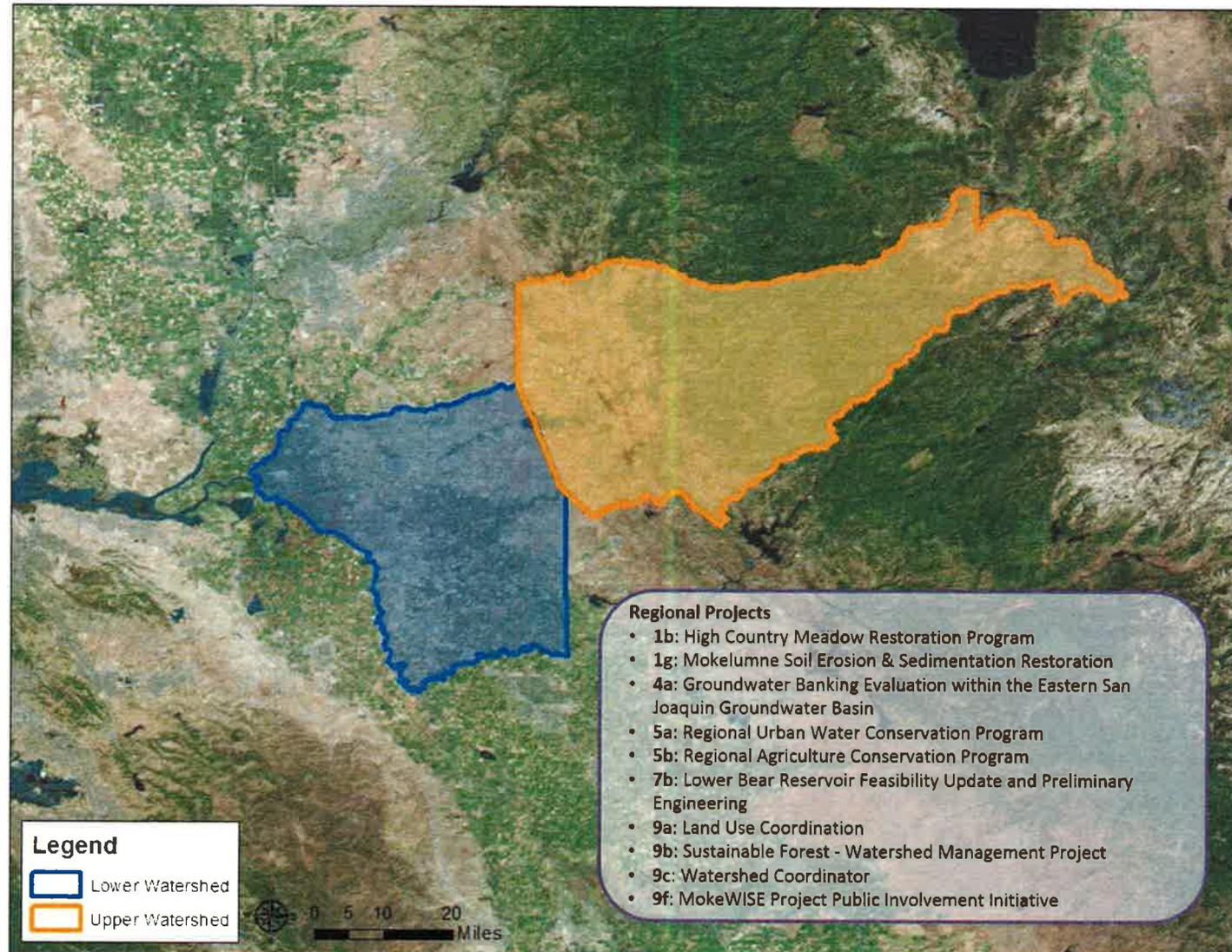


Figure ES-5: Regional Projects Included in the MokeWISE Implementation Plan



IMPLEMENTATION PLAN

As described above, the MCG implemented a multi-step process to identify and develop projects that have the potential to provide a significant range and magnitude of water resources benefits to the upper and lower watersheds. The pathway to implement the MokeWISE Program includes institutional arrangements, which must be identified to further program implementation, and project implementation approach and considerations.

Institutional capacities needed to ensure successful MokeWISE project implementation include:

1. Legal ability to apply for and accept state and other grant funding
2. Authority and administrative capacity to; enter into contracts, account for receipt and expenditure of funds, and implement water resource projects
3. Commitment to ensure continued opportunities for meaningful input from stakeholders and the public

The MCG agreed on an implementation structure to advance project implementation while providing for involvement by key stakeholders and interested parties, including two main tiers of responsibility. The Implementation Tier would be responsible for pursuing funding for and facilitating the implementation of projects and programs. The Stakeholder and Public Involvement Tier would be responsible for providing input and serving in an advisory capacity to the Implementation Tier.

Within the Implementation Tier, a Memorandum of Understanding (MOU) between the GBA and UMRWA would be created specifying them as the lead agencies for soliciting, securing, and administering funding for projects being implemented in each of their regions. If funding were secured by UMRWA or the GBA for a project, a separate contractual agreement would be developed between UMRWA or GBA and the project sponsor, as appropriate, to clearly articulate the funding agreement terms, conditions, and requirements.

The Stakeholder and Public Involvement Tier would be engaged at two levels of MokeWISE implementation, the regional level and the inter-regional level. At the region level, existing committees (the Regional Participants Committee in the MAC Region and the GBA Coordinating Committee in the ESJ Region) would advise the Implementation Tier on what projects to pursue funding for, changing needs for program implementation, within each region. At the inter-regional level, a MCG legacy stakeholder group, which will include current MCG members, potentially other members not currently involved in the process, and the public, will be co-hosted annually by the GBA and UMRWA.

The first step in implementing the institutional arrangement recommended by the MCG involves drafting an MOU outlining the roles and responsibilities of the individual parties.

In order to implement some or all of the implementation projects, several steps must be completed, including: securing funding, preliminary assessment and planning, environmental documentation, design, construction contracting, permitting, land acquisition, construction/project implementation, and post-construction monitoring and reporting to relevant entities as deemed appropriate. **Table ES-3** below indicates, for each of the projects, which of these steps have been and remain to be completed.

The first step for many of these projects will be to secure funding for project implementation. The Implementation Tier will work with the project sponsors and the Stakeholder and Public Involvement Tier to identify appropriate funding mechanisms and projects for funding pursuit. It is anticipated that a high degree of outside funding will be necessary to implement the MokeWISE program, since many areas within the MAC and ESJ Regions are severely disadvantaged as shown in the following figure.

Figure ES-6: Disadvantaged Communities in the MokeWISE Study Area

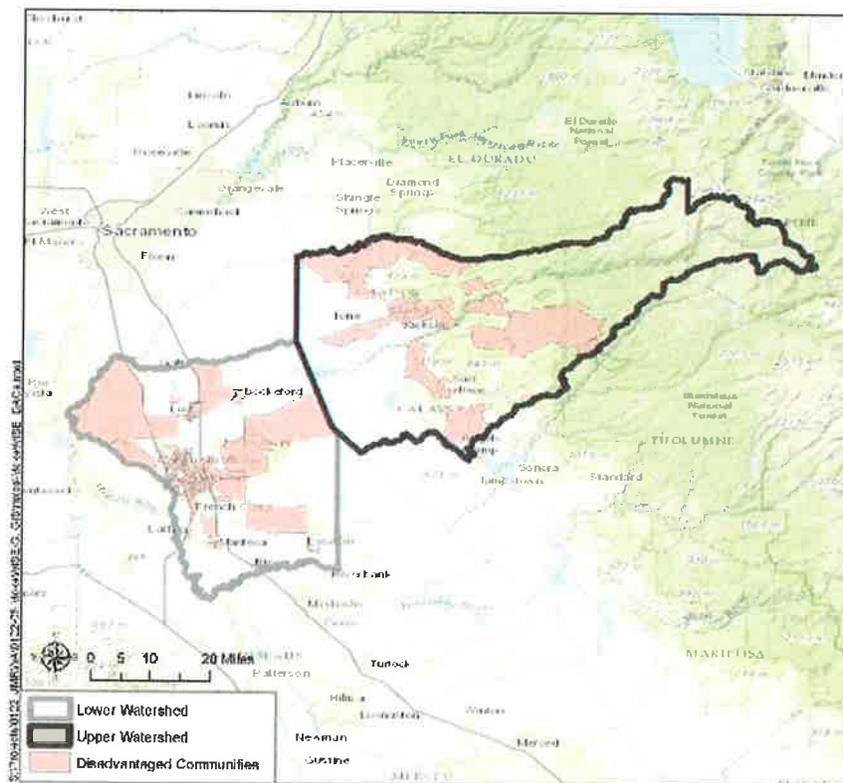


TABLE ES-3: STAGES REMAINING TO COMPLETE MOKEWISE PROJECT IMPLEMENTATION

MOKEWISE IMPLEMENTATION PROJECT	PROJECT STAGES COMPLETED							
	FUNDING	PLANNING	ENVIRONMENTAL DOCUMENTATION	DESIGN	PERMITTING	LAND ACQUISITION	CONSTRUCTION	POST-CONSTRUCTION MONITORING
1a Re-Introduction of Fall-Run Chinook Salmon Upstream of Pardee Reservoir	○	◐	○	○	○	○	○	○
1b High Country Meadow Restoration Program	○	◐	○	○	○	○	○	○
1c Mokelumne River Day Use Area Floodplain Habitat Restoration Project	○	○	○	○	○	○	○	○
1d Fish Screens for Riparian Diversions in the Lower Mokelumne	○	◐	○	○	○	○	○	○
1f Riparian Restoration Program – Below Camanche	○	◐	○	○	○	○	○	○
1g Mokelumne Water Quality, Soil Erosion, & Sedimentation Inventory/Monitoring	○	○	○	○	○	○	○	○
2a Municipal Recycled Wastewater Recharge Program	○	●	○	○	○	○	○	○
2b Constellation Winery Wastewater Reuse	○	○	○	○	○	○	○	○
2c Amador County Regional Reuse	○	●	○	○	○	○	○	○
4a Groundwater Banking Evaluation within the Eastern San Joaquin Groundwater Basin*	○	○	○	○	○	○	○	○
4b Amador and Calaveras Counties Hydrologic Assessment*	○	○	○	○	○	○	○	○
4d NSJWCD Infrastructure Improvements	○	●	●	○	○	○	○	○
5a Regional Urban Water Conservation Program	○	○	○	○	○	○	○	○
5b Regional Agriculture Conservation Program ²	○	○	○	○	○	○	○	○
7a PG&E Storage Recovery*	○	○	○	○	○	○	○	○
7b Raise Lower Bear Reservoir Feasibility Update and Preliminary Engineering*	○	◐	○	○	○	○	○	○
7d Re-operation of Existing Storage*	○	○	○	○	○	○	○	○
7f Blue and Twin Lakes Dams Reliability and Replacement Assessment*	○	○	○	○	○	○	○	○
8b Rehab of Transmission Main	○	●	○	○	○	○	○	○
8c Barney Way Septic System Conversion	○	○	○	○	○	○	○	○

² This project was identified as having outstanding concerns. These concerns have been characterized and appended to the project scope, which is included in **Appendix N**.

TABLE ES-3: STAGES REMAINING TO COMPLETE MOKEWISE PROJECT IMPLEMENTATION

MOKEWISE IMPLEMENTATION PROJECT	PROJECT STAGES COMPLETED							
	FUNDING	PLANNING	ENVIRONMENTAL DOCUMENTATION	DESIGN	PERMITTING	LAND ACQUISITION	CONSTRUCTION	POST-CONSTRUCTION MONITORING
8d Lake Camanche Village Recycled Water Project*	○	○	○	○	○	○	○	○

- = no/limited work completed
- ◐= some degree of work completed
- = project stage completed

* These projects are studies and do not have implementation components.

It will be necessary for the Implementation Tier to stay informed of the various funding programs available and any specific requirements to receive funding. In particular, the passage of Proposition 1 will result in an influx in State funding to support much-needed water projects statewide. The categories within this funding cover the full range of project types represented in the MokeWISE Program, and the funds could potentially offset a significant portion of the cost to implement the recommended projects.

IRWM PLAN INTEGRATION

The MAC and ESJ IRWM Regions jointly developed this effort to functionally integrate this program into each respective regional effort. The Integration section provides a pathway for integrating MokeWISE into the respective regional plans.

NEXT STEPS

With MokeWISE Program development complete, MCG member entities will introduce the MokeWISE Implementation Plan to their respective Boards and draft a resolution and/or letter of support appropriate for their Board. The Board-approved resolutions will be included in the final MokeWISE plan. In order to ensure MokeWISE projects are implemented in the future, three major next steps are envisioned.

Step 1: Form Structure for Implementation

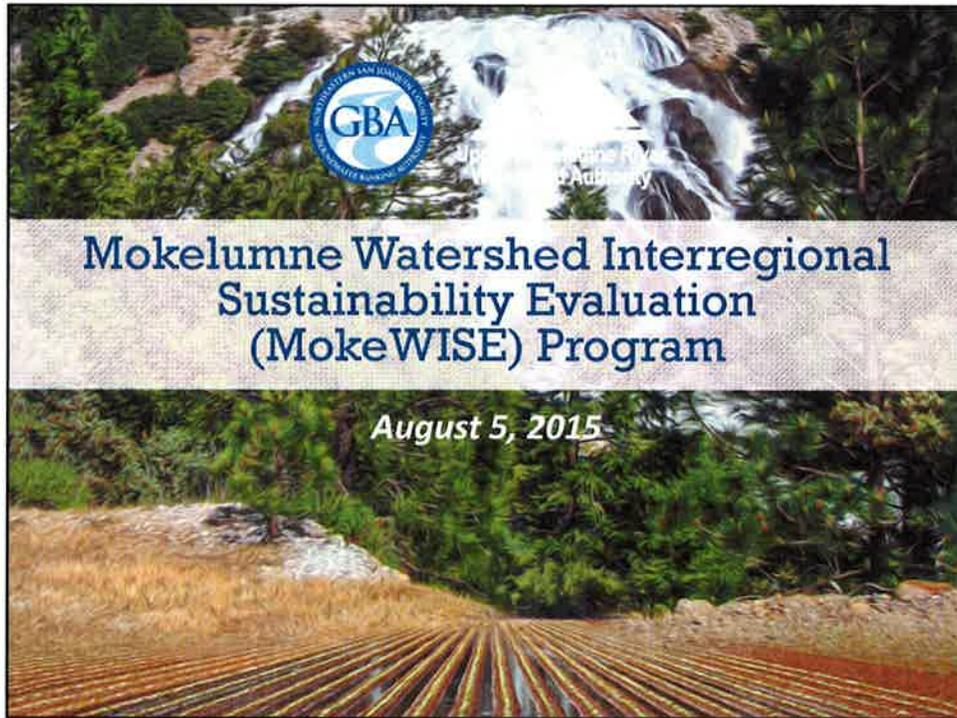
The initial step in MokeWISE program implementation involves the GBA and UMRWA working together to identify agencies, organizations, and other members of the public that are interested in participating in the Implementation Group. An MOU will be executed between UMRWA and the GBA that will provide guidance for the MokeWISE Program implementation by specifying project sponsors responsible for implementing their respective projects. Project sponsors may also sign the MOU, but this is not a prerequisite for receiving funding.

Step 2: Develop and Formalize Stakeholder Group

The second step involves assembling a stakeholder group (agencies, organizations, and members of the public) tasked with providing guidance during implementation of projects. After this group is assembled, process protocols will be developed to guide the Stakeholder and Public Involvement group.

Step 3: Identify and Secure Funding for Project Implementation

The third and final step includes identifying funding opportunities for each MokeWISE project, compiling funding applications, and securing and administering funding for project implementation. For each MokeWISE project, the Implementation Tier would identify those funding opportunities providing the greatest potential. When appropriate, the GBA and UMRWA, in coordination with project sponsors, the Implementation Tier, and the Stakeholder and Public Involvement Tier, would pursue these funding opportunities.



Agenda

- Program Overview
- Implementation Projects
- Implementation Plan
- Q&A



2

MokeWISE Program 

The Mokelumne Watershed Interregional Sustainability Evaluation (MokeWISE) Program Improves Water Resources Management

- Brought together stakeholders to encourage cooperative water resources management
- Identified integrated, collaborative projects with multiple benefits for multiple stakeholders
- Identified future management actions and has positioned projects for funding

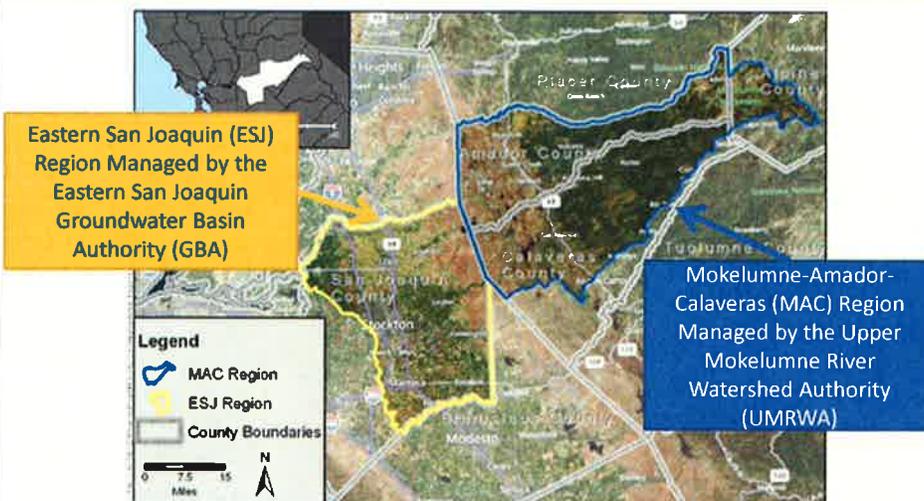


3

MokeWISE Program



The Mokelumne-Amador-Calaveras (MAC) and Eastern San Joaquin (ESJ) Regions Share a Common Boundary



4

MokeWISE Program



The Mokelumne Collaborative Group (MCG) Guided Program Development

- Amador County
- Amador Water Agency
- Calaveras County
- Calaveras County Water District
- Calaveras Planning Coalition
- Calaveras Public Utility District
- California Sportfishing Protection Alliance
- Delta Fly Fishers, Inc.
- East Bay Municipal Utility District
- Foothill Conservancy
- Jackson Valley Irrigation District
- Lodi, City of
- MyValleySprings.com
- North San Joaquin Water Conservation District
- Pacific Gas & Electric
- Restore the Delta
- San Joaquin County
- San Joaquin County Resource Conservation District
- San Joaquin Farm Bureau
- Sierra Club
- Stockton, City of
- Stockton East Water District
- Upper Mokelumne River Watershed Authority
- Woodbridge Irrigation District

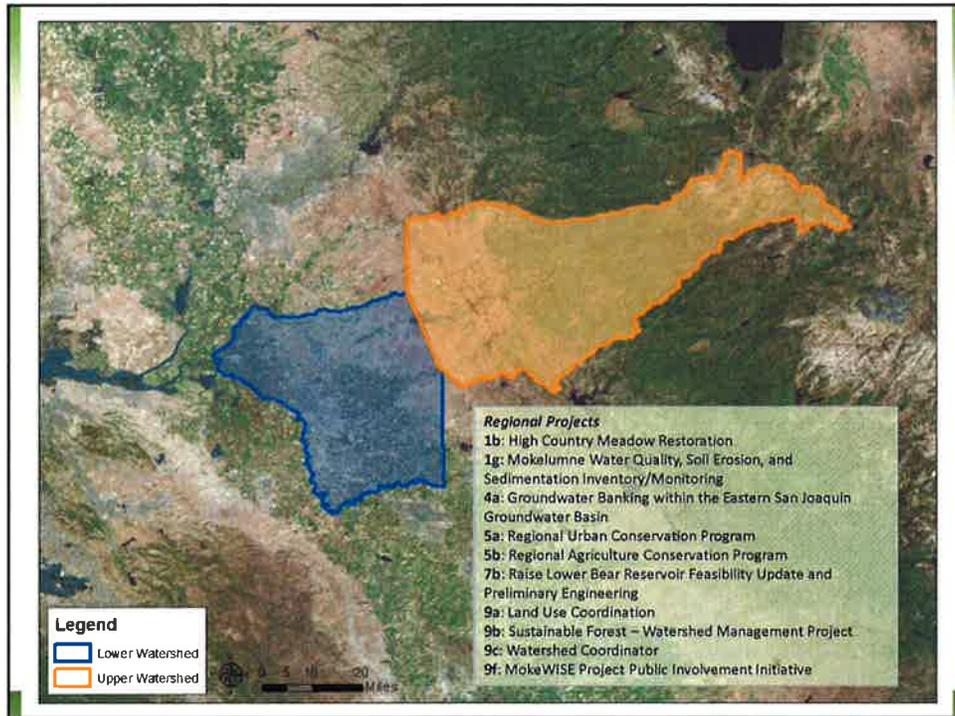
5

Program Purpose

Develop a *broadly-supported* preferred water resources program that *meets both regions' needs* as well as the *needs of regional stakeholders and interest groups*.

6





Step 1: Form Structure for Implementation

- Form group (Implementation Tier) responsible for furthering implementation of MokeWISE projects
- Recommended that GBA and UMRWA sign an MOU designating each as the lead agencies for soliciting, securing, and administering project funding

11

Step 2: Develop and Formalize Stakeholder Group

- Assemble stakeholder group (Stakeholder and Public Involvement Tier) tasked with providing guidance, at a programmatic level, during implementation of projects
- Protocols document, outlining decision-making processes and organization, would be developed

12

Step 3: Identify and Secure Funding for Project Implementation

- Implementation Tier, in coordination with Stakeholder and Public Involvement Tier, track funding opportunities appropriate for the various MokeWISE projects
- The GBA and UMRWA would pursue these funding opportunities and any secured funding would be used for project implementation

13

Why We're Here

Adopt a resolution showing support for the MokeWISE Program

14

What does Support mean?

- The projects identified in the Implementation Plan are those that are broadly supported by the MCG member agencies.
- Adoption of this resolution implies support for the projects within the Implementation Plan.
- Implementation Plan Projects will, when and as applicable, be subject to compliance with the California Environmental Quality Act, the National Environmental Policy Act, federal Endangered Species Act, California Endangered Species Act, and other applicable regulatory and permitting requirements.
- Funding to implement MokeWISE Implementation Plan Projects will be sought from available funding programs as described in the Implementation Plan.

15

Questions

16

A RESOLUTION OF THE LODI CITY COUNCIL DECLARING ITS
SUPPORT OF THE MOKELUMNE WATERSHED INTERREGIONAL
SUSTAINABILITY EVALUATION PROGRAM

=====

WHEREAS, the Upper Mokelumne River Watershed Authority and the Eastern San Joaquin County Groundwater Basin Authority have joined together to pursue completion of the Mokelumne Watershed Interregional Sustainability Evaluation (MokeWISE) Program, a Mokelumne River watershed focused interregional water resources planning program; and

WHEREAS, the California Department of Water Resources has provided \$878,605 in Proposition 84 grant funding in support for developing the \$1,258,770 MokeWISE Program; and

WHEREAS, stakeholder entities representing a diverse set of Upper and Lower Mokelumne River watershed interests formed into the Mokelumne Collaborative Group (MCG) to guide the development of a broadly-supported MokeWISE Program which includes projects, policies and other initiatives to enhance groundwater management, water supply reliability, and Mokelumne River natural resources; and

WHEREAS, support of the MokeWISE Program is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15262 and §15306 because the MokeWISE Program involves planning and assessment activities for possible future actions that project sponsors and others have not yet approved and therefore would not result in the disturbance of any environmental resource.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby expresses its support for the Mokelumne Watershed Interregional Sustainability Evaluation Program (as expressed in the Implementation Plan), based on the following understandings:

- The projects identified in the Implementation Plan are those that are broadly supported by the MCG member agencies.
- Adoption of this resolution implies support for the projects within the Implementation Plan.
- Implementation Plan Projects will, when and as applicable, be subject to compliance with the CEQA, the National Environmental Policy Act, federal Endangered Species Act, California Endangered Species Act, and other applicable regulatory and permitting requirements.
- Funding to implement MokeWISE Implementation Plan Projects will be sought from available funding programs, as described in the Implementation Plan.

Dated: August 5, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Authorize the Mayor, on Behalf of the City Council, to Send a Letter of Opposition for AB 278 (Hernandez): District-Based Municipal Elections

MEETING DATE: August 5, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Authorize the Mayor, on behalf of the City Council, to send a letter of opposition for AB 278 (Hernandez): District-Based Municipal Elections.

BACKGROUND INFORMATION: On July 7, 2015, the City received correspondence from the League of California Cities to oppose AB 278 (Hernandez): District-Based Municipal Elections.

AB 278 would require cities over 100,000 in population to switch to district elections. The bill imposes a one-size-fits-all policy based on an arbitrary population threshold. It does not take into account that the affected cities all have unique population and geographic characteristics. Decisions on what election system works best for a specific area should be left to the local community and their elected officials. In the event there is an issue of vote dilution, the California Voting Rights Act provides significant legal leverage to any voter who seeks to challenge an at-large election system of a city, school district, community college district, or any other district authorized by the state.

For the reasons stated above and in the attached draft correspondence, it is recommended that the City Council authorize the execution and delivery of the proposed correspondence.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

APPROVED: _____
Stephen Schwabauer, City Manager

CITY COUNCIL

BOB JOHNSON, Mayor
MARK CHANDLER,
Mayor Pro Tempore
DOUG KUEHNE
JOANNE MOUNCE
ALAN NAKANISHI

CITY OF LODI

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STEPHEN SCHWABAUER
City Manager
JENNIFER M. FERRAILOLO
City Clerk
JANICE D. MAGDICH
City Attorney

August 6, 2015

The Honorable Bob Hertzberg
Chair, Senate Governance and Finance
State Capitol Building, Room 4038
Sacramento, CA 95814
Via FAX: (916) 651-4918

RE: **AB 278 (Hernandez): District-based municipal elections.
Notice of Opposition**

The City of Lodi is respectfully opposed to your bill AB 278, which *requires* that all general law cities with populations over 100,000 adopt an ordinance to switch to a district-based election system.

AB 278 imposes a one-size-fits-all policy based on an arbitrary population threshold. It does not take into account that the affected cities all have unique population and geographic characteristics. Decisions on what election system works best for a specific area should be left to the local community and their elected officials.

While the City of Lodi recognizes your efforts to address vote dilution, new mandates are simply not necessary. In the event there is an issue of vote dilution, the California Voting Rights Act provides significant legal leverage to any voter who seeks to challenge an at-large election system of a city, school district, community college district, or any other district authorized by the state.

Existing law is robust and working. For these reasons, the City of Lodi opposes AB 278.

Sincerely,

Bob Johnson
Mayor, City of Lodi

cc: Senator Cathleen Galgiani, Fax: 916-651-4905
Assemblymember Jim Cooper, Fax: 916-319-2109
Colin Grinnell, Staff Director, Senate Governance and Finance Committee, Fax: 916-322-0298
Stephen Qualls, League Regional Public Affairs Manager, squalls@cacities.org
Meg Desmond, League of California Cities, mdesmond@cacities.org

Jennifer Ferraiolo

From: Stephen R. Qualls <squalls@cacities.org>
Sent: Tuesday, July 07, 2015 8:35 PM
Subject: AB 278: District Elections (Hernandez)
Attachments: AB 278 SAMPLE Oppose Letter 7.7.15.docx; Action Alert AB 278 (Hernandez) District-based Elections 7.7.15.docx

AB 278 would require cities over 100 thousand in population to switch to district elections. If your city would like to act to stop this unnecessary bill, please send a letter to Senator Hertzberg and your local legislator in case it reaches the floor.

I have attached talking points as well as a sample letter.

Thank you,

Stephen Qualls
Central Valley Regional Public Affairs Manager League of California Cities

209-614-0118
Fax 209-883-0653
squalls@cacities.org<<mailto:squalls@cacities.org>>

[Description: Description: LCC_Logo_SM] [X]
Strengthening California Cities through Advocacy and Education To expand and protect local control for cities through education and advocacy in order to enhance the quality of life for all Californians.

<<http://www.cacities.org/AC>>

PLEASE DO NOT distribute political campaign advocacy information from public (city hall) computers, on city time, or using public resources, even if it's from your personal email account. If in doubt, check with your city attorney.

DisclaimerPlease Note: Please take the following precautions if this email is about a CITIPAC event. Though it is not illegal for you to receive this notice via a city e-mail address, you should not respond to it or forward it using public resources. You may however forward this message to your non-public e-mail account for distribution on non-public time. If you have questions about the event or need additional information, please contact Mike Egan at (916) 658-8271 or egan@cacities.org

ACTION ALERT!!

AB 278 (Hernandez) District-based Municipal Elections.

OPPOSE

Background for AB 278 (Hernandez):

AB 278 requires that all general law cities with populations over 100,000 to switch to by-district election systems. This bill is based around an arbitrary population threshold and does not take into account that the affected cities all have unique populations and geographic characteristics.

The California Voting Rights Act (CVRA) already provides voters with a strong legal avenue in the event there is an issue of vote dilution. The CVRA gives significant legal leverage to someone seeking to challenge an at-large election system. In fact, under the CVRA it is easier for plaintiffs to bring and prevail in lawsuits – existing law is robust and working.

AB 278 implements a one-size-fits-all policy, by-district elections systems are not the only remedy for addressing complaints under the CVRA. The courts have held that other options are available such as in the case of Santa Clarita where the courts allowed a cumulative voting system to be considered compliant under the act.

Efforts by both local and state government should be focused on reenergizing the public about political participation and encouraging people to vote, not imposing new costly mandates.

ACTION:

AB 278 was held in the Senate Elections and Constitutional Amendments Committee on July 7. It is eligible for committee reconsideration on July 14. If AB 278 receives enough votes on July 14 it will then move forward to the Senate Governance and Finance Committee on July 15. If you have a Senator on the Senate Governance and Finance Committee, please **send your CITY LETTERS of OPPOSITION** to as soon as possible. Sample Opposition letter attached or you may use the League's [Action Center](#) to send a letter.

SENATE GOVERNANCE AND FINANCE					
Member	District	Party	Room	Phone	Fax
Beall, Jim	15	D	5066	916 651 4015	916 651 4915
Hernandez, Ed	22	D	2080	916 651 4022	916 651 4922
Hertzberg, Bob (Chair)	18	D	4038	916 651 4018	916 651 4918
Lara, Ricardo	33	D	5050	916 651 4033	916 651 4933
Moorlach, John	37	R	2048	916 651 4037	916 651 4937
Nguyen, Janet (Vice-Chair)	34	R	3048	916 651 4034	916 651 4934
Pavley, Fran	27	D	5108	916 651 4027	916 651 4927

You can find your Legislator's contact information here: <http://findyourrep.legislature.ca.gov/>.

Talking Points:

- AB 278 is a sweeping and costly unfunded state mandate. Impacted cities would have to hire consultants to draft maps and analyze election patterns—with costs ranging from \$50,000 to \$100,000 per city to draw various maps.

- AB 278 would require attorneys with specialized expertise in the federal and state election laws to advise and protect cities from litigation over how district lines are drawn.
- In the event there is an issue of vote dilution, the CVRA provides significant legal leverage to any voter who seeks to challenge an at-large election system of a city, school district, community college district or any other district authorized by the state.
- AB 278 is based around an arbitrary population threshold and does not take into account that the affected cities all have unique population and geographic characteristics.
- Under the CVRA it is easier for plaintiffs to bring and prevail in lawsuits alleging that their votes are diluted in at-large elections.
- Existing law is robust and working. AB 278 does not address the issue at hand. We suggest the real problem we need to work to address is low voter turnout and civic engagement. Efforts by both local and state government should be focused on reenergizing the public about political participation and encouraging people to vote.

AMENDED IN ASSEMBLY JUNE 1, 2015

AMENDED IN ASSEMBLY APRIL 13, 2015

AMENDED IN ASSEMBLY APRIL 7, 2015

AMENDED IN ASSEMBLY MARCH 18, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 278

Introduced by Assembly Member Roger Hernández
(Principal coauthor: Assembly Member Alejo)
(Coauthor: Senator Hueso)

February 11, 2015

An act to amend Section 10010 of the Elections Code, and to add Section 34885 to the Government Code, relating to elections.

LEGISLATIVE COUNSEL'S DIGEST

AB 278, as amended, Roger Hernández. District-based municipal elections.

Existing law provides for political subdivisions that encompass areas of representation within the state. With respect to these areas, public officials are generally elected by all of the voters of the political subdivision (at-large) or from districts formed within the political subdivision (district-based). Existing law, the California Voting Rights Act of 2001, prohibits an at-large method of election ~~to be~~ *from being* imposed or applied in a manner that impairs the ability of a protected class to elect candidates of its choice or its ability to influence the outcome of an election, as a result of the dilution or the abridgment of the rights of voters who are members of a protected class, as defined.

Existing law authorizes the legislative body of a city to submit to voters at any municipal or special election an ordinance providing for the election of members of the legislative body by districts, from districts, by districts with an elective mayor, or from districts with an elective mayor. Under existing law, “by district” means election of members of the legislative body by voters of the district alone and “from district” means election of members of the legislative body who are residents of the district from which they are elected by the voters of the entire city. Existing law prescribes the procedures for the electors to change from the election of these members by district to election from districts or vice versa.

This bill would require the legislative body of a general law city with a population of 100,000 or more to adopt an ordinance, without submitting the ordinance to the voters of the city for approval, for the election of members of the legislative body by district. The bill would require that the boundary lines of each district be adjusted in accordance with specified provisions of existing law, ~~except as otherwise provided in this bill.~~ *law.* The bill would require ~~the legislative body to hold public hearings before and after drawing a draft map of the proposed boundaries of the districts of the legislative body, as specified. The bill would also require the legislative body to take certain actions to encourage public participation in the drawing of the proposed boundaries and would require that the proposed boundaries satisfy specified criteria.~~

By requiring certain cities to conduct elections for members of their legislative bodies in a specified manner, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10010 of the Elections Code is amended
- 2 to read:

1 10010. (a) A political subdivision not subject to the provisions
2 of Section 34885 of the Government Code, other than a charter
3 city, charter county, or charter city and county, that changes from
4 an at-large method of election to a district-based election shall
5 hold at least two public hearings on a proposal to establish the
6 district boundaries of the political subdivision before a public
7 hearing at which the governing body of the political subdivision
8 votes to approve or defeat the proposal.

9 (b) This section applies to, but is not limited to, a proposal that
10 is required due to a court-imposed change from an at-large method
11 of election to a district-based election.

12 (c) For purposes of this section, the following terms have the
13 following meanings:

14 (1) "At-large method of election" has the same meaning as set
15 forth in subdivision (a) of Section 14026.

16 (2) "District-based election" has the same meaning as set forth
17 in subdivision (b) of Section 14026.

18 (3) "Political subdivision" has the same meaning as set forth in
19 subdivision (c) of Section 14026.

20 SEC. 2. Section 34885 is added to the Government Code, to
21 read:

22 34885. (a) (1) Notwithstanding any other law, the legislative
23 body of a general law city with a population of 100,000 or more
24 shall adopt an ordinance, without submitting the ordinance to the
25 electors of the city for approval, for the election of members of
26 the legislative body by district as provided in subdivision (a) or
27 (c) of Section 34871.

28 (2) For purposes of this subdivision, the population of a city
29 shall be determined by the most recent federal decennial census.

30 ~~(b) Except as otherwise provided in subdivisions (e) to (f),~~
31 ~~inclusive, the~~ *The* boundaries of the districts for the legislative
32 body shall be established and adjusted in accordance with Chapter
33 7 (commencing with Section 21600) of Division 21 of the Elections
34 Code.

35 ~~(e) (1) Before drawing a draft map of the proposed boundaries~~
36 ~~of the districts for the legislative body, the legislative body shall~~
37 ~~hold at least four public hearings where the public has the~~
38 ~~opportunity to provide input. The hearings shall occur over the~~
39 ~~course of at least 30 days.~~

1 ~~(2) After the draft map of the proposed boundaries of the~~
2 ~~districts for the legislative body is drawn and published, the~~
3 ~~legislative body, before adopting the final map of the proposed~~
4 ~~boundaries, shall hold at least two public hearings in which the~~
5 ~~public has the opportunity to provide input. The hearings shall~~
6 ~~occur over the course of at least 30 days.~~

7 ~~(3) A calendar of the hearings required by paragraphs (1) and~~
8 ~~(2) shall be prepared and published at least seven days before the~~
9 ~~first hearing to allow citizens to plan their attendance.~~

10 ~~(4) The hearings required by paragraphs (1) and (2) shall do all~~
11 ~~of the following:~~

12 ~~(A) Be held in locations accessible to people with disabilities.~~

13 ~~(B) To the greatest extent possible, be held in numerous~~
14 ~~locations to maximize community participation.~~

15 ~~(C) To the greatest extent possible, be held in locations~~
16 ~~accessible by public transportation.~~

17 ~~(D) To the greatest extent possible, be held on different days of~~
18 ~~the week and at varying times to maximize community~~
19 ~~participation.~~

20 ~~(5) If requested, at least 24 hours before a hearing required by~~
21 ~~paragraph (1) or (2), the legislative body shall provide simultaneous~~
22 ~~translation of the hearing in any language that meets the~~
23 ~~requirements of subdivision (c) of Section 14201 of the Elections~~
24 ~~Code in a precinct in the city.~~

25 ~~(d) The legislative body of the city shall encourage public~~
26 ~~participation in the drawing of the boundaries of the districts for~~
27 ~~the legislative body by doing all of the following:~~

28 ~~(1) Developing an outreach and education plan, and media and~~
29 ~~social media strategy, in partnership with community organizations~~
30 ~~and individuals that advocate on behalf of, or provide services to,~~
31 ~~non-English-speaking individuals and individuals with disabilities.~~

32 ~~(2) For each hearing required by paragraph (1) or (2) of~~
33 ~~subdivision (c), publicize at least one public service announcement~~
34 ~~using a media outlet that serves English-speaking individuals for~~
35 ~~purposes of informing individuals of the boundary drawing process~~
36 ~~and the upcoming hearing date.~~

37 ~~(3) For each hearing required by paragraph (1) or (2) of~~
38 ~~subdivision (c), publicize at least one public service announcement~~
39 ~~in each language that meets the requirements of subdivision (c) of~~
40 ~~Section 14201 of the Elections Code in a precinct in the city, using~~

1 a media outlet that serves speakers of that language, for purposes
2 of informing individuals of the boundary-drawing process and the
3 upcoming hearing date.

4 ~~(4) Publish an Internet Web site that explains the~~
5 ~~boundary-drawing process and its significance, that includes notice~~
6 ~~of the hearings required by paragraphs (1) and (2) of subdivision~~
7 ~~(c), and that explains how public testimony may be submitted. The~~
8 ~~Internet Web site shall be available in each language that meets~~
9 ~~the requirements of subdivision (c) of Section 14201 of the~~
10 ~~Elections Code in a precinct in the city.~~

11 ~~(5) Provide the means for the submission of public testimony~~
12 ~~by mail, by telephone, online, and in person at the hearings required~~
13 ~~by paragraphs (1) and (2) of subdivision (c).~~

14 ~~(6) Any other outreach or publicity the legislative body~~
15 ~~determines will encourage public participation in the drawing of~~
16 ~~the boundaries of the districts for the legislative body.~~

17 ~~(e)~~

18 ~~(c) The legislative body shall ensure all of the following criteria~~
19 ~~are satisfied in preparing the boundaries of the districts for the~~
20 ~~legislative body:~~

21 ~~(1) The boundaries are drawn to ensure fair and effective~~
22 ~~representation of all city residents including racial, ethnic, and~~
23 ~~language minorities.~~

24 ~~(2) The boundaries conform to the requirements of the United~~
25 ~~States Constitution and all applicable federal and state laws.~~

26 ~~(3) The boundaries respect communities of interest.~~

27 ~~(4) The boundaries have substantially equal populations as~~
28 ~~determined by the most recent federal decennial census.~~

29 ~~(5) The boundaries are geographically compact and contiguous.~~

30 ~~(6) The boundaries are drawn without regard to the advantage~~
31 ~~or disadvantage of incumbents, challengers, or any political party.~~

32 ~~(f)~~

33 ~~(d) (1) Communications between any party and the legislative~~
34 ~~body regarding the drawing of the boundaries of the districts for~~
35 ~~the legislative body shall be disclosed to the public and maintained~~
36 ~~by the city in a publicly available log.~~

37 ~~(2) Communications related to the dissemination of the~~
38 ~~procedural information about the drawing of the boundaries of the~~
39 ~~districts for the legislative body, including, but not limited to,~~

1 communications regarding the time and place of meetings or how
2 to submit public testimony, are exempt from paragraph (1).

3 ~~(g)~~

4 (e) This section does not apply to a charter city or charter city
5 and county.

6 SEC. 3. If the Commission on State Mandates determines that
7 this act contains costs mandated by the state, reimbursement to
8 local agencies and school districts for those costs shall be made
9 pursuant to Part 7 (commencing with Section 17500) of Division
10 4 of Title 2 of the Government Code.



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Receive update on emergency condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2.

BACKGROUND INFORMATION: White Slough Water Pollution Control Facility (WSWPCF) has four covered anaerobic digesters that serve the purpose of breaking down sewage sludge that enters the plant. On July 16, 2014, Council declared an emergency condition in response to concurrent roof failures on Digesters No. 1 and No. 2. Public contract code requires Council to review the emergency action at its next regularly-scheduled meeting and each regularly-scheduled meeting thereafter until the emergency is terminated.

The completed Digester No. 2 became operational on April 6, 2015.

The completed Digester No. 1 roof structure is installed, and work continues on the gas and electrical systems. The digester mixing system is complete.

The procurement and construction schedule reflecting project milestones is provided below. The work is progressing on the original schedule, and there is no substantial change from last report.

Project Definition Meeting	July 21, 2014
Issue Final Contract Documents	August 1, 2014
Receive GMP Proposals	August 20, 2014
Issue Notice to Proceed	September 15, 2014
Complete Digester No. 2 Improvements	April 2, 2015
Complete Digester No. 1 Improvements	August 27, 2015

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Charlie Swimley, City Engineer / Deputy Public Works Director

FWS/CES/tb

cc: Associate Civil Engineer Nathan
Charlie Swimley, City Engineer / Deputy Public Works Director
Wastewater Plant Superintendent
Construction Project Manager

APPROVED: _____
Stephen Schwabauer, City Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Report on Emergency Air Conditioning Equipment Replacement at White Slough Water Pollution Control Facility

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Report on emergency air conditioning equipment replacement at White Slough Water Pollution Control Facility.

BACKGROUND INFORMATION: The air conditioning rooftop unit that services the South Electric Building at White Slough Water Pollution Control Facility (WSWPCF) failed the week of June 15, 2015. The South Electric Building houses nearly the entire WSWPCF motor control center (MCC). If the MCC is not maintained in a cool environment, the motor controls will overheat and fail causing the equipment they control to fail.

The air conditioning unit's failure was diagnosed as burned and corroded compressor coils resulting from age and corrosion. The failure caused the unit to stop cooling and is consistent with the unit's declining performance over the past several seasons. The unit was installed in 1990 and was the original air conditioning equipment in the building.

A new air conditioning unit was special ordered from Industrial Commercial Refrigeration (ICR) that is currently under contract with the City for maintenance and repair of heating, ventilation and air conditioning equipment at various City facilities. The purchase and installation cost of the new unit is \$12,460. The City Manager approved the emergency purchase without formally bidding the work due to the emergency condition. ICR was issued a purchase order for the new equipment June 17, 2015. Installation is planned for late August.

WSWPCF purchased a portable air conditioning unit for use at the MCC until the new unit is installed. The portable air conditioning unit was purchased for \$2,799 in lieu of renting a temporary unit at a cost of \$1,150 per month. The portable unit will be available for use at other locations within the City in the future should the need arise.

Purchase of the new air conditioning unit was paid from WSWPCF Operating Funds (53053003.72534).

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

Prepared by Karen D. Honer, Wastewater Plant Superintendent
FWS/KH/tb
Attachments

APPROVED: _____
Steve Schwabauer, City Manager



Kelly Powers
 Waste Water Treatment Plant
 City of Lodi
 (209) 333-6749
 (209) 333-6710 Fax

Scope of Work:

ICR Refrigeration, Inc. proposes replace leaking and damaged HVAC package unit for the Main Electrical Room with a new Trane HVAC package unit. The existing unit continuously leaks from brazed joints and this caused the compressor to operate without oil pressure and fail. The leaks are caused by the surrounding air environment. The new Trane unit will have specialized coating on all copper pipe and fittings. This will eliminate leaks cause by the surrounding air environment. ***Please note unit lead time to ship is 6-8 weeks due to special coatings.**

Job Materials:

- Trane HVAC system (Model # THC072F4, 6 Ton, 460V/3PH)
- Electrical
- Ducting
- Crane Service
- Miscellaneous Parts

We propose hereby to furnish material, labor and tax – complete in accordance with above specifications, for the sum of: **Twelve Thousand, Four Hundred, and Fifty Dollars (\$12,450.00)**

Authorized Signature: _____ Date: 5-21-2015

- Proposal good for: Thirty (30) days

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra cost will be executed only upon written orders, and will become an extra charge over and above the estimate. Owner must carry fire, flood and other necessary insurance. Our workers are fully covered by Workmen’s Compensation Insurance.

Signature: _____ Date of Acceptance: _____.

1157197



Attachment B

Product Compare

< Back

Item #

Add

Products Overview

Remove Item



Item 13C669
AIRREX
Portable Air
Conditioner, 16800Btuh, 115V

Sale Price

\$2,799.00 / each

Offer Ends 07/31/15

~~Price \$4,832.00 / each~~

Qty

Add to Cart

+ Add to list

Product availability based on selecting either shipping or pick up and a location.

Ship to 95240

[Change](#) v

Expected to arrive **Tue. Jun 23.**

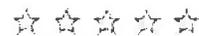
Mfr. Model #

HSCO-18

Catalog Page

4180

Product Rating



Be the first to write a review

Country of Origin

South Korea

Compliance Notes

Technical Specs

Item	Portable Air Conditioner
Environmental Applications	Commercial/Industrial
Cooling Method	Air-Cooled
BtuH Cooling	16,800
Voltage	120
Number of Cooling Speeds	2
Fan-Only Speeds	2
Control Type	Electronic
Width	19-5/16"
Depth	23-5/8"
Height	49-13/16"
Hz	60
Phase	1
Watts	1900
Amps	17
Max. Supply Hose Length	30 ft.
Max. Exhaust Hose Length	25 ft.
Sound Level dBA	62
Exhaust CFM	920/777
Supply CFM	460/440
Ambient Operating Range	72 to 113 Degrees F
Condensate Tank Capacity	5.28 gal.

NEMA Plug Configuration 5-20

Power Cord Length 9 ft.

Standards cETLus

Procurement Info

Package Quantity 1/pkg

Shipping Quantity 1

Will-Call Quantity 1

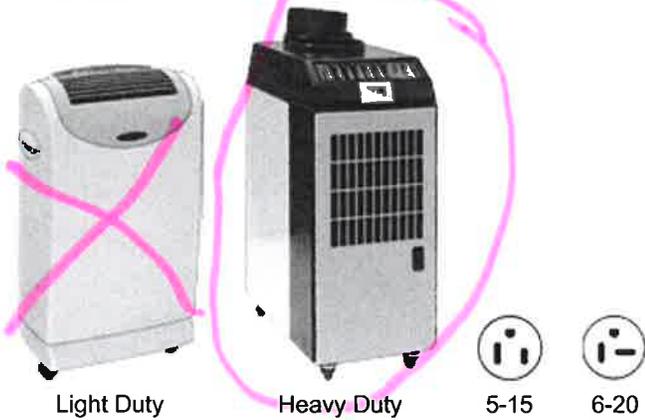
Note: Product availability is real-time basis and adjusted continuously. The product will be reserved for you w

< Back



(562) 692-5911
 (562) 695-2323 (fax)
 la.sales@mcmaster.com
 Text 75930

Portable Air Conditioners



Roll these air conditioners to the area that needs cooling. All have a 5 1/2-ft. cord with three-prong plug.

Light duty air conditioners are for temporary spot cooling. They evaporate condensate so there is no tank to empty. Vent to outdoors with included hoses.

Heavy duty air conditioners are built for continuous use. They have two 2.5-gallon condensate tanks. Choose cooling or fan operation. Exhaust air into the space above your ceiling with the included kit. It fits 24" wide ceiling tiles and includes a 6-ft. long duct, a flange, and a ceiling tile. **Optional thermostat** is adjustable from 50° to 99° F.

Cooling Cap., Btu/Hr.	Max. Airflow, cfm	Amps	NEMA Plug Style	Ht.	Size			Each
					Wd.	Dp.		
Light Duty								
120 Volts AC, Single Phase								
9,300	210	10.8	5-15	33 1/2"	19 1/4"	15 1/2"	7669K5	\$560.00
11,600	235	11.5	5-15	33 1/2"	19 1/4"	15 1/2"	7669K8	607.69
Heavy Duty								
120 Volts AC, Single Phase								
13,500	440	11.7	5-15	45"	18 1/2"	32 3/4"	7669K4	3,930.12
208-230 Volts AC, Single Phase								
28,000	1,100	16.0	6-20	55"	36"	24"	7669K7	4,811.09
Optional Thermostat for Heavy Duty Air Conditioners				7669K9	Each	\$183.08		

Portable Air Conditioners



Topaz Portable Air Conditioner — 17,300 BTU, Model# TZ-18

Item# 28666

Be the first to [write a review](#)

Only **\$4099⁹⁹**

Factory Shipped —
 Estimated Delivery: 5 - 7 Business Days
 Not Available in Stores

Product Summary

This Topaz Portable Air Conditioner is quiet, powerful and durable for use in office and industrial settings. Digital programmable thermostat provides complete comfort control. U.S.A.

What's Included

(1) Air conditioner

Features + Benefits

- 5-15P NEMA plug
- Quiet 61dB noise level
- 115 Volts

Key Specs

Item#	28666	BTU Cooling	17,300
Manufacturer's Warranty	12 months parts / 12 months labor	Volts	115
Ship Weight	279.0 lbs	Dimensions L x W x H (in.)	28 x 22 x 46
Product Style	Portable		

[Q + A Terms and Conditions](#)

[Print Questions + Answers for Topaz Portable Air Conditioner — 17,300 BTU, Model# TZ-18](#)



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Declaring Intention to Annex Territory to Community Facilities District No. 2007-1 (Public Services) and to Levy a Special Tax to Pay for Certain Public Services (Annexation No. 3) and Setting a Public Hearing for September 16, 2015

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution declaring intention to annex territory to Community Facilities District No. 2007-1 (Public Services) and to levy a special tax to pay for certain public services (Annexation No. 3) and setting a public hearing for September 16, 2015.

BACKGROUND INFORMATION: The resolution, if adopted by the City Council, will begin the process to annex one parcel (to be subdivided into five residential lots) into the City of Lodi Community Facilities District No. 2007-1 (Public Services) (CFD). The boundary of the annexation is shown in Attachment A and includes APN 035-172-25 located at the southern dead-end of Howard Street. Approved tentative subdivision map conditions require the private landowners to cooperate in the annexation of those parcels into the CFD, the purpose of which is to offset a portion of the costs caused by new development.

The resolution establishes, among other things, the City's intent to approve Annexation No. 3 to the CFD which includes the levy of a special tax to pay for public services and related costs. The resolution calls a public hearing on September 16, 2015, at which time interested parties may comment upon the annexation to the CFD.

Exhibit A to the Resolution contains the description of the services to be provided as presented below.

- (a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.
- (b) Fire protection and suppression services, and ambulance and paramedic services.
- (c) Maintenance of parks, parkways, and open space.
- (d) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection systems.
- (e) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

Exhibit B to the resolution is the special tax formula entitled "Amendment to Rate, Method of Apportionment, and Manner of Collection of Special Tax." The special tax provides for an annual tax of \$500 for single-family units (increased two percent per year) and \$145 for multi-family units (increased two percent per year). Certain properties, such as governmental property and undeveloped property, are

APPROVED: _____
Stephen Schwabauer, City Manager

not subject to the special tax program. The special taxes may not be prepaid. The special tax shall be levied in perpetuity.

Exhibit C to the resolution is the form of the Notice of Public Hearing that will be published and posted calling for a public hearing to be held by the City Council. Following that public hearing, the City Council will be in a position to approve a separate, future resolution that will form the CFD and will call the election for the CFD.

FISCAL IMPACT: Administration of the CFD shall be paid from the special taxes collected within the CFD. The developer has paid the City for all costs to establish the CFD. The estimated annual revenues at buildout of these projects will amount to approximately \$2,500.

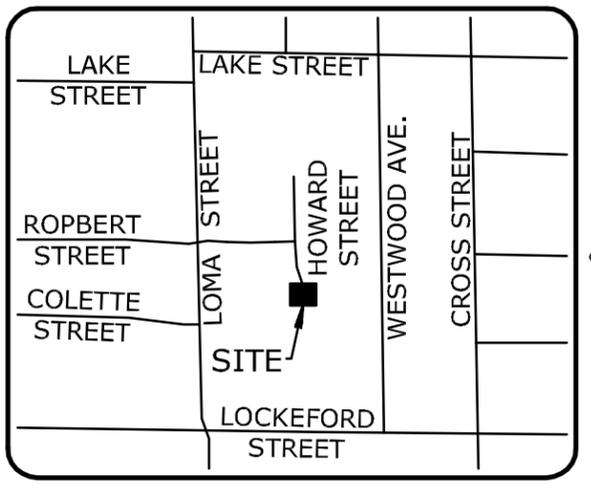
FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

FWS/CES/tb
Attachment

ATTACHMENT A

FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 2015.



VICINITY MAP
NOT TO SCALE

ANNEXATION MAP NO. 1 COMMUNITY FACILITIES DISTRICT NO. 2007-1 [PUBLIC SERVICES] CITY OF LODI SAN JOAQUIN COUNTY STATE OF CALIFORNIA

LEGEND:

- PROPOSED ANNEXATION BOUNDARY
- 035-172-25 ASSESSOR'S PARCEL NO. INCLUDED IN ANNEXATION

JENNIFER M. FERRAILOLO, CITY CLERK
CITY OF LODI

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 1 TO COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES), CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LODI AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2015. BY ITS RESOLUTION NO. 2015- _____ DAY OF _____, 2015 - _____.

JENNIFER M. FERRAILOLO, CITY CLERK
CITY OF LODI

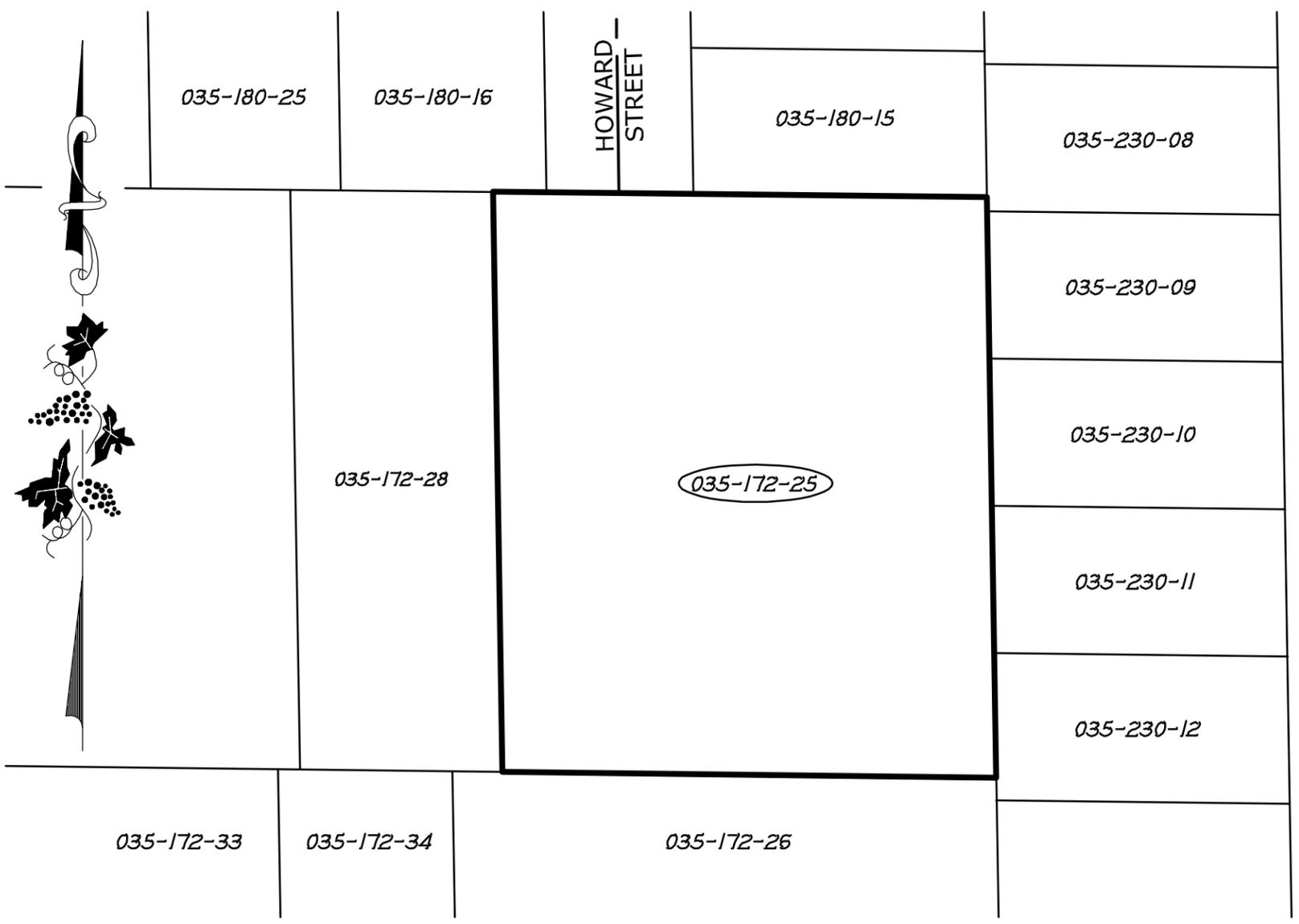
FILED THIS ____ DAY OF _____, 2015, AT THE HOUR OF ____ O'CLOCK __.M. IN THE BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

KENNETH W. BLACKMORE, COUNTY RECORDER
COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT AMENDED BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES) OF THE CITY OF LODI RECORDED WITH THE SAN JOAQUIN COUNTY RECORDER'S OFFICE ON APRIL 19, 2007, IN BOOK 5 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 13, AS DOCUMENT NO. 2007-076402.

THE LINE AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE SAN JOAQUIN COUNTY ASSESSORS MAPS FOR THIS PARCEL LISTED.

THE SAN JOAQUIN COUNTY ASSESSORS MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OF PARCELS.



WESTWOOD AVENUE



PREPARED IN THE OFFICE OF:
BAUMBACH & PIAZZA, INC.
CIVIL ENGINEERS • SURVEYORS
www.bpengineers.net 323 W. Elm St.
209.368.6618 Lodi, CA 95240

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL DECLARING ITS
INTENTION TO ANNEX TERRITORY TO COMMUNITY FACILITIES
DISTRICT NO. 2007-1 (PUBLIC SERVICES) AND TO LEVY A SPECIAL
TAX TO PAY FOR CERTAIN PUBLIC SERVICES AND SETTING
A PUBLIC HEARING FOR SEPTEMBER 16, 2015
(ANNEXATION NO. 3)

=====

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the City Council (the "City Council") of the City of Lodi (the "City"), on April 4, 2007 approved Resolution No. 2007-59 establishing the City of Lodi Community Facilities District No. 2007-1 (Public Services) (the "CFD"); and

WHEREAS, the City Council called a special election for April 11, 2007, at which the questions of levying a special tax and establishing an appropriations limit with respect to the CFD were submitted to the qualified electors within the CFD; and

WHEREAS, on May 2, 2007, the City Council adopted Resolution No. 2007-82 determining the results of the special election and finding that more than two-thirds (2/3) of all votes cast at the special election were cast in favor of the proposition presented, and such proposition passed; and

WHEREAS, the City Council has determined, because of the proposed development of certain property within the City, to initiate proceedings for the annexation of such property to the CFD in accordance with the Act.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of Lodi that:

Section 1. Description of Territory to be Annexed. Public convenience and necessity require, and this City Council proposes and intends, that the City annex certain territory to the CFD. The territory to be annexed is described in a map entitled "Annexation Map No. 3 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California" which is on file with the City Clerk. The City Clerk is hereby authorized and directed to endorse the certificates set forth on the map and to record the map in accordance with the provisions of Section 3111 of the Streets and Highways Code of the State of California.

Section 2. Description of Territory Included in Existing CFD. The boundaries of the territory currently included in the CFD are described (i) in a map entitled "Amended Map of Community Facilities District No. 2007-1 (Public Services), City of Lodi, County of San Joaquin," recorded on April 19, 2007 in Book 5 of Assessment Maps at Page 13 in the Office of the San Joaquin County Recorder, (ii) in a map entitled "Annexation Map No. 1 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California" recorded on June 25, 2014 in Book 6 of Assessment Maps at Page 54 in the Office of the San Joaquin County Recorder, and (iii) in a map entitled "Annexation Map No. 2 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California" on file with the City Clerk and recorded in the Office of the San Joaquin County Recorder.

Section 3. Specification of the Type of Services Provided. The type of services to be provided in the territory proposed to be annexed to the CFD is the same as that provided in the existing CFD and are more particularly described in Exhibit A attached hereto. The cost of providing Services includes "incidental expenses," which include costs associated with the creation of the District, determination of the amount of special taxes, collection or payment of special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the District. The services authorized to be financed by the CFD are in addition to those currently provided in the territory of the CFD and do not supplant services already available within that territory.

Section 4. Plan for Providing Services. The public services that are financed by taxes collected in the CFD will be provided to residents of the current CFD and residents of the territory proposed to be annexed on the same basis.

Section 5. Specification of Special Taxes to be Levied. Except where funds are otherwise available, a special tax sufficient to pay for all services (including incidental expenses) to be provided in or for the territory to be annexed and secured by a continuing lien against all nonexempt real property in the CFD will be annually levied within the territory proposed to be annexed to the CFD. The rate, method of apportionment, and manner of collection of such special tax is set forth in Exhibit B hereto (the "Special Tax Formula"). For purposes of the Special Tax Formula, the territory proposed to be annexed to the CFD will be designated as Annexation No. 3.

Section 6. No Alteration of the Special Tax Levied in the Existing Community Facilities District. The City Council does not propose to alter the special tax rate levied within the existing CFD as a result of the proposed annexation.

Section 7. Public Hearing. The City Council hereby fixes 7:00 p.m., or as soon thereafter as practicable, on Wednesday, September 16, 2015, at the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California, as the time and place for a public hearing on the annexation of territory to the CFD.

Section 8. Notice of Hearing. The City Council directs the City Clerk to publish a notice of the hearing, in substantially the form attached hereto as Exhibit C, once not later than seven days prior to the date fixed for the hearing, in a newspaper of general circulation published in the area of the CFD.

Section 9. Effective Date. This Resolution shall take effect immediately upon its passage.

Dated: August 5, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

ATTEST:

BOB JOHNSON
Mayor

JENNIFER M. FERRAILOLO
City Clerk

2015-____

EXHIBIT A

DESCRIPTION OF SERVICES

- (a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.
- (b) Fire protection and suppression services, and ambulance and paramedic services.
- (c) Maintenance of parks, parkways, and open space.
- (d) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection systems.
- (e) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.
- (f) Incidental services associated with the creation of the District, determination of the amount of special taxes, collection or payment of special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the District.

EXHIBIT B

CITY OF LODI

COMMUNITY FACILITIES DISTRICT No. 2007-1

(PUBLIC SERVICES)

RATE AND METHOD OF APPORTIONMENT (RMA) OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District (CFD) No. 2007-1 (Public Services) shall be levied and collected according to the tax liability determined by the City Council acting in its capacity as the legislative body of CFD No. 2007-1, through the application of the appropriate Special Tax rate, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate RMA is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Dwelling Unit" means a second residential unit of limited size (i.e., granny cottage, second unit) that shares a Parcel with a Single Family Unit.

"Administrative Expenses" means any or all of the following: the expenses of the City in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

"Administrator" means the person(s) or firm designated by the City to administer the Special Taxes according to this RMA.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel number.

"Authorized Services" means the public services authorized to be funded by the CFD as set forth in the documents adopted by the City Council when the CFD was formed.

"CFD No. 2007-1" or **"CFD"** means the City of Lodi Community Facilities District No. 2007-1 (Public Services).

"City" means the City of Lodi.

"City Council" means the City Council of the City of Lodi.

"County" means the County of San Joaquin.

"Fiscal Year" means the period starting on July 1 and ending on the following June 30.

“Maximum Special Tax” means the maximum Special Taxes determined in accordance with Section C below that can be levied on Single Family Property and Multi-Family Property in any Fiscal Year.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in the CFD for which final building permit inspections were conducted prior to January 1 of the preceding Fiscal Year, but not prior to January 1, 2015, for construction of Multi-Family Units.

“Multi-Family Unit” means an individual residential unit within a structure with three or more residential units that share a single Assessor’s Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers. Residential units located above commercial establishments that are available exclusively for rent and cannot be purchased by individual owners shall also be characterized as Multi-Family Units for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment.

“Single Family Property” means, in any Fiscal Year, all Parcels in the CFD for which final building permit inspections were conducted prior to January 1 of the preceding Fiscal Year, but not prior to January 1, 2015, for construction of Single Family Units.

“Single Family Unit” means an individual single family detached residential unit or an individual residential unit within a half-plex, duplex, triplex, fourplex, townhome, condominium, or other structure with attached residential units that are available for sale to individual buyers, whether or not such a unit is ultimately offered for rent by an individual buyer. For-sale residential units located above commercial establishments shall also be categorized as Single Family Units for purposes of this RMA.

“Special Tax” means any tax levied within the CFD to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the tax will be collected.

“Taxable Property” means both Single Family Property and Multi-Family Property.

DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel number for all Parcels of Taxable Property within the CFD. The Administrator shall also determine the number of Single Family and Multi-Family Units built or to be built on each Parcel of Taxable Property by referencing the building permit, condominium plan, apartment plan, site plan, or other development plan for the property.

In any Fiscal Year, if it is determined that (i) a parcel or subdivision map for a portion of property in the CFD was recorded after January 1 of the preceding Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel or subdivision map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel or subdivision map, and (iii) one or more of the newly-created Parcels meets the definition of Taxable Property, the Administrator shall calculate the Special Tax for the property affected by recordation of the parcel or subdivision map by determining the Special Tax that applies separately to each Parcel of Taxable Property, then applying the sum

of the individual Special Taxes to the original Parcel that was subdivided by recordation of the parcel or subdivision map.

MAXIMUM SPECIAL TAX

The Maximum Special Tax for all Parcels of Taxable Property within the CFD shall be \$500 per Single Family Unit and \$145.83 per Multi Family Unit for Fiscal Year 2015/16. Beginning July 1, 2016 and each July 1 thereafter, the Maximum Special Tax in effect in the prior Fiscal Year shall be increased by two percent (2%).

METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied proportionately on each Parcel of Taxable Property in the CFD up to 100% of the Maximum Special Tax determined pursuant to Section C above until the total amount levied is equal to the Special Tax Requirement for the Fiscal Year.

The Special Tax for the CFD shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet CFD No. 2007-1 financial obligations, and the Special Tax shall be equally subject to foreclosure if delinquent.

LIMITATIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Parcels within the CFD that are not Single Family Property or Multi-Family Property. Furthermore, Accessory Dwelling Units shall not be counted in determining the Special Tax to be levied on the Parcels on which such units are located.

INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

EXHIBIT C

**NOTICE OF PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX TERRITORY
TO AN EXISTING COMMUNITY FACILITIES DISTRICT**

NOTICE IS HEREBY GIVEN that the City Council of the City of Lodi on August 5, 2015, adopted its Resolution No. 2015-____, in which it declared its intention to annex territory to existing Community Facilities District No. 2007-1 (Public Services) (the "CFD"), and to levy a special tax to pay for certain public services, all pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code. The resolution describes the territory to be annexed, specifies the type of services to be financed, and describes the rate and method of apportionment of the proposed special tax. No change in the tax levied in the existing CFD is proposed. For further details, the resolution is available at the office of the City Clerk, City Hall, 221 W. Pine Street, Lodi, California.

NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed September 16, 2015, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, at the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California, as the time and place when and where the City Council will hold a public hearing to consider the annexation. At the hearing, the testimony of all interested persons for or against the annexation of the territory or the levying of the special taxes will be heard.

DATED: _____

Jennifer M. Ferraiolo, City Clerk, City of Lodi



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Public Hearing to Consider Reduction of Special Taxes and Annual Index for Community Facilities District No. 2007-1

MEETING DATE: August 5, 2015

PREPARED BY: City Manager

RECOMMENDED ACTION: Public Hearing to consider the reduction of special taxes and annual index for Community Facilities District No. 2007-1.

BACKGROUND INFORMATION: Council gave staff direction to negotiate a reduction of the special taxes and annual index rate for Community Facilities District No. 2007-1 at its regular meeting on April 15, 2015.

Council further directed staff to negotiate a waiver of the below described vested rights from the benefitted property owners to develop property under the current Impact Fee Program. On June 17, 2015, Council began the process of levying a reduced Special Tax by adopting a Resolution of Consideration.

As discussed on April 15, 2015, the City of Lodi created a Community Facilities District ("CFD") for service in 2007 as a condition of its most recent annexations of Reynolds Ranch, and the Westside and Southwest Gateway Annexations. CFDs for service are relatively new in municipal finance. However, unlike CFDs for infrastructure, CFDs for service fund things such as landscaping and lighting, police and fire services, parks service and other items traditionally funded by the General Fund. At the time, the special tax was set at \$600 per year for single family homes and \$175 for multi-family units. The special tax is subject to annual indexing of the greater of the Consumer Price Index or 5 percent. The index is applied July 1 of each year. As such, the special tax is currently set at \$804 per year and will be \$844 per year by the time the first house is occupied.

Although total inflation from 2007 to date totals 13 percent (Bureau of Labor Statistics), the minimum inflation factor set by the approved formula has been 40 percent. Although a 5 percent minimum may have been reasonable upon the adoption of the CFD, it is generally understood that the economy did not perform as expected in 2008. It is also worth noting that the portion of homeowner's property taxes received by the City are approximately \$400 per year, less than half of what these new homes will pay in CFD special taxes alone. It should be noted that Rose Gate homes are expected to be priced around \$400,000 resulting in about \$650 in municipally-directed property taxes. In light of the significant difference between inflation and the minimum escalator, staff believes it is appropriate for the City to consider the developer's request to reduce the special tax and the index rate.

APPROVED: _____
Stephen Schwabauer, City Manager

Any recognition of the economic disadvantages faced by these projects would be incomplete without addressing the City's current Impact Fee program discounts. As Council is aware, the developers of these projects filed vesting tentative maps that, if extended, could allow many of the currently vested units to develop at \$5,940 per unit instead of the program calculated \$23,195. Van Ruiten Ranch has 200 vested single-family units plus 88 unvested high-density units; Reynolds Ranch has 227 vested single-family units plus 330 unvested high-density units and Rose Gate has 232 vested single-family units.

As Council recalls, the discount program was initiated to spur development for a three-year period. However, the vesting map process could substantially increase that time frame. As such, staff considers it fair to allow units to develop at the discount for limited period to recognize the original intent of the program. Staff negotiated a reduction in CFD special taxes to \$500 per single-family unit and \$145.83 per multi-family unit and an index reduction to 2 percent per year. Such a change would track the property owners' concurrent Proposition 13-based property tax increase and also manage to exchange CFD special taxes for the developers' waiver of any rights to the 60-percent discount for units that do not pull a building permit (and complete construction within six months) within a brief negotiated time frame.

The negotiated agreement for Council approval would give Rose Gate three years and Van Ruiten and Reynolds Ranch four years to pull permits under the discounted rate. Thereafter they would develop at then-current rates. The projects are staggered to reflect their relative term to commencement of construction.

On June 5, 2015 the Council approved the Resolution of Consideration. This resolution initiated the process for the reduction of the above referenced special taxes and scheduled a public hearing for August 5, 2015 and contemplated scheduling a landowner election scheduled for the same day.

Although the Mello-Roos Act provides for accelerated election timelines if the landowner electors file a waiver of time limits and other related election requirements, such waivers have not been provided by the landowner electors. As a result, the election timeline will not be accelerated and the City anticipates holding the election in November/December. At the next regularly scheduled council meeting, the City Council will be asked to consider the adoption of a resolution calling an election.

The following item is recommended as part of this staff report:

1. The City Council hold a public hearing regarding the reduction of special tax and annual index within CFD 2007-1

The Development Agreements waiving the discounted impact fees are also before the Council today as a separate but related agenda item.

FISCAL IMPACT: Lost revenue of up to \$304 per single family unit and \$30.83 per multifamily unit offset by corresponding increases in impact fee revenues of undetermined amount depending on when units develop under the Development Agreements.

FUNDING AVAILABLE: Not applicable.

Stephen Schwabauer
City Manager



*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING ON RESOLUTION OF CONSIDERATION TO LEVY A REDUCED SPECIAL TAX WITHIN A PORTION OF THE CITY OF LODI COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

PUBLISH DATE: SATURDAY, JULY 11, 2015

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: JENNIFER M. FERRAILOLO, CITY CLERK
LNS ACCT. #0510052 City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: MONDAY, JULY 6, 2015

ORDERED BY: JENNIFER M. FERRAILOLO
CITY CLERK

Pamela M. Ferris
PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Emailed to the Sentinel at dianer@lodinews.com at 9:40 (time) on 7/6/15 (date) 2 (pages)
Phoned to confirm receipt of all pages at _____ (time) ES P.M.F. (initials)



DECLARATION OF POSTING

PUBLIC HEARING ON RESOLUTION OF CONSIDERATION TO LEVY A REDUCED SPECIAL TAX WITHIN A PORTION OF THE CITY OF LODI COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

On Monday, July 6, 2015, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing on Resolution of Consideration to Levy a Reduced Special Tax within a Portion of the City of Lodi Community Facilities District No. 2007-1 (Public Services) (attached and marked as Exhibit A) was posted at the following locations:

Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum
WorkNet Office

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 6, 2015, at Lodi, California.

ORDERED BY:

JENNIFER M. FERRAILOLO
CITY CLERK


PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

NOTICE OF PUBLIC HEARING

ON RESOLUTION OF CONSIDERATION TO LEVY A REDUCED SPECIAL TAX WITHIN A PORTION OF THE CITY OF LODI COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

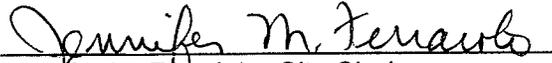
NOTICE IS HEREBY GIVEN that the City Council of the City of Lodi on June 17, 2015, adopted its Resolution No. 2015-89 in which it proposed to levy a reduced special tax within a portion of Community Facilities District No. 2007-1 (Public Services) all pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982. The Resolution describes the reduced special tax and the area subject to the reduced special tax (designated as Zone 1). For further details, the Resolution is available at the offices of the City at 221 W. Pine Street, Lodi, California.

NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed **Wednesday, August 5, 2015, at 7:00 p.m., in the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California,** as the time and place when and where the City Council will hold a public hearing to consider the Resolution. At the hearing, the testimony of all interested persons or taxpayers for or against the proposed reduced special tax will be heard and considered. Protests may be made orally or in writing, except that any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the City Clerk before the time fixed for the hearing. Any written protest may be withdrawn, in writing, at any time before the conclusion of the hearing.

NOTICE IS HEREBY FURTHER GIVEN that, at the conclusion of the public hearing, the City Council may abandon the proceedings or may, after passing upon all protests, submit to the qualified electors the questions of levying the reduced special tax. If 50% or more of the registered voters, or 6 registered voters (whichever is more), residing within CFD 2007-1, or the owners of 1/2 or more of the area of land included in CFD 2007-1 and not exempt from the reduced special tax file written protests against the reduced special tax and sufficient protests are not withdrawn, the reduced special tax shall not be considered for a period of one year from the date of the decision of the City Council on the hearing.

NOTICE IS HEREBY FURTHER GIVEN that, if the City Council determines at the conclusion of the public hearing to proceed, the election will be conducted by mailed ballot to the landowners in Zone 1.

DATED: July 11, 2015


Jennifer M. Ferraiolo, City Clerk
City of Lodi



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Public Hearing to Consider Approving Development Agreements for the Reynolds Ranch, Rose Gate, and Van Ruiten Ranch Subdivisions and Introduce Ordinances Adopting the Development Agreements to Reduce Community Facilities District Special Taxes and Waiving Vesting Map Rights

MEETING DATE: August 5, 2015

PREPARED BY: City Manager

RECOMMENDED ACTION: Public Hearing to consider approving Development Agreements for the Reynolds Ranch, Rose Gate, and Van Ruiten Ranch Subdivisions and introduce Ordinances adopting the Development Agreements to reduce Community Facilities District special taxes and waiving vesting map rights.

BACKGROUND INFORMATION: Council gave staff direction to negotiate a reduction of the special taxes and annual index rate for Community Facilities District No. 2007-1 at its regular meeting on April 15, 2015. Council further directed staff to negotiate a waiver of the below-described vested rights from the benefitted property owners to develop property under the current Impact Fee Program. The requested action includes holding a Public Hearing on and introducing ordinances adopting Development Agreements for the Reynolds Ranch, Rose Gate, and Van Ruiten Ranch Subdivisions, memorializing the waiver of the vested right to develop under the current Impact Fee Program.

As discussed on April 15, 2015, the City of Lodi created a Community Facilities District ("CFD") for service in 2007 as a condition of its most recent annexations of Reynolds Ranch, and the Westside and Southwest Gateway Annexations. At the time, the special tax was set at \$600 per year for single-family homes and \$175 for multi-family units. The special tax is subject to annual indexing of the greater of the Consumer Price Index or 5 percent. The index is applied July 1 of each year. As such, the special tax is currently set at \$804 per year and will be \$844 per year by the time the first house is occupied.

Although total inflation from 2007 to date totals 13 percent (Bureau of Labor Statistics), the minimum inflation factor set by the approved formula has been 40 percent. Although a 5 percent minimum may have been reasonable upon the adoption of the CFD, it is generally understood that the economy did not perform as expected in 2008. It is also worth noting that the portion of homeowners' property taxes received by the City are approximately \$400 per year, less than half of what these new homes will pay in CFD special taxes alone. It should be noted that Rose Gate homes are expected to be priced around \$400,000 resulting in about \$650 in municipally-directed property taxes. In light of the significant difference between inflation and the minimum escalator, staff believes it is appropriate for the City to consider the developers' request to reduce the special tax and the index rate.

APPROVED: _____
Stephen Schwabauer, City Manager

Any recognition of the economic disadvantages faced by these projects would be incomplete without addressing the City's current Impact Fee Program discounts. As Council is aware, the developers of these projects filed vesting tentative maps that, if extended, could allow many of the currently vested units to develop at \$5,940 per unit instead of the program calculated \$23,195. Van Ruiten Ranch has 200 vested single-family units plus 88 unvested high-density units; Reynolds Ranch has 227 vested single-family units plus 330 unvested high-density units, and Rose Gate has 232 vested single-family units.

As Council recalls, the discount program was initiated to spur development for a three-year period. However, the vesting map process could substantially increase that time frame. As such, staff considers it fair to allow units to develop at the discount for a limited period to recognize the original intent of the program. Staff negotiated a reduction in CFD special taxes to \$500 per single-family unit and \$145.83 per multi-family unit, and an index reduction to 2 percent per year. Such a change would track the property owners' concurrent Proposition 13-based property tax increase and also manage to exchange CFD special taxes for the developers' waiver of any rights to the 60-percent discount for units that do not pull a building permit (and complete construction within six months) within a brief negotiated time frame.

The Development Agreements for Council approval would give Rose Gate three years and Van Ruiten and Reynolds Ranch four years to pull permits under the discounted rate. Thereafter, they would develop at then-current rates. The projects are staggered to reflect their relative term to commencement of construction.

As discussed above, tonight's action asks Council to hold a hearing on the Development Agreements and introduce by title only and waive the first reading of ordinances adopting the Development Agreements for the Reynolds Ranch, Rose Gate, and Van Ruiten Ranch Subdivisions, memorializing the waiver of the vested right to develop under the current Impact Fee Program. In a separate but related action, Council will adopt a resolution calling election, a resolution of change declaring election results, and introduce ordinances to reduce special taxes and annual index for Community Facilities District No. 2007-1.

FISCAL IMPACT: Lost revenue of up to \$304 per single family unit and \$30.83 per multifamily unit offset by corresponding increases in impact fee revenues of undetermined amount depending on when units develop under the Development Agreements.

FUNDING AVAILABLE: Not applicable.

Stephen Schwabauer
City Manager

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF
LODI ADOPTING A DEVELOPMENT AGREEMENT REDUCING
COMMUNITY FACILITY DISTRICT SPECIAL TAXES AND
WAIVING VESTING MAP RIGHTS FOR THE REYNOLDS
RANCH SUBDIVISION

(DEVELOPMENT AGREEMENT – REYNOLDS RANCH SUBDIVISION)

=====

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. The properties subject to this Development Agreement include the following: Property south of Harney Lane and west of Reynolds Ranch Parkway, Lodi, California 95240 (APN: 058-650-04)

SECTION 2. The applicant for the Development Agreement is as follows: Skinner Ranch Holdings, L.P., c/o Mr. Dale Gillespie.

SECTION 3. The requested Development Agreement is summarized as follows:

Development Agreement (Reynolds Ranch Subdivision) is an agreement between the City and the developer, in which the developer agrees to waive the vested right to pay Development Impact Mitigation Fees according to the Impact Mitigation Fee Program Schedule adopted by Resolution No. 2012-142 for all units for which building applications are submitted on or after June 17, 2018 or construction is not completed by December 17, 2018. The City agrees to amend the tax formula to reduce the special taxes levied against the properties subject to the Development Agreement. The term of the Development Agreement is twenty (20) years.

SECTION 4. The City Council hereby finds that the proposed Development Agreement is consistent with the General Plan land use designation and the zoning for the proposed development.

SECTION 5. The City Council certified an Environmental Impact Report (“EIR”) for the Reynolds Ranch on August 30, 2006 (State Clearinghouse No. 2006012113). The project is consistent with the Reynolds Ranch EIR and no further environmental review is required pursuant to CEQA Guidelines section 15162. Further, City Council certified an EIR for the City of Lodi General Plan on April 7, 2010 (State Clearinghouse No. 20009022075). The project is consistent with the General Plan density and none of the circumstances in CEQA Guidelines section 15183 requiring further environmental review exists. Therefore, no further environmental review is required.

SECTION 6. The City Council hereby adopts Ordinance No. _____ approving the Development Agreement by and between the City of Lodi and Skinner Ranch Holdings, L.P., attached herein as Exhibit A.

SECTION 7. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 8. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the

ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 9. This ordinance shall take effect thirty (30) days from and after its adoption. The ordinance summary shall be published in the Lodi News Sentinel, a newspaper of general circulation published and circulated in the City of Lodi. A certified copy of this ordinance is available for review in the City Clerk's office located at 221 West Pine Street, Lodi, California.

Approved this ____ day of _____, 2015

BOB JOHNSON
Mayor

Attest:

JENNIFER M. FERRAIOLO
City Clerk

=====

State of California
County of San Joaquin, ss.

I, Jennifer Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held August 5, 2015 and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAIOLO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney

EXHIBIT A

DEVELOPMENT AGREEMENT REYNOLDS RANCH SUBDIVISION

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Lodi
P.O. Box 3006
Lodi, CA 95241-19910
ATTN: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF LODI
AND SKINNER RANCH HOLDINGS, LP
FOR THE REYNOLDS RANCH SUBDIVISION**

**DEVELOPMENT AGREEMENT FOR SKINNER RANCH HOLDINGS, LP
REYNOLDS RANCH SUBDIVISION**

This Development Agreement ("Agreement") is entered into as of this ____ day of August 2015, by and between the CITY OF LODI, a municipal corporation ("City"), and SKINNER RANCH HOLDINGS, LP ("Landowner"). City and Landowner are hereinafter collectively referred to as "Parties" and singularly as "Party."

RECITALS

1. **Authorization.** To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Government Code section 65854, et seq., which authorizes the City and any person having a legal or equitable interest in real property to enter into a development agreement, establishing certain development rights in the property, which is the subject of the development project application.

2. **Property.** Landowner holds a legal or equitable interest in certain real property located in the City of Lodi, County of San Joaquin, more particularly described in Exhibit A-1 and depicted in Exhibit A-2, attached hereto ("Property"). Landowner represents that all persons holding a legal or equitable interest in the Property shall be bound by this Agreement.

3. **Project Approvals.** Landowner has obtained various approvals from the City for a development known as Reynolds Ranch ("Project") on the Property. These approvals include the following:

3.1 City Council Resolution No. 2010-41, adopted by the City Council on April 7, 2010, approving the land use designation as Medium-Density Residential, High-Density Residential, Industrial and Open Space for the Project site.

3.2 City Council Ordinance No. 1869, effective March 21, 2013, granting Planned Development Zone P-E(39) to allow Medium-Density Residential, High-Density Residential, and Open Space for the Project site.

3.3 Reynolds Ranch Final EIR, State Clearinghouse No. 2006012113, certified by the City Council on August 30, 2006 and an addendum to the Final EIR, certified on September 17, 2008.

3.4 Resolution No. 14-19, adopted by the Planning Commission of the City of Lodi on June 25, 2014, approving the Vested Subdivision Map for the Reynolds Ranch Subdivision.

3.5 City Council Ordinance No. 1785, approving a development agreement applicable to the Property, as well as other adjacent properties. City Council Ordinance No. 1865, effective November 16, 2012, rescinded Ordinance No. 1785, terminating the development agreement, except for those terms surviving the termination, including the August 26, 2006 Settlement Agreement between San Joaquin Valley Land Company LLC, Citizens for Open Government, and the City ("2006 Settlement Agreement").

In addition, the Property is part of Community Facilities District No. 2007 1 (Public Services) formed to provide certain services to the Property.

4. **Public Hearing.** On June 10, 2015, the Planning Commission of the City of Lodi, acting pursuant to Government Code section 65857, held a hearing to consider this Agreement and the Planning Commission action has been reported to the City Council.

5. **Development Agreement Resolution Compliance.** City and Landowner have taken all actions mandated by, and fulfilled all requirements set forth in, the Development Agreement Resolution of the City of Lodi, as set forth in the City Council Resolution No. 2005-237 for the consideration and approval of the pre-annexation and development agreement.

6. **Findings of Consistency.** Having duly examined and considered this Agreement and having held a properly noticed public hearing hereon, the City found that this Agreement satisfies Government Code section 65867.5 related to general plan consistency and Section 66473.7 related to water supply.

AGREEMENT

1. **Incorporation of Recitals.** The preamble, the Recitals, and the defined terms set forth in both are incorporated into this Agreement as if set forth herein in full.

2. **Description of the Property.** The property, which is the subject of this Agreement, is described in Exhibit A-1 and depicted in Exhibit A-2, attached hereto ("Property").

3. **Interest of the Landowner.** Landowner has a legal or equitable interest in the Property. Landowner represents that all persons holding a legal or equitable interest in the Property shall be bound by this Agreement.

4. **Relationship of City and Landowner.** It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by City and Landowner and that Landowner is not an agent of City. City and Landowner hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Landowner joint ventures or partners.

5. Effective Date and Term.

5.1 The effective date of this Agreement ("Effective Date") is _____, 2015, which is the Effective Date of City Ordinance No. _____ adopting this Agreement.

5.2 Upon execution, the term of this Agreement shall commence on the Effective Date and extend for a period of twenty (20) years. This Agreement does not extend the life of the tentative map. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect. Said termination of this Agreement shall not terminate any right or duty created by City approvals for the Property adopted prior to, concurrently with, or subsequent to the approval of this Agreement nor the obligations of Landowner with respect to Community Facilities District 2007 1 (Public Services).

6. **Permitted Uses.** The permitted uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes are those set forth in the City Council Resolution No. 2010-41 approving the land use designations for the Project site, City Council Ordinance No. 1869, granting Planned Development Zone P-E(39), and Resolution No. 14-19 approving the

Vested Subdivision Map for the Reynolds Ranch Subdivision, all subject to the terms of the 2006 Settlement Agreement.

7. Fees and Taxes.

7.1 Existing Fees, Exactions, and Dedications. City Council Resolution No. 14-19, paragraph 81(b), obligates Landowner to pay Development Impact Mitigation Fees according to the Public Works Fee and Service Charge Schedule. Landowner shall have the vested right to satisfy the obligation of Paragraph 81(b) by paying the Development Impact Mitigation Fees according to the Impact Mitigation Fee Program Schedule adopted by Resolution No. 2012-142 ("Resolution No. 2012-14 Fees") for all units for which building permit applications are submitted on or before June 17, 2019 and construction is completed by December 17, 2019. For all units for which building permit applications are submitted on or after June 17, 2019 or construction is not completed by December 17, 2019, Landowner waives the right to pay the Resolution No. 2012-14 Fees and agrees to pay the Development Impact Mitigation Fees according to the Impact Mitigation Fee Schedule in effect at the time the certificate of occupancy is issued. This waiver is subject to the condition subsequent that the City Council action on the Community Facilities District Fees contemplated in Paragraph 7.2 is completed according to the terms set forth therein. This waiver survives the termination of this Agreement.

7.2 Community Facilities District. Reynolds Ranch is part of Community Facilities District 2007 1 (Public Services). The City will institute proceedings to amend the tax formula to reduce the special taxes levied against the parcels on the Property. The base rate for the special tax will be reduced to \$500 per year for single-family homes and \$145.83 per year for multi-family homes and the annual index will be reduced to two percent (2%). Landowner agrees to vote in favor of the special tax. The special tax shall be initiated for all residential dwelling units for which a building permit is issued, and shall commence to be levied beginning the subsequent fiscal year after the building permit is issued. A vote by Landowner against the special tax or a vote to repeal the special tax shall constitute an event of default under this Agreement. The provisions of this paragraph will not survive an event of default.

7.3 Reimbursement. Landowner shall reimburse City for all staff time and legal time expended in implementing the fee reductions set forth in this section 7. City shall invoice Landowner on a monthly basis and Landowner shall pay invoices within thirty (30) days of receipt.

8. Amendment or Cancellation. This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of state law and the Lodi Municipal Code ("LMC"). Except as otherwise permitted herein, this Agreement may be cancelled in whole or in part only by the mutual consent of the Parties and their successors in interest, in accordance with the provisions of the LMC. Any fees paid pursuant to this Agreement prior to the date of cancellation shall be retained by City.

9. Annual Review. This Agreement shall be reviewed annually in conformance with LMC section 17.44.080 of the Municipal Code. Costs of Annual Review shall be paid by Landowner in accordance with City's schedule of fees and billing rates in effect at the time of review.

10. Default. Subject to any applicable extension of time, failure by any Party to substantially perform any term or provision of this Agreement required to be performed by such

Party shall constitute a material event of default ("Event of Default"). For purposes of this Agreement, a Party claiming another Party is in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." A Complaining Party shall not exercise any of its remedies as the result of an Event of Default unless such Complaining Party first gives notice to the Party in Default and the Party in Default fails to cure such Event of Default within thirty (30) days of the Complaining Party giving notice.

11. Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to any person, entity or circumstance other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

12. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

13. Transfers and Assignments. From and after recordation of this Agreement against the Property, Landowner shall have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such, and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such conveyed property. Prior to recordation of this Agreement, any proposed assignment of this Agreement by Landowner shall be subject to the prior written consent of the City Manager on behalf of City and the form of such assignment shall be subject to the approval of the City Attorney, neither of which shall be unreasonably withheld.

14. Agreement Runs with the Land. All of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property; (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each Party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each Party and its Property hereunder and each other person succeeding to an interest in such properties.

15. Bankruptcy. The obligations of this Agreement shall not be dischargeable in Bankruptcy.

16. Indemnification. Landowner agrees to defend and hold harmless the City, its elected and appointed commissions, officers, agents, employees, and representatives from any and all claims, costs (including legal fees and costs), and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by the Landowner, or any actions or inactions of Landowner's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project.

17. Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of Landowner and City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

18. Notices. All notices required by this Agreement, the enabling legislation or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, return receipt requested, postage prepaid.

Notice required to be given to City shall be addressed as follows:

CITY OF LODI
ATTN: City Manager
P.O. Box 3006
Lodi, CA 95241-1910

Notice required to be given to Landowner shall be addressed as follows:

SKINNER RANCH HOLDINGS, LP
ATTN: Dale Gillespie
1420 S. Mills Ave., Suite M
Lodi, CA 95240

19. Form of Agreement; Recordation of Exhibits. Except when this Agreement is automatically terminated due to the expiration of the term of this Agreement, City shall cause this Agreement, any amendment hereto, to be recorded, at Landowner's expense, with the San Joaquin County Recorder within ten (10) days of the Effective Date thereof. Any amendment to this Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment. This Agreement is executed in three duplicate originals, each of which is deemed to be an original.

20. Further Assurances. The Parties agree to execute such additional instruments and to take such actions as may be necessary to effectuate the intent of this Agreement.

IN WITNESS WHEREOF, the City of Lodi, a municipal corporation, has authorized the execution of this Agreement in duplicate by its Mayor and attested to by its City Clerk under the authority of Ordinance No. _____, adopted by the City Council of the City of Lodi on the 5th day of August 2015, and Landowner has caused this Agreement to be executed.

CITY OF LODI
a municipal corporation

SKINNER RANCH HOLDINGS, INC.

By Morse Skinner Properties, LLC

By: _____
Stephen Schwabauer
City Manager

By: _____
Barton R. Robertson, Manager
Its: _____

ATTEST:

Jennifer M. Ferraiolo, City Clerk

Approved as to form:

Janice D. Magdich, City Attorney

Exhibit A-1

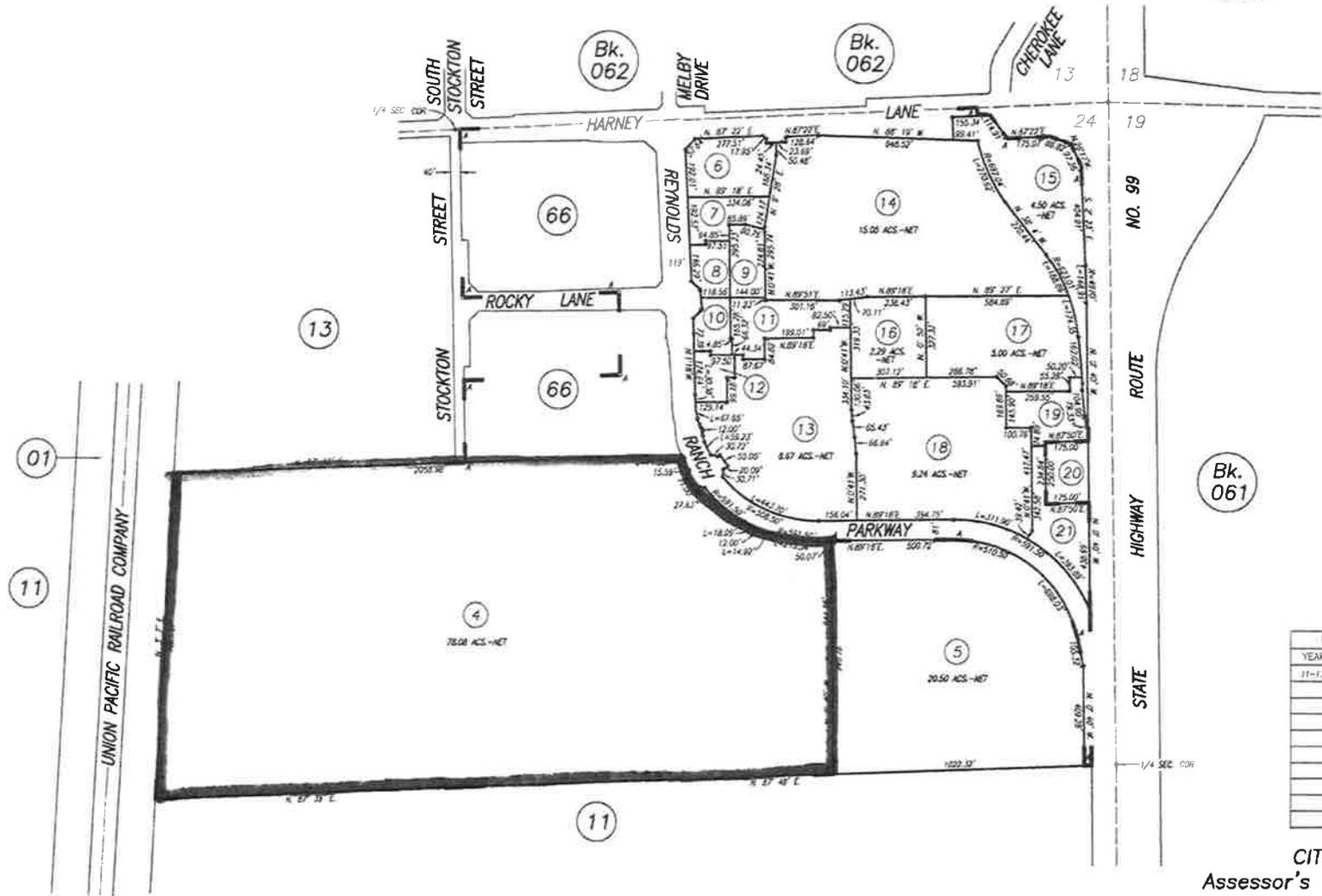
POR. SEC. 24 T.3N. R.6E., M.D.B.&M.

THIS MAP IS FOR ASSESSMENT USE ONLY

058-65



EXHIBIT A-1



HIGHEST A.F.N. USED				
YEAR	PAR.	# PAR.	# PAR.	#
11-12	21			

CITY OF LODI
Assessor's Map Bk.058 Pg.65
County of San Joaquin, Calif.

11-12

A - P. M. Bk. 25 Pg. 086

NOTE: Assessor's Parcel Numbers Shown in Circles.
Assessor's Block Numbers Shown in Ellipses.

Exhibit A-2



Reynolds Ranch
227 MLD, 330 RHD

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI
ADOPTING A DEVELOPMENT AGREEMENT REDUCING
COMMUNITY FACILITY DISTRICT SPECIAL TAXES AND WAIVING
VESTING MAP RIGHTS FOR THE ROSE GATE SUBDIVISION

(DEVELOPMENT AGREEMENT – ROSE GATE SUBDIVISION)

=====

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. The properties subject to this Development Agreement include the following: 2875 West Lodi Avenue, Lodi, California 95240 (APN: 029-380-05)

SECTION 2. The applicant for the Development Agreement is as follows: Frontier Community Builders, Inc.

SECTION 3. The requested Development Agreement is summarized as follows:

Development Agreement (Rose Gate Subdivision) is an agreement between the City and the developer, in which the developer agrees to waive the vested right to pay Development Impact Mitigation Fees according to the Impact Mitigation Fee Program Schedule adopted by Resolution No. 2012-142 for all units for which building applications are submitted on or after June 17, 2018 or construction is not completed by December 17, 2018. The City agrees to amend the tax formula to reduce the special taxes levied against the properties subject to the Development Agreement. The term of the Development Agreement is twenty (20) years.

SECTION 4. The City Council hereby finds that the proposed Development Agreement is consistent with the General Plan land use designation and the zoning for the proposed development.

SECTION 5. The City Council certified an Environmental Impact Report (“EIR”) for the Lodi Annexation on March 21, 2007 (State Clearinghouse No. 2005092096). The project is consistent with the Lodi Annexation EIR and none of the circumstances in CEQA Guidelines section 15162 requiring further environmental review are present. Further, City Council certified an EIR for the City of Lodi General Plan on April 7, 2010 (State Clearinghouse No. 20009022075). The project is consistent with the General Plan density and none of the circumstances in CEQA Guidelines section 15183 requiring further environmental review exists. Therefore, no further environmental review is required pursuant to CEQA Guidelines section 15183.

SECTION 6. The City Council hereby adopts Ordinance No. _____ approving the Development Agreement by and between the City of Lodi and Frontier Community Builders, Inc., attached herein as Exhibit A.

SECTION 7. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 8. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the

provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 9. This ordinance shall take effect thirty (30) days from and after its adoption. The ordinance summary shall be published in the Lodi News Sentinel, a newspaper of general circulation published and circulated in the City of Lodi. A certified copy of this ordinance is available for review in the City Clerk's office located at 221 West Pine Street, Lodi, California.

Approved this __ day of _____, 2015

BOB JOHNSON
Mayor

Attest:

JENNIFER M. FERRAILOLO
City Clerk

=====
State of California
County of San Joaquin, ss.

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. _____ was introduced at a regular meeting of the City Council of the City of Lodi held August 5, 2015 and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. _____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER FERRAILOLO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney

EXHIBIT A

**DEVELOPMENT AGREEMENT
ROSE GATE SUBDIVISION**

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Lodi
P.O. Box 3006
Lodi, CA 95241-19910
ATTN: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF LODI
AND FRONTIER COMMUNITY BUILDERS
FOR THE ROSE GATE SUBDIVISION**

**DEVELOPMENT AGREEMENT FOR FRONTIER COMMUNITY BUILDERS
ROSE GATE SUBDIVISION**

This Development Agreement ("Agreement") is entered into as of this ____ day of August 2015, by and between the CITY OF LODI, a municipal corporation ("City"), and FRONTIER COMMUNITY BUILDERS, INC. ("Landowner"). City and Landowner are hereinafter collectively referred to as "Parties" and singularly as "Party."

RECITALS

1. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Government Code section 65854, et seq., which authorizes the City and any person having a legal or equitable interest in real property to enter into a development agreement, establishing certain development rights in the property, which is the subject of the development project application.

2. Property. Landowner holds a legal or equitable interest in certain real property located in the City of Lodi, County of San Joaquin, more particularly described in Exhibit A-1 and depicted in Exhibit A-2, attached hereto ("Property"). Landowner represents that all persons holding a legal or equitable interest in the Property shall be bound by this Agreement.

3. Project Approvals. Landowner has obtained various approvals from the City for a residential development known as Rose Gate ("Project") on the Property. These approvals include the following:

3.1 Resolution No. 2007-49, adopted by the City Council on March 21, 2007, approving the land use designation as Low-Density Residential for the Project site.

3.2 City Council Ordinance No. 1793, effective March 21, 2007, granting Planned Development Zone P-E(42) to allow single-family residential development for the Project site.

3.3 City Council Resolution No. 2007-48, certifying the Environmental Impact Report for the Project, State Clearinghouse No. 2005092096.

3.4 City Council Ordinance No. 1794, approving a development agreement applicable to the Rose Gate property, as well as other adjacent properties. City Council Ordinance No. 1862, effective October 19, 2012, rescinded Ordinance No. 1794, terminating the development agreement, except for those terms surviving the termination, including the December 4, 2007 Settlement Agreement between Frontier Community Builders, Inc., Citizens for Open Government, and the City ("2007 Settlement Agreement").

3.5 Resolution No. 13-17, adopted by the Planning Commission of the City of Lodi on October 9, 2013, approving the Vested Subdivision Map for the Rose Gate Subdivision.

In addition, the Property is part of Community Facilities District No. 2007 1 (Public Services) formed to provide certain services to the Property.

4. **Public Hearing.** On June 10, 2015, the Planning Commission of the City of Lodi, acting pursuant to Government Code section 65857, held a hearing to consider this Agreement and the Planning Commission action has been reported to the City Council.

5. **Development Agreement Resolution Compliance.** City and Landowner have taken all actions mandated by, and fulfilled all requirements set forth in, the Development Agreement Resolution of the City of Lodi, as set forth in the City Council Resolution No. 2005-237 for the consideration and approval of the pre-annexation and development agreement.

6. **Findings of Consistency.** Having duly examined and considered this Agreement and having held a properly noticed public hearing hereon, the City found that this Agreement satisfies Government Code section 65867.5 related to general plan consistency and Section 66473.7 related to water supply.

AGREEMENT

1. **Incorporation of Recitals.** The preamble, the Recitals, and the defined terms set forth in both are incorporated into this Agreement as if set forth herein in full.

2. **Description of the Property.** The property, which is the subject of this Agreement, is described in Exhibit A-1 and depicted in Exhibit A-2, attached hereto ("Property").

3. **Interest of the Landowner.** Landowner has a legal or equitable interest in the Property. Landowner represents that all persons holding a legal or equitable interest in the Property shall be bound by this Agreement.

4. **Relationship of City and Landowner.** It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by City and Landowner and that Landowner is not an agent of City. City and Landowner hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Landowner joint ventures or partners.

5. Effective Date and Term.

5.1 The effective date of this Agreement ("Effective Date") is _____, 2015, which is the Effective Date of City Ordinance No. _____ adopting this Agreement.

5.2 Upon execution, the term of this Agreement shall commence on the Effective Date and extend for a period of twenty (20) years. This Agreement does not extend the life of the tentative map. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect. Said termination of this Agreement shall not terminate any right or duty created by City approvals for the Property adopted prior to, concurrently with, or subsequent to the approval of this Agreement nor the obligations of Landowner with respect to Community Facilities District 2007 1 (Public Services).

6. **Permitted Uses.** The permitted uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes are those set forth in City Council Resolution 2007-49 designating the Project site as Low-Density Residential, City Council Ordinance No. 1793 granting Planned Development Zone P-E(42), and Resolution No. 13-17 approving the Vested

Subdivision Map for the Rose Gate Subdivision, all subject to the terms of the 2007 Settlement Agreement.

7. Fees and Taxes.

7.1 Existing Fees, Exactions, and Dedications. City Council Resolution No. 13-17, paragraph 79(b), obligates Landowner to pay Development Impact Mitigation Fees according to the Public Works Fee and Service Charge Schedule. Landowner shall have the vested right to satisfy the obligation of Paragraph 79(b) by paying the Development Impact Mitigation Fees according to the Impact Mitigation Fee Program Schedule adopted by Resolution No. 2012-142 ("Resolution No. 2012-14 Fees") for all units for which building permit applications are submitted on or before June 17, 2018 and construction is completed by December 17, 2018. For all units for which building permit applications are submitted on or after June 17, 2018 or construction is not completed by December 17, 2018, Landowner waives the right to pay the Resolution No. 2012-14 Fees and agrees to pay the Development Impact Mitigation Fees according to the Impact Mitigation Fee Schedule in effect at the time the certificate of occupancy is issued. This waiver is subject to the condition subsequent that the City Council action on the Community Facilities District Fees contemplated in Paragraph 7.2 is completed according to the terms set forth therein. This waiver survives the termination of this Agreement.

7.2 Community Facilities District. Rose Gate is part of Community Facilities District 2007 1 (Public Services). The City will institute proceedings to amend the tax formula to reduce the special taxes levied against the parcels on the Property. The base rate for the special tax will be reduced to \$500 per year for single-family homes and \$145.83 per year for multi-family homes and the annual index will be reduced to two percent (2%). Landowner agrees to vote in favor of the special tax. The special tax shall be initiated for all residential dwelling units for which a building permit is issued, and shall commence to be levied beginning the subsequent fiscal year after the building permit is issued. A vote by Landowner against the special tax or a vote to repeal the special tax shall constitute an event of default under this Agreement. The provisions of this paragraph will not survive an event of default.

7.3 Reimbursement. Landowner shall reimburse City for all staff time and legal time expended in implementing the fee reductions set forth in this section 7. City shall invoice Landowner on a monthly basis and Landowner shall pay invoices within thirty (30) days of receipt.

8. Amendment or Cancellation. This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of state law and the Lodi Municipal Code ("LMC"). Except as otherwise permitted herein, this Agreement may be cancelled in whole or in part only by the mutual consent of the Parties and their successors in interest, in accordance with the provisions of the LMC. Any fees paid pursuant to this Agreement prior to the date of cancellation shall be retained by City.

9. Annual Review. This Agreement shall be reviewed annually in conformance with LMC section 17.44.080 of the Municipal Code. Costs of Annual Review shall be paid by Landowner in accordance with City's schedule of fees and billing rates in effect at the time of review.

10. Default. Subject to any applicable extension of time, failure by any Party to substantially perform any term or provision of this Agreement required to be performed by such

Party shall constitute a material event of default ("Event of Default"). For purposes of this Agreement, a Party claiming another Party is in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." A Complaining Party shall not exercise any of its remedies as the result of an Event of Default unless such Complaining Party first gives notice to the Party in Default and the Party in Default fails to cure such Event of Default within thirty (30) days of the Complaining Party giving notice.

11. Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to any person, entity or circumstance other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

12. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

13. Transfers and Assignments. From and after recordation of this Agreement against the Property, Landowner shall have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such, and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such conveyed property. Prior to recordation of this Agreement, any proposed assignment of this Agreement by Landowner shall be subject to the prior written consent of the City Manager on behalf of City and the form of such assignment shall be subject to the approval of the City Attorney, neither of which shall be unreasonably withheld.

14. Agreement Runs with the Land. All of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property; (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each Party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each Party and its Property hereunder and each other person succeeding to an interest in such properties.

15. Bankruptcy. The obligations of this Agreement shall not be dischargeable in Bankruptcy.

16. Indemnification. Landowner agrees to defend and hold harmless the City, its elected and appointed commissions, officers, agents, employees, and representatives from any and all claims, costs (including legal fees and costs), and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by the Landowner, or any actions or inactions of Landowner's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project.

17. Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of Landowner and City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

18. Notices. All notices required by this Agreement, the enabling legislation or the procedure adopted pursuant to Government Code Section 65865, shall be in writing and delivered in person or sent by certified mail, return receipt requested, postage prepaid.

Notice required to be given to City shall be addressed as follows:

CITY OF LODI
ATTN: City Manager
P.O. Box 3006
Lodi, CA 95241-1910

Notice required to be given to Landowner shall be addressed as follows:

FRONTIER COMMUNITY BUILDERS, INC.
ATTN: Tom Doucette
10100 Trinity Parkway, Suite 420
Stockton, CA 95219

19. Form of Agreement; Recordation of Exhibits. Except when this Agreement is automatically terminated due to the expiration of the term of this Agreement, City shall cause this Agreement, any amendment hereto, to be recorded, at Landowner's expense, with the San Joaquin County Recorder within ten (10) days of the Effective Date thereof. Any amendment to this Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment. This Agreement is executed in three duplicate originals, each of which is deemed to be an original.

20. Further Assurances. The Parties agree to execute such additional instruments and to take such actions as may be necessary to effectuate the intent of this Agreement.

IN WITNESS WHEREOF, the City of Lodi, a municipal corporation, has authorized the execution of this Agreement in duplicate by its Mayor and attested to by its City Clerk under the authority of Ordinance No. _____, adopted by the City Council of the City of Lodi on the 5th day of August 2015, and Landowner has caused this Agreement to be executed.

CITY OF LODI
a municipal corporation

FRONTIER COMMUNITY BUILDERS, INC.

By: _____
Stephen Schwabauer
City Manager

By: _____
Tom Doucette
Its: _____

ATTEST:

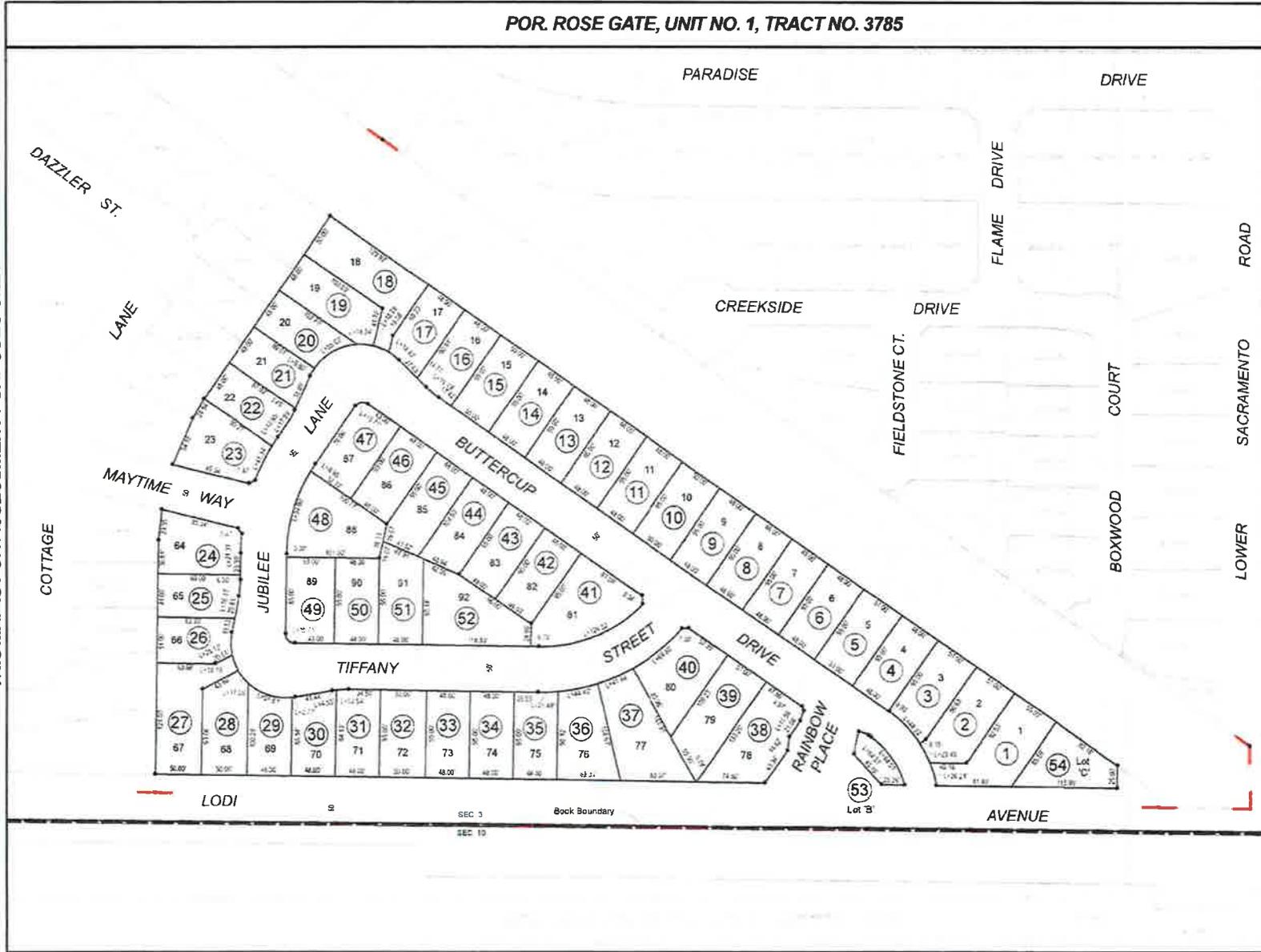
Jennifer M. Ferraiolo, City Clerk

Approved as to form:

Janice D. Magdich, City Attorney

Exhibit A-1

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY



POR. ROSE GATE, UNIT NO. 1, TRACT NO. 3785

029-53

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY AND IS NOT FOR THE INTENT OF INTERPRETING LEGAL BOUNDARY RIGHTS, ZONING REGULATIONS AND/OR LEGALITY OF LAND DIVISION LAWS.



LEGEND:

- Assessor's Parcel Number
- Book Page Parcel Number

R.M. Bk 42 Pg. 017

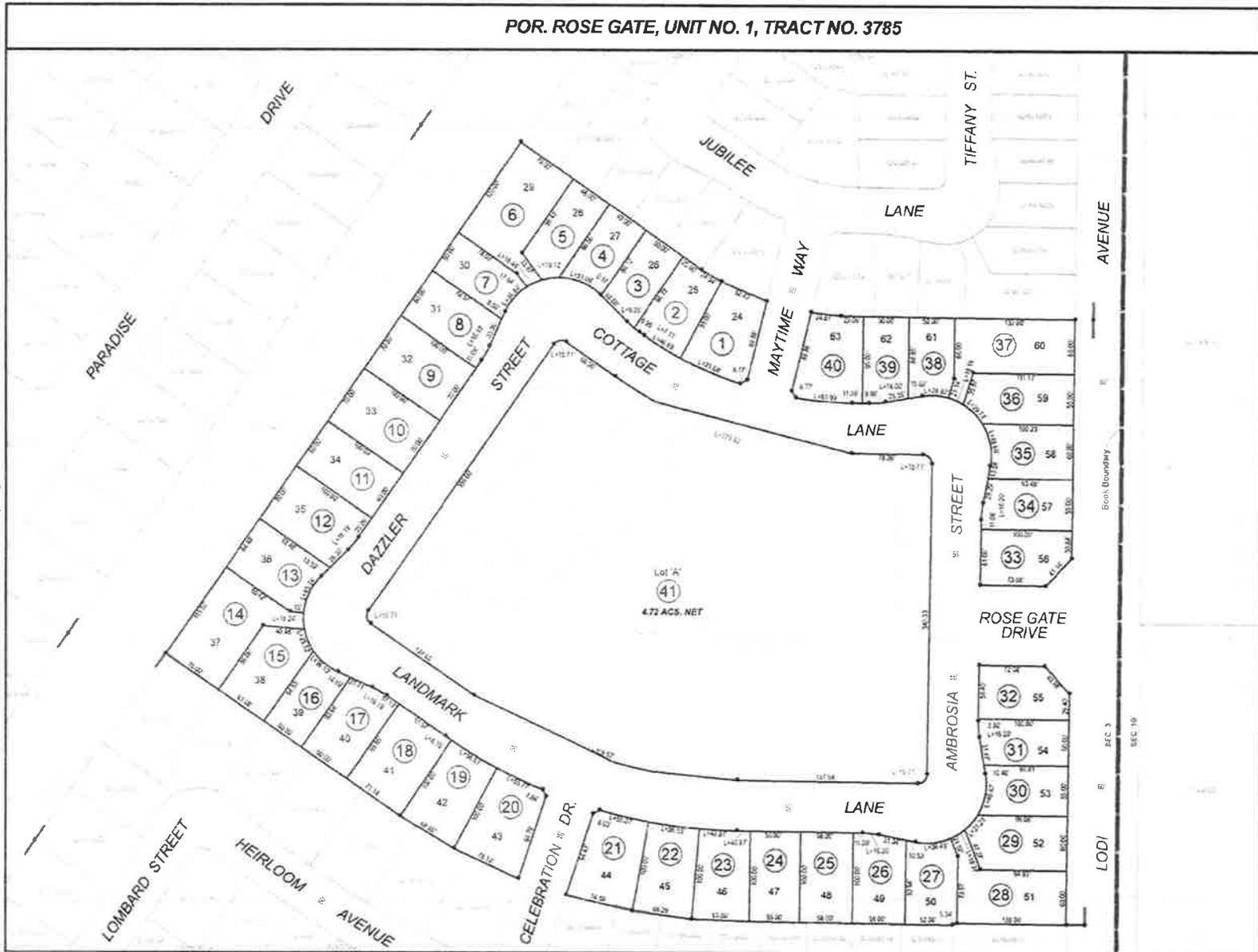
HIGHEST APVAL USED		
YEAR	PARL #	PARL #
15-16	54	

BK. 029 PG. 53
County of San Joaquin, CA

All Rights Reserved
Copyright County of San Joaquin
Assessor Mapping/GIS 2014

Exhibit A-1

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY



POR. ROSE GATE, UNIT NO. 1, TRACT NO. 3785

029-54

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY AND IS NOT FOR THE INTENT OF INTERPRETING LEGAL BOUNDARY RIGHTS, ZONING REGULATIONS AND/OR LEGALITY OF LAND DIVISION LAWS.



LEGEND:

(00) Assessor's Parcel Number
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 Book Page Parcel Number

R.M. BK 42 Pg 017

HIGHEST P.N. USED		
YEAR	PAR. #	PAR. #
15-16	41	

BK. 029 PG. 54
 County of San Joaquin, CA

All Rights Reserved
 Copyright: County of San Joaquin
 Assessor: Mapping/GIS 2014

Exhibit A-1

POR. ROSE GATE, UNIT NO. 2, TRACT NO. 3813

029-55

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY AND IS NOT FOR THE INTENT OF INTERPRETING LEGAL BOUNDARY RIGHTS, ZONING REGULATIONS AND/OR LEGALITY OF LAND DIVISION LAWS.



LEGEND:
 (00) Assessor's Parcel Number
 00000000
 Book Page Parcel Number

R.M. Bk 42 Pg 019

HIGHEST A/P# USED	YEAR	PAR.#	PAR.#
	15-16	56	

BK. 029 PG. 55
 County of San Joaquin, CA

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 Assessor Mapping/GIS 2014

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY



Exhibit A-1

THIS MAP IS FOR ASSESSMENT PURPOSES ONLY

POR. ROSE GATE, UNIT NO. 2, TRACT NO. 3813

029-56

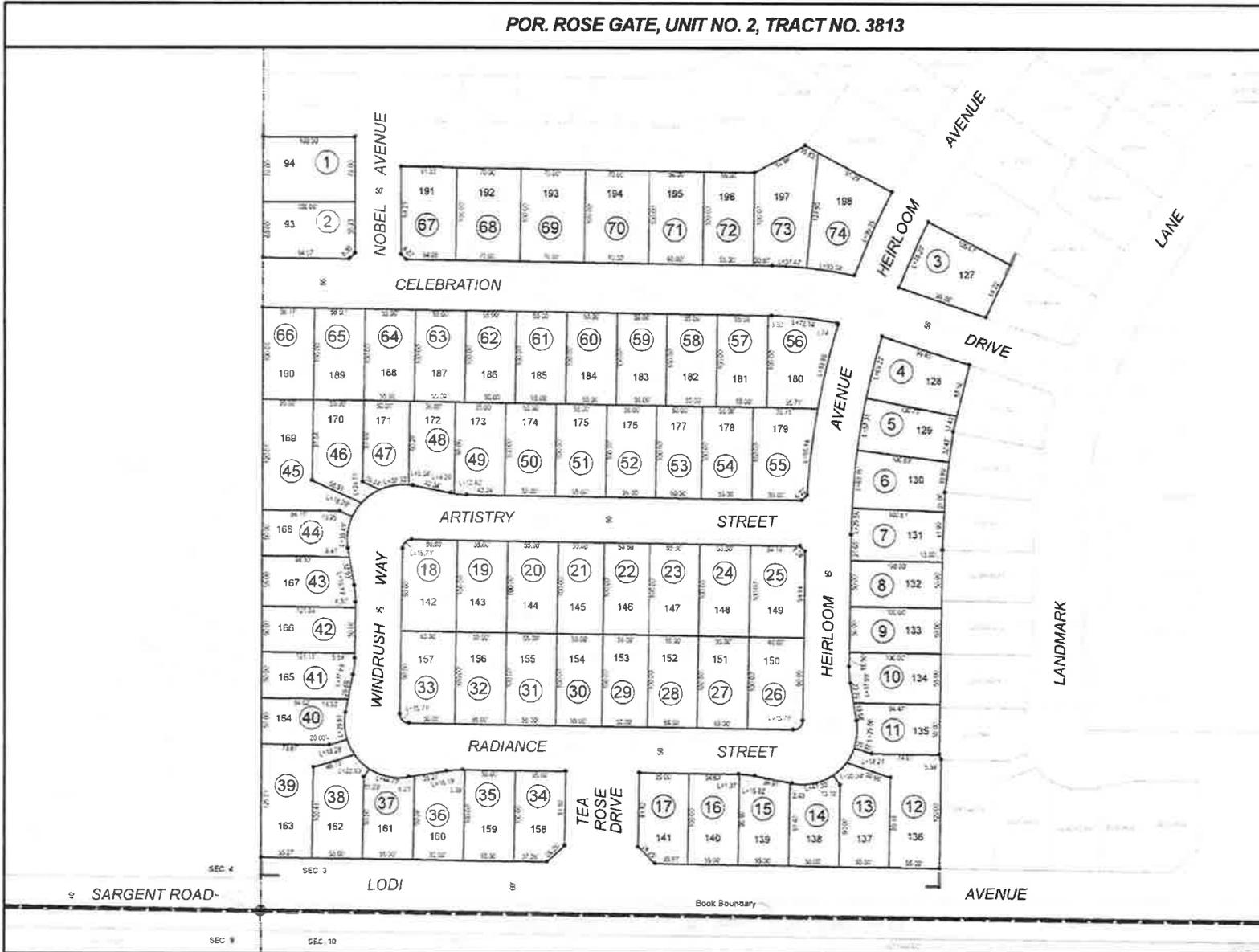
THIS MAP IS FOR ASSESSMENT PURPOSES ONLY AND IS NOT FOR THE INTENT OF INTERPRETING LEGAL BOUNDARY RIGHTS, ZONING REGULATIONS AND/OR LEGALITY OF LAND DIVISION LAWS.



LEGEND:
 (00) Assessor's Parcel Numbers
 00000000
 Book Page Parcel Number

R.M. BK 42 Pg 018

Exhibit A-1



HIGHEST APN USED		
YEAR	PARL #	PARL #
15-16	76	

BK 029 PG. 56
 County of San Joaquin, CA

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 Copyright County of San Joaquin
 Assessor Mapping/GIS 2014

Exhibit A-2



Rose Gate
232 RLD

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI
ADOPTING A DEVELOPMENT AGREEMENT REDUCING
COMMUNITY FACILITY DISTRICT SPECIAL TAXES AND WAIVING
VESTING MAP RIGHTS FOR THE VAN RUITEN RANCH
SUBDIVISION

(DEVELOPMENT AGREEMENT – VAN RUITEN RANCH SUBDIVISION)

=====

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. The properties subject to this Development Agreement include the following: Property located at Lower Sacramento Road and Century Boulevard, Lodi, California 95240 (APN: 058-030-14, 15, 17, 18).

SECTION 2. The applicant for the Development Agreement is as follows: Van Ruiten Ranch Ltd.

SECTION 3. The requested Development Agreement is summarized as follows:

Development Agreement (Van Ruiten Ranch Subdivision) is an agreement between the City and the developer, in which the developer agrees to waive the vested right to pay Development Impact Mitigation Fees according to the Impact Mitigation Fee Program Schedule adopted by Resolution No. 2012-142 for all units for which building applications are submitted on or after June 17, 2018 or construction is not completed by December 17, 2018. The City agrees to amend the tax formula to reduce the special taxes levied against the properties subject to the Development Agreement. The term of the Development Agreement is twenty (20) years.

SECTION 4. The City Council hereby finds that the proposed Development Agreement is consistent with the General Plan land use designation and the zoning for the proposed development.

SECTION 5. The City Council certified an Environmental Impact Report (“EIR”) for the Lodi Annexation on March 21, 2007 (State Clearinghouse No. 2005092096). The project is consistent with the Lodi Annexation EIR and none of the circumstances in CEQA Guidelines section 15162 requiring further environmental review are present. Further, City Council certified an EIR for the City of Lodi General Plan on April 7, 2010 (State Clearinghouse No. 20009022075). The project is consistent with the General Plan density and none of the circumstances in CEQA Guidelines section 15183 requiring further environmental review exists. Therefore, no further environmental review is required pursuant to CEQA Guidelines section 15183.

SECTION 6. The City Council hereby adopts Ordinance No. _____ approving the Development Agreement by and between the City of Lodi and Van Ruiten Ranch Ltd., attached herein as Exhibit A.

SECTION 7. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 8. Severability. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the

provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 9. This ordinance shall take effect thirty (30) days from and after its adoption. The ordinance summary shall be published in the Lodi News Sentinel, a newspaper of general circulation published and circulated in the City of Lodi. A certified copy of this ordinance is available for review in the City Clerk's office located at 221 West Pine Street, Lodi, California.

Approved this ____ day of _____, 2015

BOB JOHNSON
Mayor

Attest:

JENNIFER M. FERRAILOLO
City Clerk

=====
State of California
County of San Joaquin, ss.

I, Jennifer Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. _____ was introduced at a regular meeting of the City Council of the City of Lodi held August 5, 2015 and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAILOLO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney

EXHIBIT A

**DEVELOPMENT AGREEMENT
VAN RUITEN RANCH
SUBDIVISION**

OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Lodi
P.O. Box 3006
Lodi, CA 95241-19910
ATTN: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**DEVELOPMENT AGREEMENT
BY AND BETWEEN THE CITY OF LODI
AND VAN RUITEN RANCH, INC.
FOR THE VAN RUITEN RANCH SUBDIVISION**

**DEVELOPMENT AGREEMENT FOR BENNETT HOMES, INC.
VAN RUITEN RANCH SUBDIVISION**

This Development Agreement ("Agreement") is entered into as of this ____ day of August 2015, by and between the CITY OF LODI, a municipal corporation ("City"), and VAN RUITEN RANCH LIMITED ("Landowner"). City and Landowner are hereinafter collectively referred to as "Parties" and singularly as "Party."

RECITALS

1. Authorization. To strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development, the Legislature of the State of California adopted Government Code section 65854, et seq., which authorizes the City and any person having a legal or equitable interest in real property to enter into a development agreement, establishing certain development rights in the property, which is the subject of the development project application.

2. Property. Landowner holds a legal or equitable interest in certain real property located in the City of Lodi, County of San Joaquin, more particularly described in Exhibit A-1 and depicted in Exhibit A-2, attached hereto ("Property"). Landowner represents that all persons holding a legal or equitable interest in the Property shall be bound by this Agreement.

3. Project Approvals. Landowner has obtained various approvals from the City for a development known as Van Ruiten Ranch ("Project") on the Property. These approvals include the following:

3.1 City Council Resolution No. 2010-41, adopted by the City Council on April 7, 2010, approving the land use designation as Low-Density Residential, Medium-Density Residential, High-Density Residential, Public/Quasi Public and Open Space for the Project site.

3.2 City Council Ordinance No. 1869, effective March 21, 2013, granting Planned Development Zone P-E(41) to allow Low-Density Residential, Medium-Density Residential, High-Density Residential, Public/Quasi Public and Open Space for the Project site.

3.3 City Council Resolution No. 2007-48, effective March 21, 2007, certifying the Environmental Impact Report for the Project, State Clearinghouse No. 2005092096.

3.4 Resolution No. 14-13, adopted by the Planning Commission of the City of Lodi on April 9, 2014, approving vested Subdivision Map for the Van Ruiten Ranch Subdivision.

3.5 City Council Ordinance No. 1788, approving a development agreement applicable to the Property, as well as other adjacent properties. City Council Ordinance No. 1861, effective October 19, 2012, rescinded Ordinance No. 1788, terminating the development agreement, except for those terms surviving the termination, including the November 15, 2006 Settlement Agreement between Frontiers Community Builders, Inc., Citizens for Open Government, and the City ("2006 Settlement Agreement").

In addition, the Property is part of Community Facilities District No. 2007 1 (Public Services) formed to provide certain services to the Property.

4. **Public Hearing.** On June 10, 2015, the Planning Commission of the City of Lodi, acting pursuant to Government Code section 65857, held a hearing to consider this Agreement and the Planning Commission action has been reported to the City Council.

5. **Development Agreement Resolution Compliance.** City and Landowner have taken all actions mandated by, and fulfilled all requirements set forth in, the Development Agreement Resolution of the City of Lodi, as set forth in the City Council Resolution No. 2005-237 for the consideration and approval of the pre-annexation and development agreement.

6. **Findings of Consistency.** Having duly examined and considered this Agreement and having held a properly noticed public hearing hereon, the City found that this Agreement satisfies Government Code section 65867.5 related to general plan consistency and Section 66473.7 related to water supply.

AGREEMENT

1. **Incorporation of Recitals.** The preamble, the Recitals, and the defined terms set forth in both are incorporated into this Agreement as if set forth herein in full.

2. **Description of the Property.** The property, which is the subject of this Agreement, is described in Exhibit A-1 and depicted in Exhibit A-2, attached hereto ("Property").

3. **Interest of the Landowner.** Landowner has a legal or equitable interest in the Property. Landowner represents that all persons holding a legal or equitable interest in the Property shall be bound by this Agreement.

4. **Relationship of City and Landowner.** It is understood that this Agreement is a contract that has been negotiated and voluntarily entered into by City and Landowner and that Landowner is not an agent of City. City and Landowner hereby renounce the existence of any form of joint venture or partnership between them and agree that nothing contained herein or in any document executed in connection herewith shall be construed as making City and Landowner joint ventures or partners.

5. Effective Date and Term.

5.1 The effective date of this Agreement ("Effective Date") is _____, 2015, which is the Effective Date of City Ordinance No. _____ adopting this Agreement.

5.2 Upon execution, the term of this Agreement shall commence on the Effective Date and extend for a period of twenty (20) years. This Agreement does not extend the life of the tentative map. Following the expiration of the term, this Agreement shall be deemed terminated and of no further force and effect. Said termination of this Agreement shall not terminate any right or duty created by City approvals for the Property adopted prior to, concurrently with, or subsequent to the approval of this Agreement nor the obligations of Landowner with respect to Community Facilities District 2007 1 (Public Services).

6. **Permitted Uses.** The permitted uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes are those set forth in the City Council Resolution No. 2010-41 approving the land use designations for the Project site, City Council Ordinance No. 1869, granting Planned Development Zone P-E(41), and Resolution No. 14-13 approving the

Vested Subdivision Map for the Van Ruiten Ranch Subdivision, all subject to the terms of the 2006 Settlement Agreement.

7. Fees and Taxes.

7.1 Existing Fees, Exactions, and Dedications. City Council Resolution No. 14-13, paragraph 77(b), obligates Landowner to pay Development Impact Mitigation Fees according to the Public Works Fee and Service Charge Schedule. Landowner shall have the vested right to satisfy the obligation of Paragraph 77(b) by paying the Development Impact Mitigation Fees according to the Impact Mitigation Fee Program Schedule adopted by Resolution No. 2012-142 ("Resolution No. 2012-14 Fees") for all units for which building permit applications are submitted on or before June 17, 2019 and construction is completed by December 17, 2019. For all units for which building permit applications are submitted on or after June 17, 2019 or construction is not completed by December 17, 2019, Landowner waives the right to pay the Resolution No. 2012-14 Fees and agrees to pay the Development Impact Mitigation Fees according to the Impact Mitigation Fee Schedule in effect at the time the certificate of occupancy is issued. This waiver is subject to the condition subsequent that the City Council action on the Community Facilities District Fees contemplated in Paragraph 7.2 is completed according to the terms set forth therein. This waiver survives the termination of this Agreement.

7.2 Community Facilities District. Van Ruiten Ranch is part of Community Facilities District 2007 1 (Public Services). The City will institute proceedings to amend the tax formula to reduce the special taxes levied against the parcels on the Property. The base rate for the special tax will be reduced to \$500 per year for single-family homes and \$145.83 per year for multi-family homes and the annual index will be reduced to two percent (2%). Landowner agrees to vote in favor of the special tax. The special tax shall be initiated for all residential dwelling units for which a building permit is issued, and shall commence to be levied beginning the subsequent fiscal year after the building permit is issued. A vote by Landowner against the special tax or a vote to repeal the special tax shall constitute an event of default under this Agreement. The provisions of this paragraph will not survive an event of default.

7.3 Reimbursement. Landowner shall reimburse City for all staff time and legal time expended in implementing the fee reductions set forth in this section 7. City shall invoice Landowner on a monthly basis and Landowner shall pay invoices within thirty (30) days of receipt.

8. Amendment or Cancellation. This Agreement may be amended in writing from time to time by mutual consent of the Parties hereto and in accordance with the procedures of state law and the Lodi Municipal Code ("LMC"). Except as otherwise permitted herein, this Agreement may be cancelled in whole or in part only by the mutual consent of the Parties and their successors in interest, in accordance with the provisions of the LMC. Any fees paid pursuant to this Agreement prior to the date of cancellation shall be retained by City.

9. Annual Review. This Agreement shall be reviewed annually in conformance with LMC section 17.44.080. Costs of Annual Review shall be paid by Landowner in accordance with City's schedule of fees and billing rates in effect at the time of review.

10. Default. Subject to any applicable extension of time, failure by any Party to substantially perform any term or provision of this Agreement required to be performed by such Party shall constitute a material event of default ("Event of Default"). For purposes of this

Agreement, a Party claiming another Party is in default shall be referred to as the "Complaining Party," and the Party alleged to be in default shall be referred to as the "Party in Default." A Complaining Party shall not exercise any of its remedies as the result of an Event of Default unless such Complaining Party first gives notice to the Party in Default and the Party in Default fails to cure such Event of Default within thirty (30) days of the Complaining Party giving notice.

11. **Severability.** Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to any person, entity or circumstance other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

12. **Applicable Law.** This Agreement shall be construed and enforced in accordance with the laws of the State of California.

13. **Transfers and Assignments.** From and after recordation of this Agreement against the Property, Landowner shall have the full right to assign this Agreement as to the Property, or any portion thereof, in connection with any sale, transfer or conveyance thereof, and upon the express written assignment by Landowner and assumption by the assignee of such, and the conveyance of Landowner's interest in the Property related thereto, Landowner shall be released from any further liability or obligation hereunder related to the portion of the Property so conveyed and the assignee shall be deemed to be the "Landowner," with all rights and obligations related thereto, with respect to such conveyed property. Prior to recordation of this Agreement, any proposed assignment of this Agreement by Landowner shall be subject to the prior written consent of the City Manager on behalf of City and the form of such assignment shall be subject to the approval of the City Attorney, neither of which shall be unreasonably withheld.

14. **Agreement Runs with the Land.** All of the provisions, rights, terms, covenants, and obligations contained in this Agreement shall be binding upon the Parties and their respective heirs, successors and assignees, representatives, lessees, and all other persons acquiring the Property, or any portion thereof, or any interest therein, whether by operation of law or in any manner whatsoever. All of the provisions of this Agreement shall be enforceable as equitable servitude and shall constitute covenants running with the land pursuant to applicable laws, including, but not limited to, Section 1468 of the Civil Code of the State of California. Each covenant to do, or refrain from doing, some act on the Property hereunder, or with respect to any owned property; (a) is for the benefit of such properties and is a burden upon such properties; (b) runs with such properties; and (c) is binding upon each Party and each successive owner during its ownership of such properties or any portion thereof, and shall be a benefit to and a burden upon each Party and its Property hereunder and each other person succeeding to an interest in such properties.

15. **Bankruptcy.** The obligations of this Agreement shall not be dischargeable in Bankruptcy.

16. Indemnification. Landowner agrees to defend and hold harmless the City, its elected and appointed commissions, officers, agents, employees, and representatives from any and all claims, costs (including legal fees and costs), and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by the Landowner, or any actions or inactions of Landowner's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project.

17. Third-Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of Landowner and City and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

18. Notices. All notices required by this Agreement, the enabling legislation or the procedure adopted pursuant to Government Code section 65865, shall be in writing and delivered in person or sent by certified mail, return receipt requested, postage prepaid..

Notice required to be given to City shall be addressed as follows:

CITY OF LODI
ATTN: City Manager
P.O. Box 3006
Lodi, CA 95241-1910

Notice required to be given to Landowner shall be addressed as follows:

Van Ruiten Ranch Limited,
c/o Jim Van Ruiten,
340 W. Highway 12,
Lodi, CA 95242

19. Form of Agreement; Recordation of Exhibits. Except when this Agreement is automatically terminated due to the expiration of the term of this Agreement, City shall cause this Agreement, any amendment hereto, to be recorded, at Landowner's expense, with the San Joaquin County Recorder within ten (10) days of the Effective Date thereof. Any amendment to this Agreement to be recorded that affects less than all of the Property shall describe the portion thereof that is the subject of such amendment. This Agreement is executed in three duplicate originals, each of which is deemed to be an original.

20. Further Assurances. The Parties agree to execute such additional instruments and to take such actions as may be necessary to effectuate the intent of this Agreement.

IN WITNESS WHEREOF, the City of Lodi, a municipal corporation, has authorized the execution of this Agreement in duplicate by its Mayor and attested to by its City Clerk under the authority of Ordinance No. _____, adopted by the City Council of the City of Lodi on the 5th day of August 2015, and Landowner has caused this Agreement to be executed.

CITY OF LODI
a municipal corporation

Van Ruiten Ranch Limited,

By: _____

By: _____

Exhibit A-1

POR. W. 1/2 SEC. 15 T.3N. R.6E., M.D.B.&M.

THIS MAP IS FOR ASSESSMENT USE ONLY

058-03

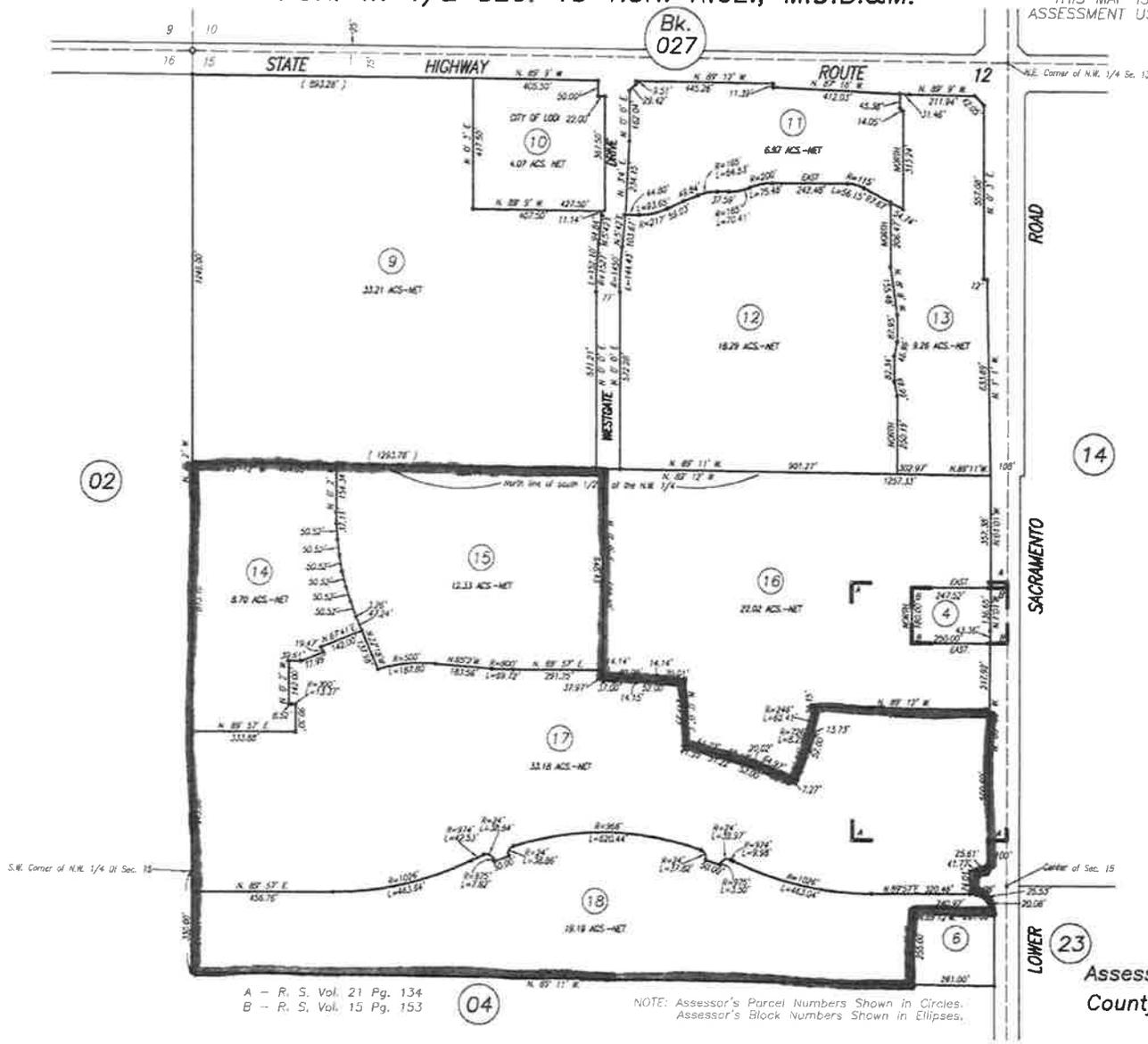


Exhibit A-1

HIGHEST A.P.N. USED				
YEAR	PAR. #	PAR. #	PAR. #	PAR. #
84-85	6			
00-03	8			
04-05	10			
06-08	13			
10-11	16			

CITY OF LODI
Assessor's Map Bk.058 Pg.03
County of San Joaquin, Calif.

A - R. S. Vol. 21 Pg. 134
B - R. S. Vol. 15 Pg. 153

NOTE: Assessor's Parcel Numbers Shown in Circles.
Assessor's Block Numbers Shown in Ellipses.

Exhibit A-2



*Please immediately confirm receipt
of this fax by calling 333-6702*

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING ON RESOLUTION OF CONSIDERATION TO LEVY A REDUCED SPECIAL TAX WITHIN A PORTION OF THE CITY OF LODI COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

PUBLISH DATE: SATURDAY, JULY 11, 2015

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO:
LNS ACCT. #0510052

JENNIFER M. FERRAILOLO, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: MONDAY, JULY 6, 2015

ORDERED BY: JENNIFER M. FERRAILOLO
CITY CLERK

Pamela M. Farris
PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Emailed to the Sentinel at dianer@lodinews.com at 9:40 (time) on 7/6/15 (date) 2 (pages)
Phoned to confirm receipt of all pages at _____ (time) ES PMF (initials)



DECLARATION OF POSTING

PUBLIC HEARING ON RESOLUTION OF CONSIDERATION TO LEVY A REDUCED SPECIAL TAX WITHIN A PORTION OF THE CITY OF LODI COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

On Monday, July 6, 2015, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing on Resolution of Consideration to Levy a Reduced Special Tax within a Portion of the City of Lodi Community Facilities District No. 2007-1 (Public Services) (attached and marked as Exhibit A) was posted at the following locations:

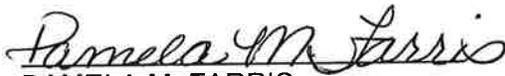
Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum
WorkNet Office

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 6, 2015, at Lodi, California.

ORDERED BY:

JENNIFER M. FERRAILOLO
CITY CLERK


PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

NOTICE OF PUBLIC HEARING

ON RESOLUTION OF CONSIDERATION TO LEVY A REDUCED SPECIAL TAX WITHIN A PORTION OF THE CITY OF LODI COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)

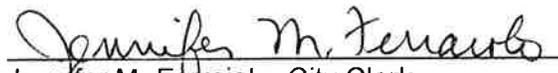
NOTICE IS HEREBY GIVEN that the City Council of the City of Lodi on June 17, 2015, adopted its Resolution No. 2015-89 in which it proposed to levy a reduced special tax within a portion of Community Facilities District No. 2007-1 (Public Services) all pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982. The Resolution describes the reduced special tax and the area subject to the reduced special tax (designated as Zone 1). For further details, the Resolution is available at the offices of the City at 221 W. Pine Street, Lodi, California.

NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed **Wednesday, August 5, 2015, at 7:00 p.m., in the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California**, as the time and place when and where the City Council will hold a public hearing to consider the Resolution. At the hearing, the testimony of all interested persons or taxpayers for or against the proposed reduced special tax will be heard and considered. Protests may be made orally or in writing, except that any protests pertaining to the regularity or sufficiency of the proceedings shall be in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests must be filed with the City Clerk before the time fixed for the hearing. Any written protest may be withdrawn, in writing, at any time before the conclusion of the hearing.

NOTICE IS HEREBY FURTHER GIVEN that, at the conclusion of the public hearing, the City Council may abandon the proceedings or may, after passing upon all protests, submit to the qualified electors the questions of levying the reduced special tax. If 50% or more of the registered voters, or 6 registered voters (whichever is more), residing within CFD 2007-1, or the owners of 1/2 or more of the area of land included in CFD 2007-1 and not exempt from the reduced special tax file written protests against the reduced special tax and sufficient protests are not withdrawn, the reduced special tax shall not be considered for a period of one year from the date of the decision of the City Council on the hearing.

NOTICE IS HEREBY FURTHER GIVEN that, if the City Council determines at the conclusion of the public hearing to proceed, the election will be conducted by mailed ballot to the landowners in Zone 1.

DATED: July 11, 2015


Jennifer M. Ferraiolo, City Clerk
City of Lodi



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Public Hearing to Receive Input and Consider Adoption of a Resolution Calling an Election to Submit to the Qualified Electors the Question of Levying a Special Tax within the Area Proposed to be Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2); and a Resolution Declaring the Results of the Special Election and Ordering the Annexation of Territory to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2); and Introduce an Ordinance Levying and Apportioning the Special Tax in Territory Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2)

MEETING DATE: August 5, 2015

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Public Hearing to Receive Input and Consider Adoption of a Resolution Calling an Election to Submit to the Qualified Electors the Question of Levying a Special Tax within the Area Proposed to be Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2); and a Resolution Declaring the Results of the Special Election and Ordering the Annexation of Territory to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2); and Introduce an Ordinance Levying and Apportioning the Special Tax in Territory Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 2).

BACKGROUND INFORMATION: The resolutions, if adopted by the City Council, will culminate the process to annex five parcels into the City of Lodi Community Facilities District No. 2007-1 (Public Services) (CFD). The boundaries of these parcels are shown in Attachment A and include parcels commonly known as the Sunwest Cottages and The Villas at Sunwest. Approved tentative subdivision map conditions require the landowners to cooperate in the annexation of those parcels into the CFD, the purpose of which is to offset a portion of the new costs for public services resulting from new development.

The resolutions are provided as Attachment B that call for the annexation election and to declare the election results. The uncodified ordinance is provided in Attachment C that levies and apportions the special tax within the territory to be annexed.

The public services to be funded by the CFD are described below.

- (a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.
- (b) Fire protection and suppression services, and ambulance and paramedic services.
- (c) Maintenance of parks, parkways, and open space.
- (d) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and storm protection systems.

APPROVED: _____
Stephen Schwabauer, City Manager

- (e) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.

The special tax formula entitled “Rate, Method of Apportionment, and Manner of Collection of Special Tax” is included in the resolution calling for the election contained in Attachment B. The special tax provides for an annual tax of \$500 for single-family units and \$145.83 for multi-family units. Beginning July 1, 2016 and each July 1 thereafter, the maximum special tax in effect in the prior fiscal year shall be increased by two percent. Certain properties, such as governmental, commercial, industrial and undeveloped property, are not subject to the special tax program. The special taxes may not be prepaid. The special tax shall be levied in perpetuity.

The City Clerk will open the election and then present the results of landowner ballots after adoption of the resolution calling for the election. Following this, the City Council will consider the resolution declaring the results of the election. The ordinance levying and apportioning the special tax will then be introduced.

FISCAL IMPACT: The public services and administration of the CFD shall be paid from the special taxes collected within the CFD. The developer has agreed to reimburse the City for all costs incurred in establishing the CFD. The estimated annual revenues at buildout of these projects will amount to approximately \$8,500.

FUNDING AVAILABLE: Not applicable.

F. Wally Sandelin
Public Works Director

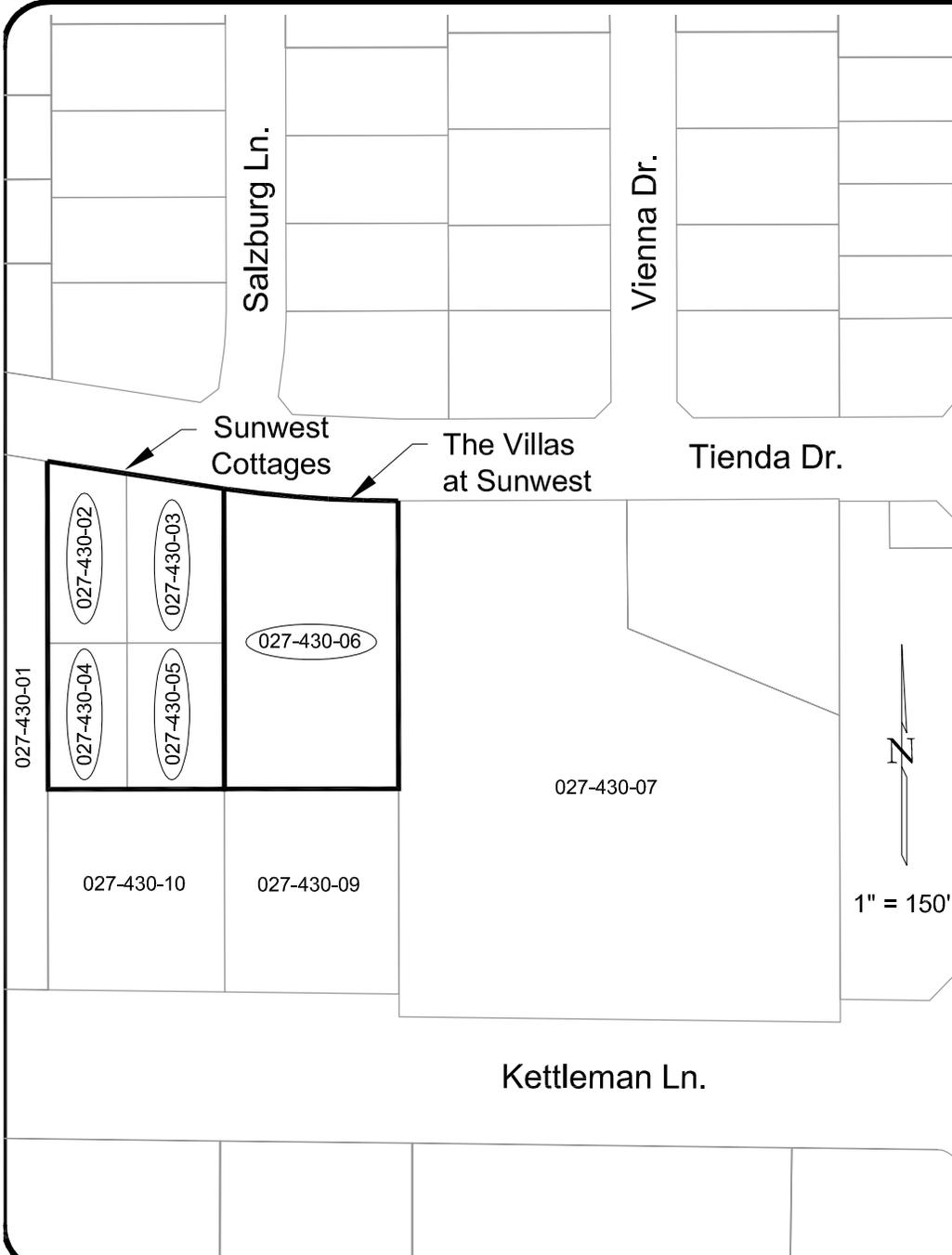
FWS/CS/tb
Attachments



CITY OF LODI

PUBLIC WORKS DEPARTMENT

Annexation Map No. 2 Attachment A Community Facilities District No. 2007-1 (Public Services) City of Lodi/County of San Joaquin, CA Sunwest Cottages and The Villas at Sunwest

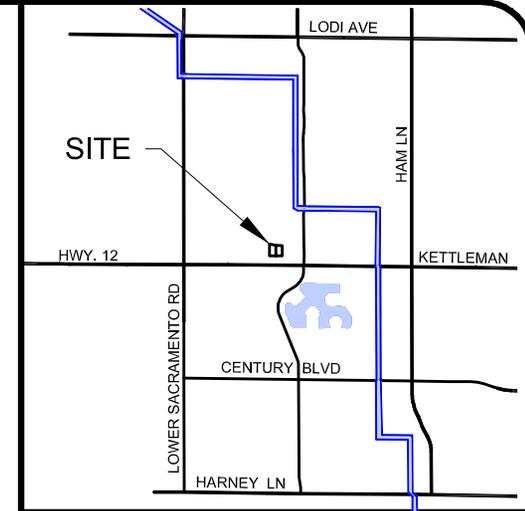


LEGEND



027-430-01

Assessor's Parcel No's
Included in Annexation



VICINITY MAP

FILED IN THE OFFICE OF THE CITY CLERK THIS ____ DAY OF _____, 2015

JENNIFER FERRAILO, CITY CLERK, CITY OF LODI

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF ANNEXATION NO. 2 TO COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES), CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LODI AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 2015, BY IT'S RESOLUTION NO. 2015-_____.

JENNIFER FERRAILO, CITY CLERK, CITY OF LODI

FILED THIS ____ DAY OF _____, 2015, AT THE HOUR OF ____ O'CLOCK ____ IN THE BOOK ____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE ____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

KENNETH W. BLACKMORE, COUNTY RECORDER
COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT AMENDED BOUNDARY MAP OF COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES) OF THE CITY OF LODI RECORDED WITH THE SAN JOAQUIN COUNTY RECORDER'S OFFICE ON APRIL 19, 2007, IN BOOK 5, OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 13, AS DOCUMENT NO. 2007-076402.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE SAN JOAQUIN COUNTY ASSESSORS MAPS FOR THE PARCELS LISTED.

THE SAN JOAQUIN COUNTY ASSESSORS MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
CALLING AN ELECTION TO SUBMIT TO THE QUALIFIED ELECTORS
THE QUESTION OF LEVYING A SPECIAL TAX WITHIN THE AREA
PROPOSED TO BE ANNEXED TO COMMUNITY FACILITIES
DISTRICT NO. 2007-1 (PUBLIC SERVICES)
(ANNEXATION NO. 2)

=====

WHEREAS, on April 4, 2007, the City Council (the "City Council") of the City of Lodi (the "City"), approved Resolution No. 2007-59 establishing Community Facilities District No. 2007-1 (Public Services) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California, for the purpose of providing for the financing of certain public services (the "Services") described in Exhibit A hereto; and

WHEREAS, at a special election held on April 11, 2007, more than two-thirds of the votes cast were in favor of the levy of a special tax and the establishment of an appropriations limit, all as determined by the City Council in Resolution No. 2007-82, duly adopted on May 2, 2007; and

WHEREAS, the City Council on June 17, 2015, duly adopted Resolution No. 2015-98 (the "Resolution of Intention") declaring its intention to annex certain territory to the CFD and to levy a special tax within that territory to pay for the Services and setting a public hearing on the proposed annexation for August 5, 2015; and

WHEREAS, it is anticipated that the special tax proposed to be levied in the annexed territory shall be the same as the lower tax proposed to be levied in the current CFD boundaries currently being implemented under a separate proceeding; and

WHEREAS, the territory proposed to be annexed is identified in a map entitled "Annexation Map No. 2 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California" a copy of which is on file with the City Clerk and will be recorded in the office of the San Joaquin County Recorder; and

WHEREAS, the City Council convened a public hearing on Wednesday, August 5, 2015, at 7:00 p.m., at the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California, at which hearing all persons interested, including all taxpayers, property owners and registered voters within the CFD and the territory proposed to be annexed, were given an opportunity to appear and be heard on the proposed annexation of territory to the CFD and the levy of special taxes within the territory proposed to be annexed; and

WHEREAS, written protests have not been filed by fifty percent (50%) or more of the registered voters residing within the CFD, or by fifty percent (50%) or more of the registered voters residing within the territory to be annexed, or by the owners of one-half (1/2) or more of the area within the CFD, or by the owners of one-half (1/2) or more of the territory to be annexed; and

WHEREAS, the City Council has determined that there are fewer than twelve registered voters residing in the territory proposed to be annexed to the CFD and that the qualified electors in such territory are the landowners; and

WHEREAS, on the basis of all of the foregoing, the City Council has determined to call an election to authorize the annexation of territory to the CFD and the levying of a special tax as described in Exhibit B hereto; and

WHEREAS, the City Council has received a written instrument from each landowner in the territory proposed to be annexed to the CFD consenting to the shortening of election time requirements, waiving analysis and arguments, and waiving all notice requirements relating to the conduct of the election.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that:

Section 1. Recitals. All of the above recitals are true and correct, and the City Council so finds and determines.

Section 2. Confirmation of Findings in Resolution of Intention. The City Council reconfirms all of its findings and determinations as set forth in the Resolution of Intention.

Section 3. Finding Regarding Protests. The City Council finds and determines that written protests to the proposed annexation of territory to the CFD and the levy of the special tax within such territory are insufficient in number and in amount under the Act, and the City Council hereby further orders and determines that all such protests are hereby overruled.

Section 4. Finding Regarding Prior Proceedings. The City Council finds and determines that all prior proceedings had and taken by the City Council with respect to the annexation of territory to the CFD are valid and in conformity with the requirements of the Act.

Section 5. Tax Lien. Upon recordation of an amended notice of special tax lien pursuant to Sections 3117.5 and 3114.5 of the Streets and Highways Code, a continuing lien to secure each levy of the special tax shall attach to all non-exempt real property in the territory proposed to be annexed and this lien shall continue in force and effect until the collection of the tax is terminated by the City Council.

Section 6. Call and Order of Election. The City Council hereby calls and orders a special election to be held on Wednesday, August 5, 2015 ("election day"), at which election the question of levying the special tax within the territory proposed to be annexed shall be submitted to the qualified electors of the territory proposed to be annexed. The terms of the measure are described in this Resolution. The abbreviated form of the statement of the ballot measure is set forth in Exhibit C hereto and is incorporated herein by reference.

Section 7. Vote Required. If the proposition on the question of levying the special tax within the territory proposed to be annexed receives the approval of more than two-thirds (2/3) of the votes cast on the proposition, then the territory proposed to be annexed will be added to and become part of the CFD with full legal effect and the City Council will be authorized to levy the special tax within the annexed territory.

Section 8. Submission of Ballot Proposition. The City Council hereby submits to the landowners within the territory proposed to be annexed to the CFD at the special election the ballot proposition set forth in Section 6 of this resolution. The City Council hereby authorizes the City Clerk to conduct the election.

Section 9. Conduct of Election. The special election shall be held and conducted, the returns canvassed, and the results ascertained and determined, as herein provided:

(a) All owners of land within the territory proposed to be annexed to the CFD upon the date of the special election shall be qualified to vote upon the measure submitted at the special election. Each landowner shall have one vote for each acre or portion thereof that she, he, or it owns within the territory proposed to be annexed to the CFD, as provided in Government Code section 53326(b).

(b) Pursuant to Government Code section 53327, the special election shall be conducted as a mailed ballot election, in accordance with the provisions of Sections 4100-4108 of the Elections Code. There shall be no polling places for the special election.

(c) The City Clerk is authorized to mail to each landowner in the territory proposed to be annexed to the CFD a ballot in the form set forth in Exhibit C hereto.

(d) Each voter desiring to vote in favor of the measure to levy a special tax shall mark an "X" or a check mark in the voting square opposite the word "YES." To vote against the measure, the voter shall mark an "X" or a check mark in the voting square opposite the word "NO."

(e) The City Clerk shall accept the ballots of the landowners up to five minutes following the adoption of this resolution by the City Council. The City Clerk shall have available ballots that may be marked at the City Clerk's office on the election day by voters. Once all qualified electors have voted, the City Clerk may close the election.

(f) The City Clerk shall commence the canvass of the returns of the special election as soon as the election is closed. At the conclusion of the canvass, the City Clerk shall declare the results of the election.

(g) The City Council shall declare the results of the special election following the completion of the canvass of the returns and shall cause to be inserted into its minutes a statement of the results of the special election as ascertained by the canvass of the returns.

(h) The City Council ratifies the City Clerk's mailing of the ballots in advance of the call of the election.

Section 10. General Authorization with Respect to the Election. The members of the City Council, the City Clerk, and the other officers of the City are hereby authorized and directed, individually and collectively, to do any and all things and to execute, deliver, and perform any and all agreements and documents that they deem necessary or advisable in order to effectuate the purposes of this Resolution. All actions heretofore taken by the officers and agents of the City that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed, and approved in all respects.

Section 11. Accountability Measures. Pursuant to Section 50075.1 of the California Government Code, the City has created a separate account into which the special tax proceeds shall be deposited; and the City shall prepare a report, as required, pursuant to the requirements of Section 53343.1.

Section 12. CEQA Compliance. The City Council hereby determines that the annexation of territory to the CFD is not a project as defined under the provisions of the California Environmental Quality Act ("C.E.Q.A.") pursuant to Section 15378 of the C.E.Q.A. guidelines and directs the City staff to file a notice of exemption with San Joaquin County.

Section 13. Effective Date. This resolution shall take effect immediately upon its passage.

Date: August 5, 2015

=====

I hereby certify that Resolution No. 2015-____ was passed and adopted by the Lodi City Council in a regular meeting held August 5, 2015, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

EXHIBIT A

List of Authorized Services

- (a) Police protection services, including, but not limited to, criminal justice services. However, criminal justice services shall be limited to providing services for jails, detention facilities, and juvenile halls.
- (b) Fire protection and suppression services, and ambulance and paramedic services.
- (c) Maintenance of parks, parkways, and open space.
- (d) Flood and storm protection services, including, but not limited to, the operation and maintenance of storm drainage systems, and sandstorm protection systems.
- (e) Services with respect to removal or remedial action for the cleanup of any hazardous substance released or threatened to be released into the environment.
- (f) Incidental services associated with the creation of the District, determination of the amount of special taxes, collection or payment of special taxes, or costs otherwise incurred in order to carry out the authorized purposes of the District.

EXHIBIT B

CITY OF LODI

COMMUNITY FACILITIES DISTRICT No. 2007-1

(PUBLIC SERVICES)

RATE AND METHOD OF APPORTIONMENT (RMA) OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Community Facilities District (CFD) No. 2007-1 (Public Services) shall be levied and collected according to the tax liability determined by the City Council acting in its capacity as the legislative body of CFD No. 2007-1, through the application of the appropriate Special Tax rate, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section E below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate RMA is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Accessory Dwelling Unit” means a second residential unit of limited size (i.e., granny cottage, second unit) that shares a Parcel with a Single Family Unit.

“Administrative Expenses” means any or all of the following: the expenses of the City in carrying out its duties for the CFD, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County, and all other costs and expenses of the City in any way related to the establishment or administration of the CFD.

“Administrator” means the person(s) or firm designated by the City to administer the Special Taxes according to this RMA.

“Assessor's Parcel” or **“Parcel”** means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

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

“Authorized Services” means the public services authorized to be funded by the CFD as set forth in the documents adopted by the City Council when the CFD was formed.

“CFD No. 2007-1” or **“CFD”** means the City of Lodi Community Facilities District No. 2007-1 (Public Services).

“City” means the City of Lodi.

“City Council” means the City Council of the City of Lodi.

“County” means the County of San Joaquin.

“Fiscal Year” means the period starting on July 1 and ending on the following June 30.

“Maximum Special Tax” means the maximum Special Taxes determined in accordance with Section C below that can be levied on Single Family Property and Multi-Family Property in any Fiscal Year.

“Multi-Family Property” means, in any Fiscal Year, all Parcels in the CFD for which final building permit inspections were conducted prior to January 1 of the preceding Fiscal Year, but not prior to January 1, 2015, for construction of Multi-Family Units.

“Multi-Family Unit” means an individual residential unit within a structure with three or more residential units that share a single Assessor’s Parcel number, all of which are offered for rent to the general public and cannot be purchased by individual homebuyers. Residential units located above commercial establishments that are available exclusively for rent and cannot be purchased by individual owners shall also be characterized as Multi-Family Units for purposes of this RMA.

“RMA” means this Rate and Method of Apportionment.

“Single Family Property” means, in any Fiscal Year, all Parcels in the CFD for which final building permit inspections were conducted prior to January 1 of the preceding Fiscal Year, but not prior to January 1, 2015, for construction of Single Family Units.

“Single Family Unit” means an individual single family detached residential unit or an individual residential unit within a half-plex, duplex, triplex, fourplex, townhome, condominium, or other structure with attached residential units that are available for sale to individual buyers, whether or not such a unit is ultimately offered for rent by an individual buyer. For-sale residential units located above commercial establishments shall also be categorized as Single Family Units for purposes of this RMA.

“Special Tax” means any tax levied within the CFD to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for the following: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or, based on delinquency rates in prior years, may be expected to occur in the Fiscal Year in which the tax will be collected.

“Taxable Property” means both Single-Family Property and Multi-Family Property.

B. DATA FOR ANNUAL TAX LEVY

Each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel number for all Parcels of Taxable Property within the CFD. The Administrator shall also determine the number of Single-Family and Multi-Family Units built or to be built on each Parcel of Taxable Property by referencing the building permit, condominium plan, apartment plan, site plan, or other development plan for the property.

In any Fiscal Year, if it is determined that (i) a parcel or subdivision map for a portion of property in the CFD was recorded after January 1 of the preceding Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created Parcels into the then current tax roll), (ii) because of the date the parcel or subdivision map was recorded, the Assessor does not yet recognize the new Parcels created by the parcel or subdivision map, and (iii) one or more of the newly-created Parcels meets the definition of Taxable Property, the Administrator shall calculate the

Special Tax for the property affected by recordation of the parcel or subdivision map by determining the Special Tax that applies separately to each Parcel of Taxable Property, then applying the sum of the individual Special Taxes to the original Parcel that was subdivided by recordation of the parcel or subdivision map.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax for all Parcels of Taxable Property within the CFD shall be \$500 per Single Family Unit and \$145.83 per Multi Family Unit for Fiscal Year 2015-2016. Beginning July 1, 2016 and each July 1 thereafter, the Maximum Special Tax in effect in the prior Fiscal Year shall be increased by two percent (2%).

D. METHOD OF LEVY AND COLLECTION OF SPECIAL TAX

Each Fiscal Year, the Special Tax shall be levied proportionately on each Parcel of Taxable Property in the CFD up to 100% of the Maximum Special Tax determined pursuant to Section C above until the total amount levied is equal to the Special Tax Requirement for the Fiscal Year.

The Special Tax for the CFD shall be collected at the same time and in the same manner as ordinary ad valorem property taxes provided, however, that the City may (under the authority of Government Code Section 53340) collect Special Taxes at a different time or in a different manner if necessary to meet CFD No. 2007-1 financial obligations, and the Special Tax shall be equally subject to foreclosure if delinquent.

E. LIMITATIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on Parcels within the CFD that are not Single Family Property or Multi-Family Property. Furthermore, Accessory Dwelling Units shall not be counted in determining the Special Tax to be levied on the Parcels on which such units are located.

F. INTERPRETATION OF SPECIAL TAX FORMULA

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

EXHIBIT C

OFFICIAL BALLOT

**SPECIAL TAX ELECTION
CITY OF LODI
ANNEXATION OF TERRITORY TO
COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)
(August 5, 2015)**

Number of votes entitled to cast: _____

INSTRUCTIONS TO VOTERS: To vote on the measure, mark an (X) or a check mark in the voting square after the word “YES” or after the word “NO.” All marks otherwise made are forbidden. All distinguishing marks are forbidden and make the ballot void.

If you wrongly mark, tear or deface this ballot, return it to the City Clerk, 221 West Pine Street, Lodi, California, 95240, to obtain another.

MEASURE SUBMITTED TO VOTE OF VOTERS

Ballot Measure: “Shall the City of Lodi Community Facilities District No. 2007-1 (Public Services) be authorized to levy a special tax for the purpose and at the rate and apportioned as described in Exhibits A and B to Resolution No. 2015-98 adopted by the City Council of the City of Lodi on June 17, 2015, which resolution is incorporated herein by reference, within the territory identified on a map entitled “Annexation Map No. 2 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California?”

YES:

NO:

NOTE: This is a special landowner election. We request that you return this ballot to the City Clerk, City of Lodi, to her office at 221 West Pine Street, Lodi, California 95240, by 4:00 p.m. on Wednesday, August 5, 2015 and no later than five minutes following the City Council's adoption of the Resolution Calling the Election on August 5, 2015.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
DECLARING THE RESULTS OF THE SPECIAL ELECTION
HELD ON WEDNESDAY, AUGUST 5, 2015, AND ORDERING THE
ANNEXATION OF TERRITORY TO
COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)
(ANNEXATION NO. 2)



WHEREAS, in proceedings heretofore conducted by the City Council (the "City Council") of the City of Lodi (the "City"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "Act"), the City Council on August 5, 2015, adopted Resolution No. _____, which resolution called a special election within the territory proposed to be annexed to the City's Community Facilities District No. 2007-1 (Public Services) (the "CFD"); and

WHEREAS, pursuant to the terms of the resolution, the special election was held on August 5, 2015, and the City Clerk has duly canvassed the returns of the election and has filed with the City Council a statement of all votes cast at the election showing the whole number of votes cast within such territory and the whole number of votes cast for and against the measure in such territory and also filed, attached to the statement, her certificate as to the correctness of the statement (the "Statement of Election Results"), a copy of which is attached hereto as Exhibit A.

NOW, THEREFORE, BE IT RESOLVED by the Lodi City Council that:

Section 1. Approval of Canvass. The canvass by the City Clerk, as shown by the Statement of Election Results, is hereby ratified, confirmed, approved, and entered upon the minutes of this meeting.

Section 2. Statement of the Measure. At the election, the following measure was submitted to the qualified electors of the territory proposed to be annexed to the CFD and the number of votes cast for and against the measure was as follows:

BALLOT MEASURE	Total Votes
"Shall the City of Lodi Community Facilities District No. 2007-1 (Public Services) be authorized to levy a special tax for the purpose and at the rate and apportioned as described in Exhibits A and B to Resolution No. 2015-98 adopted by the Lodi City Council on June 17, 2015, which resolution is incorporated herein by reference, within the territory identified on a map entitled "Annexation Map No. 2 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California?"	YES: NO: _____ _____

Section 3. Votes Cast. The total number of votes cast in the territory proposed to be annexed to the CFD at the election was _____.

Section 4. Measure Passed. More than two-thirds of all the votes cast at the election on the measure were in favor of the measure and the measure passed.

Section 5. Validity of Procedures. The City Council hereby finds and determines that all prior proceedings and actions taken by the City Council pursuant to the Act were and are valid and in conformity with the Act.

Section 6. Order of Annexation. The City Council hereby determines and orders that the territory proposed to be annexed to the CFD is added to and part of the CFD with full legal effect.

Section 7. Amendment to Notice of Special Tax Lien. The City Clerk is hereby directed to record an amendment to the Notice of Special Tax Lien with the San Joaquin County Recorder, in accordance with the provisions of Sections 3114.5 and 3117.5 of the California Streets and Highways Code within fifteen (15) days of the adoption of this resolution.

Date: August 5, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the Lodi City Council in a regular meeting held August 5, 2015, by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLO
City Clerk

2015-_____

EXHIBIT A

STATEMENT OF ELECTION RESULTS

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi (the “City”), hereby certify that:

1. On August 5, 2015, at 305 West Pine Street, Lodi, California, I canvassed the returns of the election called for August 5, 2015, in the territory proposed to be annexed to Community Facilities District No. 2007-1 (Public Services) on the following measure:

“Shall the City of Lodi Community Facilities District No. 2007-1 (Public Services) be authorized to levy a special tax for the purpose and at the rate and apportioned as described in Exhibits A and B to Resolution No. 2015-98 adopted by the City Council of the City of Lodi on June 17, 2015, which resolution is incorporated herein by reference, within the territory identified on a map entitled “Annexation Map No. 2 Community Facilities District No. 2007-1 (Public Services), City of Lodi, San Joaquin County, State of California?”

2. The total number of qualified landowner votes eligible to be cast, the total number of votes actually cast at the election, and the total number of votes cast for and against the measure are set forth below. The totals as shown for and against the measure are full, true, and correct. More than two-thirds of all the votes cast at the election on the measure were in favor of the measure and the measure passed.

Qualified Landowner Votes	Votes Cast	YES	NO
2			

Dated: August 5, 2015

Jennifer M. Ferraiolo, City Clerk

ORDINANCE NO. _____

AN ORDINANCE OF THE LODI CITY COUNCIL LEVYING AND
APPORTIONING THE SPECIAL TAX IN TERRITORY ANNEXED TO
COMMUNITY FACILITIES DISTRICT NO. 2007-1 (PUBLIC SERVICES)
(ANNEXATION NO. 2)

=====

WHEREAS, the City Council of the City of Lodi (the "City Council") has established Community Facilities District No. 2007-1 (Public Services) (the "CFD") pursuant to Resolution No. 2007-59 (the "Resolution of Formation"), duly adopted on April 4, 2007, for the purpose of providing for the financing of certain public services in and for the CFD; and

WHEREAS, the City Council duly adopted Resolution No. _____ (the "Resolution") on August 5, 2015, wherein the City Council submitted the question of levying a special tax in territory proposed to be annexed to the CFD at the rate and according to the method of apportionment described therein; and

WHEREAS, at an election held in the territory proposed to be annexed to the CFD on August 5, 2015, the qualified electors of such territory authorized the levy of the special tax described in the Resolution; and

WHEREAS, the City Council duly adopted Resolution No. _____ on August 5, 2015, wherein the City Council determined that the territory proposed to be annexed was added to the CFD (such territory being referred to herein as "Annexation No. 2").

NOW, THEREFORE, BE IT ENACTED by the City Council of the City of Lodi:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Levy of Special Tax. Pursuant to Section 53340 of the California Government Code, the special tax is hereby levied for fiscal year 2015-16 at the maximum rates and apportioned in the manner specified in the Resolution.

Section 3. Collection of Special Tax. Pursuant to Section 53340 of the California Government Code and the Resolution, the special tax shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes; provided, however, that the City may directly bill the special tax, may collect special taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the City.

Section 4. Claims for Refund. Claims for refund of the tax shall comply with the following and any additional procedures as established by the City Council:

(a) All claims shall be filed, in writing, with the City Treasurer during the Fiscal Year in which the error is believed to have occurred. The claimant shall file the claim within this time period and the claim shall be finally acted upon by the City Council as a prerequisite to bringing suit thereon.

(b) Pursuant to Government Code section 935(b), the claim shall be subject to the provisions of Government Code sections 945.6 and 946.

(c) The City Council shall act on a timely claim within the time period required by Government Code section 912.4.

(d) The procedure described in this ordinance, and any additional procedures established by the City Council, shall be the exclusive claims procedure for claimants seeking a refund of the tax. The decision of the City Council shall be final.

Section 5. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 6. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. This City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the ordinance be enforced.

Section 7. Effective Date and Publication. This ordinance shall take effect thirty (30) days after its adoption. The City Council hereby directs the City Clerk to publish the full text of the ordinance within 15 days after its passage, with the names of the City Council members voting for and against the ordinance, pursuant to Government Code section 36933(a).

Approved this ____ day of _____, 2015.

BOB JOHNSON
Mayor

Attest:

JENNIFER M. FERRAILOLO
City Clerk

State of California
County of San Joaquin, ss.

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held August 5, 2015, and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 2015, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAILOLO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney





Please immediately confirm receipt of this fax by calling 333-6702

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX TERRITORY TO AN EXISTING COMMUNITY FACILITIES DISTRICT

PUBLISH DATE: SATURDAY, JULY 11, 2015

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO: JENNIFER M. FERRAIOLO, CITY CLERK
LNS ACCT. #0510052 City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: MONDAY, JULY 6, 2015

ORDERED BY: JENNIFER M. FERRAIOLO
CITY CLERK

Pamela M. Farris
PAMELA M. FARRIS
DEPUTY CITY CLERK

ELENA STODDARD
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

LNS Emailed to the Sentinel at dianer@lodinews.com at 9:36 (time) on 7/6/15 (date) 2 (pages)
Phoned to confirm receipt of all pages at _____ (time) ES PMF (initials)



DECLARATION OF POSTING

PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX TERRITORY TO AN EXISTING COMMUNITY FACILITIES DISTRICT

On Monday, July 6, 2015, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing on Resolution of Consideration to Levy a Reduced Special Tax within a Portion of the City of Lodi Community Facilities District No. 2007-1 (Public Services) (attached and marked as Exhibit A) was posted at the following locations:

Lodi City Clerk's Office
Lodi City Hall Lobby
Lodi Carnegie Forum
WorkNet Office

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 6, 2015, at Lodi, California.

ORDERED BY:

**JENNIFER M. FERRAILOLO
CITY CLERK**

Pamela M. Farris
PAMELA M. FARRIS
DEPUTY CITY CLERK

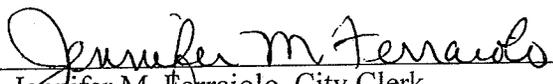
ELENA STODDARD
ADMINISTRATIVE CLERK

**NOTICE OF PUBLIC HEARING ON RESOLUTION OF INTENTION TO ANNEX
TERRITORY TO AN EXISTING COMMUNITY FACILITIES DISTRICT**

NOTICE IS HEREBY GIVEN that the City Council of the City of Lodi on June 17, 2015, adopted its Resolution No. 2015-98, in which it declared its intention to annex territory to existing Community Facilities District No. 2007-1 (Public Services) (the "CFD"), and to levy a special tax to pay for certain public services, all pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code. The resolution describes the territory to be annexed, specifies the type of services to be financed, and describes the rate and method of apportionment of the proposed special tax. No change in the tax levied in the existing CFD is proposed. For further details, the resolution is available at the office of the City Clerk, 221 W. Pine Street, Lodi, California.

NOTICE IS HEREBY FURTHER GIVEN that the City Council has fixed **Wednesday, August 5, 2015, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, at the regular meeting place of the City Council, Carnegie Forum, 305 W. Pine Street, Lodi, California,** as the time and place when and where the City Council will hold a public hearing to consider the annexation. At the hearing, the testimony of all interested persons for or against the annexation of the territory or the levying of the special taxes will be heard.

DATED: July 11, 2015



Jennifer M. Ferraiolo, City Clerk
City of Lodi



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Public Meeting to Allow Public Testimony Regarding the Proposed Lodi Tourism Business Improvement District Assessment; Adopt Resolution of Intention to Disestablish the Existing Lodi Tourism Business Improvement District; and Introduce an Ordinance Disestablishing the Existing Lodi Tourism Business Improvement District

MEETING DATE: August 5, 2015

PREPARED BY: Business Development Manager

RECOMMENDED ACTION: Allow public testimony regarding the proposed Lodi Tourism Business Improvement District; Adopt a Resolution of Intention to Disestablish the existing Lodi Tourism Business Improvement District; and Introduce an Ordinance Disestablishing the existing Lodi Tourism Business Improvement District.

BACKGROUND INFORMATION: In response to petitions received from lodging businesses that will pay more than 50 percent of the total amount of the proposed assessment, on July 15, 2015 the Council adopted a Resolution of Intention to establish the Lodi Tourism Business Improvement District (District) and a Resolution Requesting the Consent of San Joaquin County to create the Lodi Tourism Business Improvement District, which boundaries include County Service Area No. 31, also known as "Flag City." The new District would be formed under the Property and Business Improvement Law of 1994 and would provide additional revenue-generation opportunity for the District through an increased assessment rate for lodging businesses located within City limits; an Owners Association responsible for implementation of the Management District Plan; and a five-year initial term (Exhibit 1 - July 15 Council Communication).

Current Situation

On July 16, 2015 written notices (Exhibit 2) were mailed to the owners of lodging businesses located within the proposed District informing them of the Council's intention to establish a new District and beginning a mandatory 45-day period in which owners may protest district formation. Tonight's public meeting provides an opportunity for the Council to receive public testimony with regard to establishment of the District. No action will be taken.

Additionally, in preparation for establishment of the new District, and in accordance with §36550 of the Parking and Business Improvement Area Law of 1989, the Visit Lodi Conference & Visitors Bureau has submitted a letter requesting Council adopt a resolution of intention to disestablish the existing District and also introduce an ordinance disestablishing the existing District (Exhibit 3). Because the ordinance must be read twice before adoption, disestablishment of the District would not occur until and unless the

APPROVED: _____
Stephen Schwabauer, City Manager

Council takes affirmative action on formation of the new District at the Public Hearing scheduled to be held on September 2, 2015.

FISCAL IMPACT: None immediately. The City will receive a fee of 3.25 percent of the amount collected to cover its costs of administration. Because the district programs are intended to increase visitation to the City, there may be an increase in transient occupancy tax and sales tax collections.

FUNDING AVAILABLE: Not applicable.

Adam Brucker
Business Development Manager



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution of Intention to Establish the Lodi Tourism Business Improvement District; and Resolution Requesting Consent of the County of San Joaquin to Create the Lodi Tourism Business Improvement District

MEETING DATE: July 15, 2015

PREPARED BY: Business Development Manager

RECOMMENDED ACTION: Adopt Resolution of Intention to establish the Lodi Tourism Business Improvement District; and Resolution requesting consent of the County of San Joaquin to create the Lodi Tourism Business Improvement District.

BACKGROUND INFORMATION: The existing Lodi Tourism Business Improvement District (District) was established on October 6, 2004 (Resolution of Intention No. 2004-191) and subsequently expanded on January 21, 2009 (Resolution of Intention No. 2008-229), respectively, pursuant to the Parking and Business Improvement Area Law of 1989 for the purpose of providing lodging partners with marketing programs to raise awareness of Lodi, sponsorship of special events that attract overnight visitors, and sales programs to bring in large-group business to generate additional overnight stays. This law provides that the District is renewed annually and the funding could cease in any given year if the City Council did not approve the annual report. As a result of this uncertainty, the Visit Lodi Conference and Visitors Bureau (Bureau) believes it is hampered in its efforts to implement long-range and larger-scale marketing and visitor-attraction programs. For this reason, lodging businesses and the Bureau propose to disestablish the existing District and create a new District pursuant to the Property and Business Improvement District Law of 1994. The District is currently funded by a combination of sources, including the current 3 percent Tourism Business Improvement District fee and a three year contract with the City of Lodi for a 19 percent share of the City's 6 percent Transient Occupancy Tax. The contract value is estimated to total \$114,000 annually for the FY2014/2015 and FY2015/2016 budget years. With two of the three years remaining in the contract, City staff and the Bureau have agreed that City funding will terminate (and be replaced by the proposed 1½ percent District fee increase) at expiration of the existing contract if the new District is established.

Current Situation

The proposed Lodi Tourism Business Improvement District (District) is a benefit assessment district that would continue to help fund marketing and sales promotion efforts for Lodi lodging businesses. The District will be guided by a management district plan developed and approved by the stakeholders who signed petitions in support. Stakeholder support to initiate the formation of the district must be from those who will pay at least 50 percent of the proposed assessment. The proposed District has a term of five years and its governing body is chosen by stakeholders. This approach has been used successfully in other destination areas throughout the state to improve tourism and drive additional room nights. The

APPROVED: _____
Stephen Schwabauer, City Manager

proposed District includes all lodging businesses located within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County, County Service Area No. 31 (Flag City). The boundaries for the new District will remain the same as the existing Lodi Tourism Business Improvement District formed under the 1989 Act.

Hoteliers decided to pursue formation of the new District in order to create a stable revenue source devoted to marketing Lodi as a tourist, meeting and event destination. The proposed annual assessment rate is 4½ percent for lodging businesses in the City of Lodi and 3 percent for lodging businesses in the unincorporated area of San Joaquin County of gross short-term (stays less than 31 days) room rental revenue. The annual assessment rate in the City of Lodi would increase by 1½ percent from the current 3 percent with the establishment of the new District. The increase in the proposed annual assessment will allow the district to remain competitive in the tourism landscape. Tourism Business Improvement Districts (TBIDs) have expanded in California creating a competitive environment between destinations to attract visitors. The County assessment will remain at 3 percent. The stakeholders located in the County Service Area No. 31 will receive less specific benefit than stakeholders in the City of Lodi. If established, the District would generate approximately \$538,000 from this fee on an annual basis to be used for promotion of travel and tourism specific to Lodi.

Tourism Business Improvement Districts

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism. These special assessment districts allow lodging and tourism-related business owners to organize their efforts to increase tourism. Tourism-related business owners within the district fund the District, and those funds are used to provide services that the businesses desire and that benefit the lodging businesses within the District.

District Benefits:

- Funds cannot be diverted for other government programs
- They are customized to fit the needs of each destination
- They allow for a wide range of services; including: Marketing of the Destination, Tourism Promotion Activities and Sales Lead Generation
- They are designed, created and governed by those who will pay the assessment
- They provide a stable funding source for tourism promotion

In California, TBIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a special benefit assessment district to raise funds within a specific geographic area. The key difference between TBIDs and other special benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.

Management District Plan

The Management District Plan (Attachment 2) includes the proposed boundary of the District, a service plan and budget and a proposed means of governance. The District will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County, County Service Area No. 31 (Flag City).

The proposed District will have a five-year life. The assessment will be implemented beginning October 1, 2015. Once per year, beginning on the anniversary of District formation, there is a 30-day period in which business owners paying more than 50 percent of the assessment may protest and begin proceedings to terminate the district.

The City will be responsible for collecting the assessment on a quarterly basis from each lodging business located within the District boundaries. The City will forward the assessments to the Lodi Conference & Visitors Bureau, which will have the responsibility of managing District programs as

provided in this Management District Plan. The City will be paid a fee equal to 3¼ percent of the amount of assessment collected to cover their costs of collection and administration.

Next Steps

Subsequent to adoption of the Resolution of Intention, a public meeting will be scheduled for August 5, 2015, at which Council shall allow public testimony regarding the proposed assessment and a public hearing on September 2, 2015, at which Council shall make a finding regarding the existence of a majority protest on the formation of the Lodi Tourism Business Improvement District and the levy of assessments on lodging businesses.

If adopted, the Resolution Requesting Consent will be forwarded to the County Board of Supervisors, requesting inclusion of County Service Area No. 31 (Flag City) in the proposed District. The Board of Supervisors may then consider adopting a resolution granting their consent. (See Attachment 1, "District Formation Process.")

FISCAL IMPACT: None immediately. The City will receive a fee of 3¼ percent of the amount collected to cover its costs of administration. Because the district programs are intended to increase visitation to the City, there may be an increase in transient occupancy tax and sales tax collections. In addition, the City will retain its full share of transient occupancy tax after the last two years of the contract with the Visit Lodi Conference and Visitors Bureau expire.

FUNDING AVAILABLE: Not applicable.

Adam Brucker
Business Development Manager

DISTRICT FORMATION PROCESS

July 15, 2015

RESOLUTION OF INTENTION HEARING

Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the City Council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district.

Petition Status: Petitions in favor of district formation were submitted by 11 hotels, which represent 94.92% of the total district assessment. This majority petition allows the Council to initiate proceedings for district formation at the July 15, 2015 meeting. (See Attachment 1, Exhibit A.)

The Resolution of Intention and Resolution Requesting the Consent of San Joaquin County will be adopted at this hearing.

July 16, 2015

NOTICE

The Property and Business Improvement District Act of 1994 requires the City mail written notice to the owners of all businesses proposed to be within the district. Mailing the notice begins a mandatory forty-five day period in which owners may protest district formation.

August 5, 2015

PUBLIC MEETING

Allow public testimony on the establishment of the District and levy of assessments. No council action required.

September 2, 2015

FINAL PUBLIC HEARING

If written protests are received from the owners of businesses in the proposed district which will pay more than 50 percent of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses shall be taken for a period of one year from the date of the finding of a majority protest by the Council.

At the conclusion of the public hearing to establish the district, the Council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them.

If the Council, following the public hearing, decides to establish the proposed property and business improvement district, the Council shall adopt a resolution of formation.

Each of the following lodging businesses submitted a Petition to the City of Lodi to Form the Lodi Tourism Business Improvement District:

Business	Address	Owner/Representative
Best Western I-5 Inn & Suites	6411 W Banner Street	Rajiv Jain
Best Western Royal Host Inn	710 S Cherokee Lane	Amita Kotecha
Econo Lodge Inn & Suites	118 N Cherokee Lane	Sann Hospitality/Jana Patel
Hampton Inn & Suites	1337 S Beckman Road	Daryl Geweke
Holiday Inn Express	1337 E Kettleman Lane	Beth Kim
Hutchins House VRBO	705 W Oak Street	Marne Simpson
Lodi Carriage House	311 ½ W Oak Street	Tom Azevedo
Microtel Inn & Suites	6428 W Banner Street	Rajiv Jain
Motel 6	1140 S Cherokee Lane	Yogesh Patel
Sandpiper Guest House	551 Sandpiper Circle	Annette and Gordon Mackay
Wine & Roses, LLC	2505 W Turner Road	Russ Munson



LODI TOURISM BUSINESS IMPROVEMENT DISTRICT MANAGEMENT DISTRICT PLAN

*Prepared pursuant to the Property and Business Improvement District Law of
1994, Streets and Highways Code section 36600 et seq.*

June 15, 2015

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Prepared by
Civitas



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I. OVERVIEW

Developed by the Visit Lodi! Conference and Visitors Bureau (the Bureau), the Lodi Tourism Business Improvement District (LTBID) is an assessment district proposed to provide specific benefits to payors, by funding marketing and sales promotion efforts for assessed businesses. This approach has been used successfully in other destination areas throughout the country to provide the benefit of additional room night sales directly to payors.

Location: The proposed LTBID includes all lodging businesses located within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County referred to as County Service Area #31, also known as “Flag City”, as shown on the map in section IV.

Services: The LTBID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Budget: The total LTBID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$538,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the LTBID’s term.

Cost: The annual assessment rate is four and one half percent (4.5%) for lodging businesses in the City of Lodi, and three percent (3%) for lodging businesses in the unincorporated area of San Joaquin County, of gross short-term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. Assessments pursuant to the LTBID shall not include room rental revenue resulting from stays pursuant to contracts executed prior to October 1, 2015.

Collection: The City will be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the LTBID. The City shall take all reasonable efforts to collect the assessments from each lodging business.

Duration: The proposed LTBID will have a five (5) year life, beginning October 1, 2015 through September 30, 2020. Once per year beginning on the anniversary of district formation there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a City Council hearing on district termination.

Management: The Visit Lodi! Conference and Visitors Bureau will serve as the LTBID’s Owners’ Association. The Owners’ Association is charged with managing funds and implementing programs in accordance with this Plan, and must provide annual reports to the City Council.

II. IMPETUS

There are several reasons why now is the right time to form a Tourism Business Improvement District (TBID) in Lodi; the most compelling reasons are as follows:

1. *The Need to Increase Occupancy*

The formation of the LTBID is a proactive effort to provide supplemental funding beyond that currently provided by the City. The funding will ensure that adequate financing exists for the investment required to increase occupancy in the lodging industry and be competitive in the conference segment of the tourism market. The investment will cover an expanded marketing and promotional budget needed to reach this market segment.

2. *An Opportunity for Increasing City Tax Revenues*

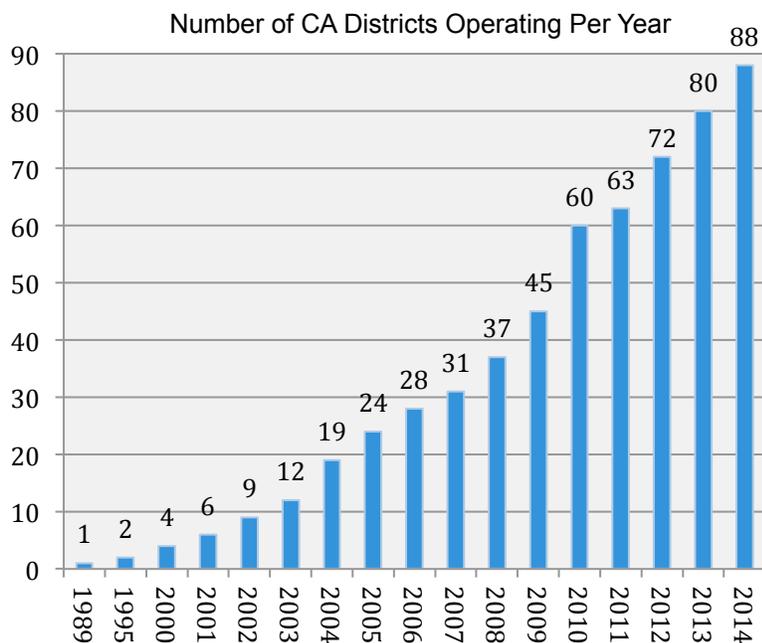
As occupancy rates increase, so too will the City's transient occupancy tax revenue. With stable public/private funding for tourism marketing efforts, annual occupancy rates should increase significantly as new marketing and sales promotion programs are implemented. Greater occupancy will also produce an increase in sales tax revenues from tourist spending. This represents a substantial return to the City. The formation of the LTBID in partnership with the the Bureau creates a stable funding source tied directly to tourism promotion.

3. *Stable Funding for Tourism Promotion*

The LTBID will provide funding for tourism promotion free of the political and economic circumstances that can reduce or eliminate government funding for tourism promotion.

III. BACKGROUND

Tourism Business Improvement Districts (TBIDs) are an evolution of the traditional Business Improvement District. The first TBID was formed in West Hollywood, California in 1989. Since then, over eighty California destinations have followed suit. In recent years, other states have begun adopting the California model – Washington, Montana, and Texas have adopted TBID laws. Several other states are in the process of adopting their own legislation. And, some cities, like Portland, Oregon, have utilized their charter powers to create TBIDs without a state law.



California's TBIDs collectively raise over \$150 million for local destination marketing. With competitors raising their budgets, and increasing rivalry for visitor dollars, it is important that Lodi lodging businesses invest in stable, lodging-specific marketing programs.

TBIDs utilize the efficiencies of private sector operation in the market-based promotion of tourism districts. TBIDs allow lodging business owners to organize their efforts to increase room night sales. Lodging business owners within the TBID pay an assessment and those funds

are used to provide services that increase room night sales.

In California, TBIDs are formed pursuant to the Property and Business Improvement District Law of 1994. This law allows for the creation of a benefit assessment district to raise funds within a specific geographic area. *The key difference between TBIDs and other benefit assessment districts is that funds raised are returned to the private non-profit corporation governing the district.*

There are many benefits to TBIDs:

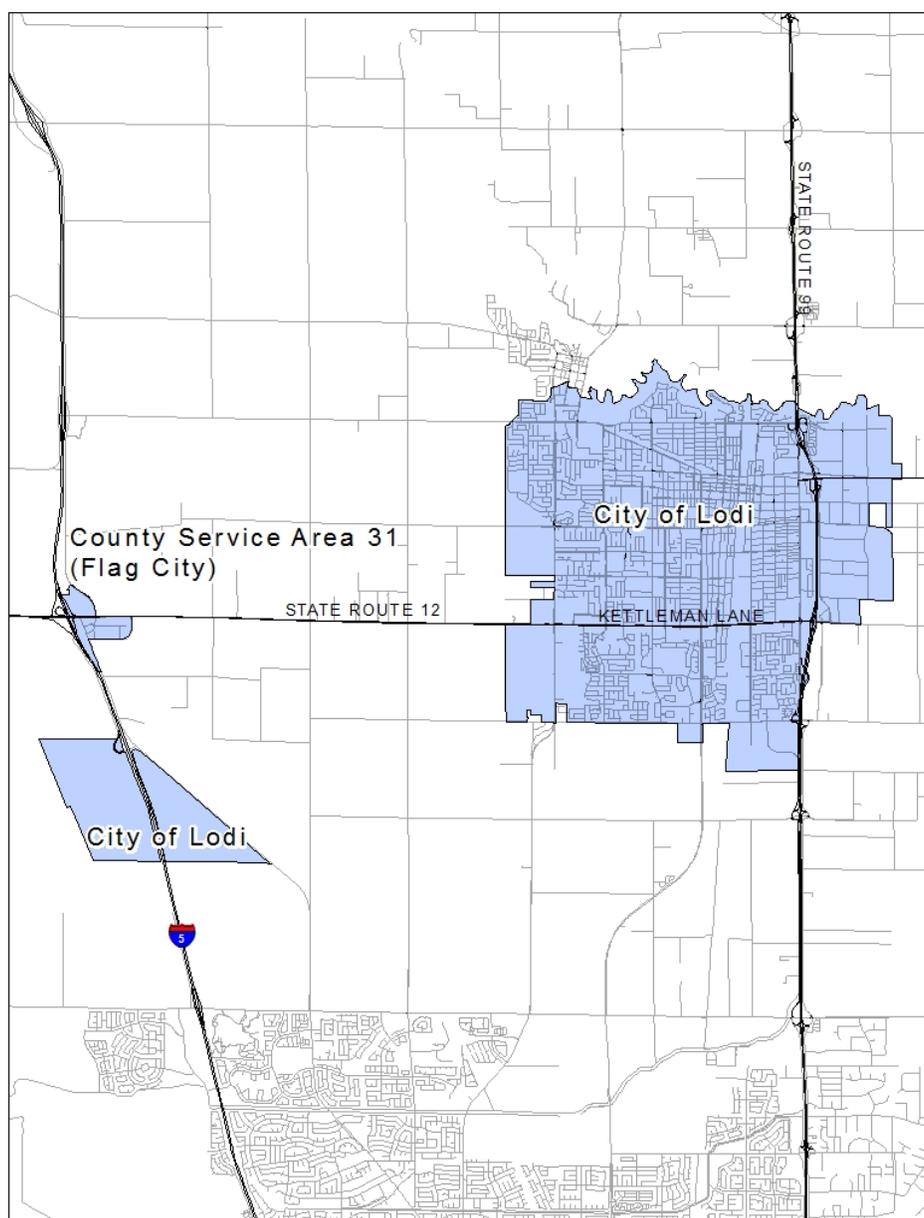
- Funds must be spent on services and improvements that provide a specific benefit only to those who pay;
- Funds cannot be diverted to general government programs;
- They are customized to fit the needs of payors in each destination;
- They allow for a wide range of services;
- They are *designed, created and governed by those who will pay* the assessment; and
- They provide a stable, long-term funding source for tourism promotion.

IV. BOUNDARY

The LTBD will include all lodging businesses, existing and in the future, available for public occupancy within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County, County Service Area #31 also known as “Flag City”.

Lodging business means: Any structure or any portion of any structure which is occupied or intended or designed for the occupancy by transients for dwelling, lodging or sleeping purposes and includes any hotel, inn, tourist home or house, motel, studio hotel, bachelor hotel, lodginghouse, roominghouse, apartment house, dormitory, public or private club, mobilehome or house trailer at a fixed location or other similar structure or portion thereof.

The boundary, as shown in the map below, currently includes twenty-seven (27) lodging businesses. A complete listing of lodging businesses within the proposed LTBD can be found in Appendix 2.



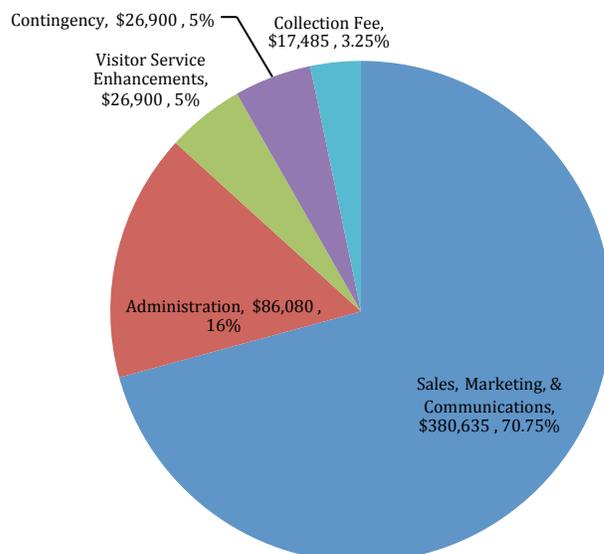
V. BUDGET AND SERVICES

A. Annual Service Plan

Assessment funds will be spent to provide specific benefits conferred or privileges granted directly to the payors that are not provided to those not charged, and which do not exceed the reasonable cost to the City of conferring the benefits or granting the privileges. The privileges and services provided with the LTBID funds are sales and marketing programs available only to assessed businesses.

A service plan budget has been developed to deliver services that benefit businesses throughout the District. A detailed annual budget will be developed and approved by the Bureau. The table below illustrates the initial annual budget allocations. The total initial budget is \$538,000.

Initial Year Annual Budget - \$538,000



Although actual revenues will fluctuate due to market conditions, the proportional allocations of the budget shall remain the same. However, the City and the Bureau board shall have the authority to adjust budget allocations between the categories by no more than fifteen percent (15%) of the total budget per year. A description of the proposed improvements and activities for the initial year of operation is below. The same activities are proposed for subsequent years. In the event of a legal challenge against the LTBID, any and all assessment funds may be used for the costs of defending the LTBID.

Each budget category includes all costs related to providing that service, in accordance with Generally Accepted Accounting Procedures (GAAP). For example, the sales and marketing budget includes the cost of staff time dedicated to overseeing and implementing the sales and marketing program. Staff time dedicated purely to administrative tasks is allocated to the administrative portion of the budget. The costs of an individual staff member may be allocated to multiple budget categories, as appropriate in accordance with GAAP. The staffing levels necessary to provide the services below will be determined by the Bureau on an as-needed basis.

Sales, Marketing, and Communications

A sales and marketing program will promote assessed businesses as tourist, meeting, and event destinations. The sales and marketing program will have a central theme of promoting Lodi as a desirable place for overnight visits. The program will have the goal of increasing overnight visitation and room night sales at assessed businesses, and may include the following activities:

- Internet marketing efforts to increase awareness and optimize internet presence to drive overnight visitation and room sales to assessed businesses;
- Print ads in magazines and newspapers targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Television ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Radio ads targeted at potential visitors to drive overnight visitation and room sales to assessed businesses;
- Attendance of trade shows to promote assessed businesses;
- Sales blitzes for assessed businesses;
- Familiarization tours of assessed businesses;
- Preparation and production of collateral promotional materials such as brochures, flyers and maps featuring assessed businesses;
- Attendance of professional industry conferences and affiliation events to promote assessed businesses;
- Lead generation activities designed to attract tourists and group events to assessed businesses;
- Sponsorship of events that attract tourist and groups to assessed businesses;
- Director of Sales and General Manager meetings to plan and coordinate tourism promotion efforts for assessed businesses;
- Education of hospitality staff on service and safety (related to alcohol and food) designed to create a visitor experience that will bring repeat visits to assessed businesses; and
- Education of lodging business management and the owners' association on marketing strategies best suited to meet assessed business's needs.

Administration and Operations

The administration and operations portion of the budget shall be utilized for administrative staffing costs, office costs, and other general administrative costs such as insurance, legal, and accounting fees.

Visitor Service Enhancements

The Visitor Services Enhancement (VSE) program will provide potential funding for programs and initiatives based on criteria to be developed by the LT BID. The focus of the VSE program will be on the entire destination brand footprint to ensure a consistent brand experience throughout LT BID. VSE may include:

- A long term ambassador program with trained staff that supplements the current level of police presence around assessed businesses and encourages overnight visitation;
- Welcome Center and Kiosk improvements including new technology-driven visitor information enhancements; and
- Brand-centric visitor services training program for both public and private sector staff.

Contingency/Renewal

A prudent portion of the budget will be allocated to a contingency fund, to account for lower than anticipated collections or higher than anticipated program costs. If there are contingency funds collected and near the expiration of the district there are contingency funds remaining, and business owners wish to renew the district, the contingency funds may be used for renewal costs.

City Administration Fee

The City shall be paid a fee equal to three and one quarter percent (3.25%) of the amount of assessment collected, to cover its costs of collection and administration.

B. Annual Budget

The total five (5) year improvement and service plan budget is projected at approximately \$538,000 annually, or \$2,690,000 through 2020. This amount may fluctuate as sales and revenue increase at assessed businesses, but is not expected to change significantly over the term.

C. California Constitutional Compliance

The LTBD assessment is not a property-based assessment subject to the requirements of Proposition 218. The Court has found, “Proposition 218 limited the term ‘assessments’ to levies on real property.”¹ Rather, the LTBD assessment is a business-based assessment, and is subject to Proposition 26. Pursuant to Proposition 26 all levies are a tax unless they fit one of seven exceptions. Two of these exceptions apply to the LTBD, a “specific benefit” and a “specific government service.” Both require that the costs of benefits or services do not exceed the reasonable costs to the City of conferring the benefits or providing the services.

1. Specific Benefit

Proposition 26 requires that assessment funds be expended on, “a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.”² The services in this Management District Plan are designed to provide targeted benefits directly to assessed lodging businesses, and are intended only to provide benefits and services directly to those businesses paying the assessment. These services are tailored not to serve the general public, businesses in general, or parcels of land, but rather to serve the specific lodging businesses within the District. The activities described in this Plan are specifically targeted to increase room night sales for assessed lodging businesses within the boundaries of the District, and are narrowly tailored. LTBD funds will be used exclusively to provide the specific benefit of increased room night sales directly to the assessees. For example, assessment funds shall not be used to feature non-assessed lodging businesses in LTBD programs. Further, assessment funds shall not be used to directly generate sales for non-assessed businesses. The activities paid for from assessment revenues are business services constituting and providing specific benefits to the assessed businesses.

The assessment imposed by this District is for a specific benefit conferred directly to the payors that is not provided to those not charged. The specific benefit conferred directly to the payors is an increase in room night sales. The specific benefit of an increase in room night sales for assessed lodging businesses will be provided only to lodging businesses paying the district assessment, with marketing and sales programs promoting lodging businesses paying the district assessment. The

¹ *Jarvis v. the City of San Diego* 72 Cal App. 4th 230

² Cal. Const. art XIII C § 1(e)(1)

marketing and sales programs will be designed to increase room night sales at each assessed lodging businesses. Because they are necessary to provide the marketing and sales programs that specifically benefit the assessed lodging businesses, the administration, collection and contingency services also provide the specific benefit of increased room night sales to the assessed lodging businesses.

Assessed businesses within “Flag City” will receive a lower level of District services than assessed businesses within the City of Lodi. Because of the difference in the level of services provided to “Flag City” businesses, they will be pay a lower assessment rate.

Although the District, in providing specific benefits to payors, may produce incidental benefits to non-paying businesses, the incidental benefit does not preclude the services from being considered a specific benefit. The legislature has found that, “A specific benefit is not excluded from classification as a ‘specific benefit’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific benefit to the payor.”³

2. Specific Government Service

The assessment may also be utilized to provide, “a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.”⁴ The legislature has recognized that marketing and promotions services like those to be provided by the LTBD are government services within the meaning of Proposition 26⁵. Further, the legislature has determined that “a specific government service is not excluded from classification as a ‘specific government service’ merely because an indirect benefit to a nonpayor occurs incidentally and without cost to the payor as a consequence of providing the specific government service to the payor.”⁶

3. Reasonable Cost

District services will be implemented carefully to ensure they do not exceed the reasonable cost of such services. The full amount assessed will be used to provide the services described herein. Funds will be managed by the Owners’ Association, and reports submitted on an annual basis to the City. Only assessed lodging businesses will be featured in marketing materials, receive sales leads generated from district-funded activities, be featured in advertising campaigns, and benefit from other district-funded services. Non-assessed lodging businesses will not receive these, nor any other, district-funded services and benefits.

The District-funded programs are all targeted directly at and feature only assessed businesses. It is, however, possible that there will be a spill over benefit to non-assessed businesses. If non-assessed lodging businesses receive incremental room nights, that portion of the promotion or program directly generating those room nights shall be paid with non-District funds. LTBD funds shall only be spent to benefit the assessed businesses, and shall not be spent on that portion of any program which generates incidental room nights for non-assessed businesses.

D. Assessment

The annual assessment rate is four and one half percent (4.5%) within the City of Lodi and three percent (3%) in the unincorporated areas of San Joaquin County of gross short term (stays less

³ Government Code section 53758(a)

⁴ Cal. Const. art XIII C § 1(e)(2)

⁵ Government Code section 53758(b)

⁶ Government Code section 53758(b)

than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. Assessments pursuant to the LTBD shall not include room rental revenue resulting from stays pursuant to contracts executed prior to October 1, 2015.

The term “gross room rental revenue” as used herein means: The consideration charged, whether or not received, for the occupancy of space in a hotel valued in money, whether to be received in money, goods, labor or otherwise, including all receipts, cash, credits and property and services of any kind or nature, without any deduction therefrom whatsoever. Gross room rental revenue shall not include any federal, state or local taxes collected, including but not limited to transient occupancy taxes.

The assessment is levied upon and a direct obligation of the assessed lodging business. However, the assessed lodging business may, at its discretion, pass the assessment on to transients. The amount of assessment, if passed on to each transient, shall be disclosed in advance and separately stated from the amount of rent charged and any other applicable taxes, and each transient shall receive a receipt for payment from the business. The assessment shall be disclosed as the “LTBD Assessment.” The assessment is imposed solely upon, and is the sole obligation of the assessed lodging business even if it is passed on to transients. The assessment shall not be considered revenue for any purposes, including calculation of transient occupancy taxes.

Bonds shall not be issued.

E. Penalties and Interest

1. Any lodging business which fails to remit any assessment imposed within the time required shall pay a penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment.
2. Any lodging business which fails to remit any delinquent remittance on or before a period of thirty (30) days following the date on which the remittance first became delinquent shall pay a second delinquency penalty of ten percent (10%) of the amount of the assessment in addition to the amount of the assessment and the ten percent (10%) penalty first imposed.
3. If the City determines that the nonpayment of any remittance due is due to fraud, a penalty of twenty-five percent (25%) of the amount of the assessment shall be added thereto in addition to the penalties states in subsections 1 and 2 of this section.
4. In addition to the penalties imposed, any lodging business which fails to remit any assessment imposed shall pay interest at the rate of one-half of one percent (0.5%) per month or fraction thereof on the amount of the assessment exclusive of penalties, from the date on which the remittance first became delinquent until paid.
5. Every penalty imposed and such interest as accrues shall become a part of the assessment required to be paid.

F. Time and Manner for Collecting Assessments

The LTBD assessment will be implemented beginning October 1, 2015 and will continue for five (5) years through September 30, 2020. The City will be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the LTBD. The City shall take all reasonable efforts to collect the assessments from each lodging business. The City shall forward the assessments collected to the Owners’ Association.

VI. GOVERNANCE

A. Owners' Association

The City Council, through adoption of this Management District Plan, has the right, pursuant to Streets and Highways Code §36651, to identify the body that shall implement the proposed program, which shall be the Owners' Association of the LTBD as defined in Streets and Highways Code §36614.5. The City Council has determined that the Visit Lodi! Conference and Visitors Bureau will serve as the Owners' Association for the LTBD.

B. Brown Act and California Public Records Act Compliance

An Owners' Association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. The Owners' Association is, however, subject to government regulations relating to transparency, namely the Ralph M. Brown Act and the California Public Records Act. These regulations are designed to promote public accountability. The Owners' Association acts as a legislative body under the Ralph M. Brown Act (Government Code §54950 et seq.). Thus, meetings of the Bureau board and certain committees must be held in compliance with the public notice and other requirements of the Brown Act. The Owners' Association is also subject to the record keeping and disclosure requirements of the California Public Records Act. Accordingly, the Owners' Association shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

C. Annual Report

The Bureau shall present an annual report at the end of each year of operation to the City Council pursuant to Streets and Highways Code §36650 (see Appendix 1). The annual report shall include:

- Any proposed changes in the boundaries of the improvement district or in any benefit zones or classification of businesses within the district.
- The improvements and activities to be provided for that fiscal year.
- An estimate of the cost of providing the improvements and the activities for that fiscal year.
- The method and basis of levying the assessment in sufficient detail to allow each business owner to estimate the amount of the assessment to be levied against his or her business for that fiscal year.
- The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.
- The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

APPENDIX 1 – LAW

STREETS AND HIGHWAYS CODE Division 18. Parking Part 7. Property and Business Improvement District Law of 1994

Cal Sts & Hy Code Div. 18, Pt. 7 Note (2015)

*** This document is current through the 2015 Supplement ***
(All 2014 legislation)

36600. Citation of part

This part shall be known and may be cited as the “Property and Business Improvement District Law of 1994.”

36601. Legislative findings and declarations

The Legislature finds and declares all of the following:

(a) Businesses located and operating within business districts in some of this state’s communities are economically disadvantaged, are underutilized, and are unable to attract customers due to inadequate facilities, services, and activities in the business districts.

(b) It is in the public interest to promote the economic revitalization and physical maintenance of business districts in order to create jobs, attract new businesses, and prevent the erosion of the business districts.

(c) It is of particular local benefit to allow business districts to fund business related improvements, maintenance, and activities through the levy of assessments upon the businesses or real property that receive benefits from those improvements.

(d) Assessments levied for the purpose of conferring special benefit upon the real property or businesses in a business district are not taxes for the general benefit of a city, even if property or persons not assessed receive incidental or collateral effects that benefit them.

(e) Property and business improvement districts formed throughout this state have conferred special benefits upon properties and businesses within their districts and have made those properties and businesses more useful by providing the following benefits:

(1) Crime reduction. A study by the Rand Corporation has confirmed a 12-percent reduction in the incidence of robbery and an 8-percent reduction in the total incidence of violent crimes within the 30 districts studied.

(2) Job creation.

(3) Business attraction.

(4) Business retention.

(5) Economic growth.

(6) New investments.

(f) With the dissolution of redevelopment agencies throughout the state, property and business improvement districts have become even more important tools with which communities can combat blight, promote economic opportunities, and create a clean and safe environment.

(g) Since the enactment of this act, the people of California have adopted Proposition 218, which added Article XIII D to the Constitution in order to place certain requirements and restrictions on the formation of, and activities, expenditures, and assessments by property-based districts. Article XIII D of the Constitution provides that property-based districts may only levy assessments for special benefits.

(h) The act amending this section is intended to provide the Legislature’s guidance with regard to this act, its interaction with the provisions of Article XIII D of the Constitution, and the determination of special benefits in property-based districts.

(1) The lack of legislative guidance has resulted in uncertainty and inconsistent application of this act, which discourages the use of assessments to fund needed improvements, maintenance, and activities in property-based districts, contributing to blight and other underutilization of property.

(2) Activities undertaken for the purpose of conferring special benefits upon property to be assessed inherently produce incidental or collateral effects that benefit property or persons not assessed. Therefore, for special

benefits to exist as a separate and distinct category from general benefits, the incidental or collateral effects of those special benefits are inherently part of those special benefits. The mere fact that special benefits produce incidental or collateral effects that benefit property or persons not assessed does not convert any portion of those special benefits or their incidental or collateral effects into general benefits.

(3) It is of the utmost importance that property-based districts created under this act have clarity regarding restrictions on assessments they may levy and the proper determination of special benefits. Legislative clarity with regard to this act will provide districts with clear instructions and courts with legislative intent regarding restrictions on property-based assessments, and the manner in which special benefits should be determined.

36602. Purpose of part

The purpose of this part is to supplement previously enacted provisions of law that authorize cities to levy assessments within property and business improvement districts, to ensure that those assessments conform to all constitutional requirements and are determined and assessed in accordance with the guidance set forth in this act. This part does not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes.

36603. Preemption of authority or charter city to adopt ordinances levying assessments

Nothing in this part is intended to preempt the authority of a charter city to adopt ordinances providing for a different method of levying assessments for similar or additional purposes from those set forth in this part. A property and business improvement district created pursuant to this part is expressly exempt from the provisions of the Special Assessment Investigation, Limitation and Majority Protest Act of 1931 (Division 4 (commencing with Section 2800)).

36603.5. Part prevails over conflicting provisions

Any provision of this part that conflicts with any other provision of law shall prevail over the other provision of law, as to districts created under this part.

36604. Severability

This part is intended to be construed liberally and, if any provision is held invalid, the remaining provisions shall remain in full force and effect. Assessments levied under this part are not special taxes.

36606. "Activities"

"Activities" means, but is not limited to, all of the following that benefit businesses or real property in the district:

- (a) Promotion of public events.
- (b) Furnishing of music in any public place.
- (c) Promotion of tourism within the district.
- (d) Marketing and economic development, including retail retention and recruitment.
- (e) Providing security, sanitation, graffiti removal, street and sidewalk cleaning, and other municipal services supplemental to those normally provided by the municipality.
- (f) Other services provided for the purpose of conferring special benefit upon assessed businesses and real property located in the district.

36606.5. "Assessment"

"Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and providing activities that will provide certain benefits to properties or businesses located within a property and business improvement district.

36607. "Business"

“Business” means all types of businesses and includes financial institutions and professions.

36608. “City”

“City” means a city, county, city and county, or an agency or entity created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county, or the State of California.

36609. “City council”

“City council” means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.

36609.4. “Clerk”

“Clerk” means the clerk of the legislative body.

36609.5. “General benefit”

“General benefit” means, for purposes of a property-based district, any benefit that is not a “special benefit” as defined in Section 36615.5.

36610. “Improvement”

“Improvement” means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more including, but not limited to, the following:

- (a) Parking facilities.
- (b) Benches, booths, kiosks, display cases, pedestrian shelters and signs.
- (c) Trash receptacles and public restrooms.
- (d) Lighting and heating facilities.
- (e) Decorations.
- (f) Parks.
- (g) Fountains.
- (h) Planting areas.
- (i) Closing, opening, widening, or narrowing of existing streets.
- (j) Facilities or equipment, or both, to enhance security of persons and property within the area.
- (k) Ramps, sidewalks, plazas, and pedestrian malls.
- (l) Rehabilitation or removal of existing structures.

36611. “Management district plan”; “Plan”

“Management district plan” or “plan” means a proposal as defined in Section 36622.

36612. “Owners’ Association”

“Owners’ association” means a private nonprofit entity that is under contract with a city to administer or implement improvements, maintenance, and activities specified in the management district plan. An owners’ association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners’ association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose. Notwithstanding this section, an owners’ association shall comply with the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code), at all times when matters within the subject matter of the district are heard, discussed, or deliberated, and with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), for all records relating to activities of the district.

36614. “Property”

“Property” means real property situated within a district.

36614.5. “Property and business improvement district”; “District”

“Property and business improvement district,” or “district,” means a property and business improvement district established pursuant to this part.

36614.6. “Property-based assessment”

“Property-based assessment” means any assessment made pursuant to this part upon real property.

36614.7. “Property-based district”

“Property-based district” means any district in which a city levies a property-based assessment.

36615. “Property owner”; “Business owner”; “Owner”

“Property owner” means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. “Business owner” means any person recognized by the city as the owner of the business. “Owner” means either a business owner or a property owner. The city council has no obligation to obtain other information as to the ownership of land or businesses, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this part requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient. Wherever this part requires the signature of the business owner, the signature of the authorized agent of the business owner shall be sufficient.

36615.5. “Special benefit”

“Special benefit” means, for purposes of a property-based district, a particular and distinct benefit over and above general benefits conferred on real property located in a district or to the public at large. Special benefit includes incidental or collateral effects that arise from the improvements, maintenance, or activities of property-based districts even if those incidental or collateral effects benefit property or persons not assessed. Special benefit excludes general enhancement of property value.

36616. “Tenant”

“Tenant” means an occupant pursuant to a lease of commercial space or a dwelling unit, other than an owner.

36617. Alternative method of financing certain improvements and activities; Effect on other provisions

This part provides an alternative method of financing certain improvements and activities. The provisions of this part shall not affect or limit any other provisions of law authorizing or providing for the furnishing of improvements or activities or the raising of revenue for these purposes. Every improvement area established pursuant to the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500) of this division) is valid and effective and is unaffected by this part.

36620. Establishment of property and business improvement district

A property and business improvement district may be established as provided in this chapter.

36620.5. Requirement of consent of city council

A county may not form a district within the territorial jurisdiction of a city without the consent of the city council of that city. A city may not form a district within the unincorporated territory of a county without the consent of the board of supervisors of that county. A city may not form a district within the territorial jurisdiction of another city without the consent of the city council of the other city.

36621. Initiation of proceedings; Petition of property or business owners in proposed district

(a) Upon the submission of a written petition, signed by the property or business owners in the proposed district who will pay more than 50 percent of the assessments proposed to be levied, the city council may initiate proceedings to form a district by the adoption of a resolution expressing its intention to form a district. The amount of assessment attributable to property or a business owned by the same property or business owner that is in excess of 40 percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property or business owners who will pay more than 50 percent of the total amount of assessments proposed to be levied.

(b) The petition of property or business owners required under subdivision (a) shall include a summary of the management district plan. That summary shall include all of the following:

- (1) A map showing the boundaries of the district.
- (2) Information specifying where the complete management district plan can be obtained.
- (3) Information specifying that the complete management district plan shall be furnished upon request.

(c) The resolution of intention described in subdivision (a) shall contain all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property or businesses within the district, a statement as to whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements do not need to be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities, and the location and extent of the proposed district.

(2) A time and place for a public hearing on the establishment of the property and business improvement district and the levy of assessments, which shall be consistent with the requirements of Section 36623.

36622. Contents of management district plan

The management district plan shall include, but is not limited to, all of the following:

(a) If the assessment will be levied on property, a map of the district in sufficient detail to locate each parcel of property and, if businesses are to be assessed, each business within the district. If the assessment will be levied on businesses, a map that identifies the district boundaries in sufficient detail to allow a business owner to reasonably determine whether a business is located within the district boundaries. If the assessment will be levied on property and businesses, a map of the district in sufficient detail to locate each parcel of property and to allow a business owner to reasonably determine whether a business is located within the district boundaries.

(b) The name of the proposed district.

(c) A description of the boundaries of the district, including the boundaries of benefit zones, proposed for establishment or extension in a manner sufficient to identify the affected property and businesses included, which may be made by reference to any plan or map that is on file with the clerk. The boundaries of a proposed property assessment district shall not overlap with the boundaries of another existing property assessment district created pursuant to this part. This part does not prohibit the boundaries of a district created pursuant to this part to overlap with other assessment districts established pursuant to other provisions of law, including, but not limited to, the Parking and Business Improvement Area Law of 1989 (Part 6 (commencing with Section 36500)). This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with another business assessment district created pursuant to this part. This part does not prohibit the boundaries of a business assessment district created pursuant to this part to overlap with a property assessment district created pursuant to this part.

(d) The improvements, maintenance, and activities proposed for each year of operation of the district and the maximum cost thereof. If the improvements, maintenance, and activities proposed for each year of operation are the same, a description of the first year's proposed improvements, maintenance, and activities and a statement that the same improvements, maintenance, and activities are proposed for subsequent years shall satisfy the requirements of this subdivision.

(e) The total annual amount proposed to be expended for improvements, maintenance, or activities, and debt service in each year of operation of the district. If the assessment is levied on businesses, this amount may be estimated

based upon the assessment rate. If the total annual amount proposed to be expended in each year of operation of the district is not significantly different, the amount proposed to be expended in the initial year and a statement that a similar amount applies to subsequent years shall satisfy the requirements of this subdivision.

(f) The proposed source or sources of financing, including the proposed method and basis of levying the assessment in sufficient detail to allow each property or business owner to calculate the amount of the assessment to be levied against his or her property or business. The plan also shall state whether bonds will be issued to finance improvements.

(g) The time and manner of collecting the assessments.

(h) The specific number of years in which assessments will be levied. In a new district, the maximum number of years shall be five. Upon renewal, a district shall have a term not to exceed 10 years. Notwithstanding these limitations, a district created pursuant to this part to finance capital improvements with bonds may levy assessments until the maximum maturity of the bonds. The management district plan may set forth specific increases in assessments for each year of operation of the district.

(i) The proposed time for implementation and completion of the management district plan.

(j) Any proposed rules and regulations to be applicable to the district.

(k) **(1)** A list of the properties or businesses to be assessed, including the assessor's parcel numbers for properties to be assessed, and a statement of the method or methods by which the expenses of a district will be imposed upon benefited real property or businesses, in proportion to the benefit received by the property or business, to defray the cost thereof.

(2) In a property-based district, the proportionate special benefit derived by each identified parcel shall be determined exclusively in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the activities. An assessment shall not be imposed on any parcel that exceeds the reasonable cost of the proportional special benefit conferred on that parcel. Only special benefits are assessable, and a property-based district shall separate the general benefits, if any, from the special benefits conferred on a parcel. Parcels within a property-based district that are owned or used by any city, public agency, the State of California, or the United States shall not be exempt from assessment unless the governmental entity can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit. The value of any incidental, secondary, or collateral effects that arise from the improvements, maintenance, or activities of a property-based district and that benefit property or persons not assessed shall not be deducted from the entirety of the cost of any special benefit or affect the proportionate special benefit derived by each identified parcel.

(l) In a property-based district, the total amount of all special benefits to be conferred upon the properties located within the property-based district.

(m) In a property-based district, the total amount of general benefits, if any.

(n) In a property-based district, a detailed engineer's report prepared by a registered professional engineer certified by the State of California supporting all assessments contemplated by the management district plan.

(o) Any other item or matter required to be incorporated therein by the city council.

36623. Procedure to levy assessment

(a) If a city council proposes to levy a new or increased property assessment, the notice and protest and hearing procedure shall comply with Section 53753 of the Government Code.

(b) If a city council proposes to levy a new or increased business assessment, the notice and protest and hearing procedure shall comply with Section 54954.6 of the Government Code, except that notice shall be mailed to the owners of the businesses proposed to be assessed. A protest may be made orally or in writing by any interested person. Every written protest shall be filed with the clerk at or before the time fixed for the public hearing. The city council may waive any irregularity in the form or content of any written protest. A written protest may be withdrawn in writing at any time before the conclusion of the public hearing. Each written protest shall contain a description of the business in which the person subscribing the protest is interested sufficient to identify the business and, if a person subscribing is not shown on the official records of the city as the owner of the business, the protest shall contain or be accompanied by written evidence that the person subscribing is the owner of the business or the authorized representative. A written protest that does not comply with this section shall not be counted in determining a majority protest. If written protests are received from the owners or authorized representatives of businesses in the proposed district that will pay 50 percent or more of the assessments proposed to be levied and protests are not withdrawn so as to reduce the protests to less than 50 percent, no further proceedings to levy the proposed assessment against such businesses, as contained in the resolution of intention, shall be taken for a period of one year from the date of the finding of a majority protest by the city council.

(c) If a city council proposes to conduct a single proceeding to levy both a new or increased property assessment and a new or increased business assessment, the notice and protest and hearing procedure for the property assessment shall comply with subdivision (a), and the notice and protest and hearing procedure for the business assessment shall comply with subdivision (b). If a majority protest is received from either the property or business owners, that respective portion of the assessment shall not be levied. The remaining portion of the assessment may be levied unless the improvement or other special benefit was proposed to be funded by assessing both property and business owners.

36624. Changes to proposed assessments

At the conclusion of the public hearing to establish the district, the city council may adopt, revise, change, reduce, or modify the proposed assessment or the type or types of improvements, maintenance, and activities to be funded with the revenues from the assessments. Proposed assessments may only be revised by reducing any or all of them. At the public hearing, the city council may only make changes in, to, or from the boundaries of the proposed property and business improvement district that will exclude territory that will not benefit from the proposed improvements, maintenance, and activities. Any modifications, revisions, reductions, or changes to the proposed assessment district shall be reflected in the notice and map recorded pursuant to Section 36627.

36625. Resolution of formation

(a) If the city council, following the public hearing, decides to establish a proposed property and business improvement district, the city council shall adopt a resolution of formation that shall include, but is not limited to, all of the following:

(1) A brief description of the proposed improvements, maintenance, and activities, the amount of the proposed assessment, a statement as to whether the assessment will be levied on property, businesses, or both within the district, a statement on whether bonds will be issued, and a description of the exterior boundaries of the proposed district, which may be made by reference to any plan or map that is on file with the clerk. The descriptions and statements need not be detailed and shall be sufficient if they enable an owner to generally identify the nature and extent of the improvements, maintenance, and activities and the location and extent of the proposed district.

(2) The number, date of adoption, and title of the resolution of intention.

(3) The time and place where the public hearing was held concerning the establishment of the district.

(4) A determination regarding any protests received. The city shall not establish the district or levy assessments if a majority protest was received.

(5) A statement that the properties, businesses, or properties and businesses in the district established by the resolution shall be subject to any amendments to this part.

(6) A statement that the improvements, maintenance, and activities to be conferred on businesses and properties in the district will be funded by the levy of the assessments. The revenue from the levy of assessments within a district shall not be used to provide improvements, maintenance, or activities outside the district or for any purpose other than the purposes specified in the resolution of intention, as modified by the city council at the hearing concerning establishment of the district.

(7) A finding that the property or businesses within the area of the property and business improvement district will be benefited by the improvements, maintenance, and activities funded by the proposed assessments, and, for a property-based district, that property within the district will receive a special benefit.

(8) In a property-based district, the total amount of all special benefits to be conferred on the properties within the property-based district.

(b) The adoption of the resolution of formation and, if required, recordation of the notice and map pursuant to Section 36627 shall constitute the levy of an assessment in each of the fiscal years referred to in the management district plan.

36626. Resolution establishing district

If the city council, following the public hearing, desires to establish the proposed property and business improvement district, and the city council has not made changes pursuant to Section 36624, or has made changes that do not substantially change the proposed assessment, the city council shall adopt a resolution establishing the district. The resolution shall contain all of the information specified in Section 36625.

36627. Notice and assessment diagram

Following adoption of the resolution establishing district assessments on properties pursuant to Section 36625 or Section 36626, the clerk of the city shall record a notice and an assessment diagram pursuant to Section 3114. No other provision of Division 4.5 (commencing with Section 3100) applies to an assessment district created pursuant to this part.

36628. Establishment of separate benefit zones within district; Categories of businesses

The city council may establish one or more separate benefit zones within the district based upon the degree of benefit derived from the improvements or activities to be provided within the benefit zone and may impose a different assessment within each benefit zone. If the assessment is to be levied on businesses, the city council may also define categories of businesses based upon the degree of benefit that each will derive from the improvements or activities to be provided within the district and may impose a different assessment or rate of assessment on each category of business, or on each category of business within each zone.

36628.5. Assessments on businesses or property owners

The city council may levy assessments on businesses or on property owners, or a combination of the two, pursuant to this part. The city council shall structure the assessments in whatever manner it determines corresponds with the distribution of benefits from the proposed improvements, maintenance, and activities, provided that any property-based assessment conforms with the requirements set forth in paragraph (2) of subdivision (k) of Section 36622.

36629. Provisions and procedures applicable to benefit zones and business categories

All provisions of this part applicable to the establishment, modification, or disestablishment of a property and business improvement district apply to the establishment, modification, or disestablishment of benefit zones or categories of business. The city council shall, to establish, modify, or disestablish a benefit zone or category of business, follow the procedure to establish, modify, or disestablish a property and business improvement district.

36630. Expiration of district; Creation of new district

If a property and business improvement district expires due to the time limit set pursuant to subdivision (h) of Section 36622, a new management district plan may be created and the district may be renewed pursuant to this part.

36631. Time and manner of collection of assessment; Delinquent payments

The collection of the assessments levied pursuant to this part shall be made at the time and in the manner set forth by the city council in the resolution levying the assessment. Assessments levied on real property may be collected at the same time and in the same manner as for the ad valorem property tax, and may provide for the same lien priority and penalties for delinquent payment. All delinquent payments for assessments levied pursuant to this part may be charged interest and penalties.

36632. Assessments to be based on estimated benefit; Classification of real property and businesses; Exclusion of residential and agricultural property

(a) The assessments levied on real property pursuant to this part shall be levied on the basis of the estimated benefit to the real property within the property and business improvement district. The city council may classify properties for purposes of determining the benefit to property of the improvements and activities provided pursuant to this part.

(b) Assessments levied on businesses pursuant to this part shall be levied on the basis of the estimated benefit to the businesses within the property and business improvement district. The city council may classify businesses for purposes of determining the benefit to the businesses of the improvements and activities provided pursuant to this part.

(c) Properties zoned solely for residential use, or that are zoned for agricultural use, are conclusively presumed not to benefit from the improvements and service funded through these assessments, and shall not be subject to any assessment pursuant to this part.

36633. Time for contesting validity of assessment

The validity of an assessment levied under this part shall not be contested in any action or proceeding unless the action or proceeding is commenced within 30 days after the resolution levying the assessment is adopted pursuant to Section 36626. Any appeal from a final judgment in an action or proceeding shall be perfected within 30 days after the entry of judgment.

36634. Service contracts authorized to establish levels of city services

The city council may execute baseline service contracts that would establish levels of city services that would continue after a property and business improvement district has been formed.

36635. Request to modify management district plan

The owners' association may, at any time, request that the city council modify the management district plan. Any modification of the management district plan shall be made pursuant to this chapter.

36636. Modification of plan by resolution after public hearing; Adoption of resolution of intention; Modification of improvements and activities by adoption of resolution after public hearing

(a) Upon the written request of the owners' association, the city council may modify the management district plan after conducting one public hearing on the proposed modifications. The city council may modify the improvements and activities to be funded with the revenue derived from the levy of the assessments by adopting a resolution determining to make the modifications after holding a public hearing on the proposed modifications. If the modification includes the levy of a new or increased assessment, the city council shall comply with Section 36623. Notice of all other public hearings pursuant to this section shall comply with both of the following:

(1) The resolution of intention shall be published in a newspaper of general circulation in the city once at least seven days before the public hearing.

(2) A complete copy of the resolution of intention shall be mailed by first class mail, at least 10 days before the public hearing, to each business owner or property owner affected by the proposed modification.

(b) The city council shall adopt a resolution of intention which states the proposed modification prior to the public hearing required by this section. The public hearing shall be held not more than 90 days after the adoption of the resolution of intention.

36637. Reflection of modification in notices recorded and maps

Any subsequent modification of the resolution shall be reflected in subsequent notices and maps recorded pursuant to Division 4.5 (commencing with Section 3100), in a manner consistent with the provisions of Section 36627.

36640. Bonds authorized; Procedure; Restriction on reduction or termination of assessments

(a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation adopted pursuant to Section 36625, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36625, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 30 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

36650. Report by owners' association; Approval or modification by city council

(a) The owners' association shall cause to be prepared a report for each fiscal year, except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners' association's first report shall be due after the first year of operation of the district. The report may propose changes, including, but not limited to, the boundaries of the property and business improvement district or any benefit zones within the district, the basis and method of levying the assessments, and any changes in the classification of property, including any categories of business, if a classification is used.

(b) The report shall be filed with the clerk and shall refer to the property and business improvement district by name, specify the fiscal year to which the report applies, and, with respect to that fiscal year, shall contain all of the following information:

(1) Any proposed changes in the boundaries of the property and business improvement district or in any benefit zones or classification of property or businesses within the district.

(2) The improvements, maintenance, and activities to be provided for that fiscal year.

(3) An estimate of the cost of providing the improvements, maintenance, and activities for that fiscal year.

(4) The method and basis of levying the assessment in sufficient detail to allow each real property or business owner, as appropriate, to estimate the amount of the assessment to be levied against his or her property or business for that fiscal year.

(5) The estimated amount of any surplus or deficit revenues to be carried over from a previous fiscal year.

(6) The estimated amount of any contributions to be made from sources other than assessments levied pursuant to this part.

(c) The city council may approve the report as filed by the owners' association or may modify any particular contained in the report and approve it as modified. Any modification shall be made pursuant to Sections 36635 and 36636.

The city council shall not approve a change in the basis and method of levying assessments that would impair an authorized or executed contract to be paid from the revenues derived from the levy of assessments, including any commitment to pay principal and interest on any bonds issued on behalf of the district.

36651. Designation of owners' association to provide improvements and activities

The management district plan may, but is not required to, state that an owners' association will provide the improvements, maintenance, and activities described in the management district plan. If the management district plan designates an owners' association, the city shall contract with the designated nonprofit corporation to provide services.

36660. Renewal of district; Transfer or refund of remaining revenues; District term limit

(a) Any district previously established whose term has expired, or will expire, may be renewed by following the procedures for establishment as provided in this chapter.

(b) Upon renewal, any remaining revenues derived from the levy of assessments, or any revenues derived from the sale of assets acquired with the revenues, shall be transferred to the renewed district. If the renewed district includes additional parcels or businesses not included in the prior district, the remaining revenues shall be spent to benefit only the parcels or businesses in the prior district. If the renewed district does not include parcels or businesses included in the prior district, the remaining revenues attributable to these parcels shall be refunded to the owners of these parcels or businesses.

(c) Upon renewal, a district shall have a term not to exceed 10 years, or, if the district is authorized to issue bonds, until the maximum maturity of those bonds. There is no requirement that the boundaries, assessments, improvements, or activities of a renewed district be the same as the original or prior district.

36670. Circumstances permitting disestablishment of district; Procedure

(a) Any district established or extended pursuant to the provisions of this part, where there is no indebtedness, outstanding and unpaid, incurred to accomplish any of the purposes of the district, may be disestablished by resolution by the city council in either of the following circumstances:

(1) If the city council finds there has been misappropriation of funds, malfeasance, or a violation of law in connection with the management of the district, it shall notice a hearing on disestablishment.

(2) During the operation of the district, there shall be a 30-day period each year in which assesseees may request disestablishment of the district. The first such period shall begin one year after the date of establishment of the district and shall continue for 30 days. The next such 30-day period shall begin two years after the date of the establishment of the district. Each successive year of operation of the district shall have such a 30-day period. Upon the written petition of the owners or authorized representatives of real property or the owners or authorized representatives of businesses in the area who pay 50 percent or more of the assessments levied, the city council shall pass a resolution of intention to disestablish the district. The city council shall notice a hearing on disestablishment.

(b) The city council shall adopt a resolution of intention to disestablish the district prior to the public hearing required by this section. The resolution shall state the reason for the disestablishment, shall state the time and place of the public hearing, and shall contain a proposal to dispose of any assets acquired with the revenues of the assessments levied within the property and business improvement district. The notice of the hearing on disestablishment required by this section shall be given by mail to the property owner of each parcel or to the owner of each business subject to assessment in the district, as appropriate. The city shall conduct the public hearing not less than 30 days after mailing the notice to the property or business owners. The public hearing shall be held not more than 60 days after the adoption of the resolution of intention.

36671. Refund of remaining revenues upon disestablishment or expiration without renewal of district; Calculation of refund; Use of outstanding revenue collected after disestablishment of district

(a) Upon the disestablishment or expiration without renewal of a district, any remaining revenues, after all outstanding debts are paid, derived from the levy of assessments, or derived from the sale of assets acquired with the revenues, or from bond reserve or construction funds, shall be refunded to the owners of the property or businesses then located and operating within the district in which assessments were levied by applying the same method and basis that was used to calculate the assessments levied in the fiscal year in which the district is disestablished or expires. All outstanding assessment revenue collected after disestablishment shall be spent on improvements and activities specified in the management district plan.

(b) If the disestablishment occurs before an assessment is levied for the fiscal year, the method and basis that was used to calculate the assessments levied in the immediate prior fiscal year shall be used to calculate the amount of any refund.

APPENDIX 2 – ASSESSED BUSINESSES

BUSINESS NAME	ADDRESS	CITY	STATE	ZIP
Wine and Roses LLC	2505 West Turner Rd.	Lodi	CA	95242
Del Rancho Motel	501 North Cherokee Ln.	Lodi	CA	95240
Motel 6	1140 South Cherokee Ln.	Lodi	CA	95241
Star Hotel	22 South Main St.	Lodi	CA	95240
Budget Inn of Lodi	917 South Cherokee Ln.	Lodi	CA	95240
Econo Lodge Inn & Suites	118 North Cherokee Ln.	Lodi	CA	95240
Lodi El Rancho Motel	603 North Cherokee Ln.	Lodi	CA	95240
Modern Motor Lodge	1050 South Cherokee Ln.	Lodi	CA	95240
Wine Country Inn	607 South Cherokee Ln.	Lodi	CA	95240
Rancho Grande Motel	807 South Cherokee Ln.	Lodi	CA	95240
Traveler's Hotel	112 North School St.	Lodi	CA	95240
Viking Motel	815 South Cherokee Ln.	Lodi	CA	95240
Royal Host Inn	710 South Cherokee Ln.	Lodi	CA	95240
Imperial Hotel	9 West Oak St.	Lodi	CA	95240
Economy Inn	1100 South Cherokee Ln.	Lodi	CA	95240
Main Hotel	4 South Main St.	Lodi	CA	95240
Hampton Inn & Suites	1337 South Beckman Rd.	Lodi	CA	95241
Best Western I-5 Inn	6411 West Banner Rd.	Lodi	CA	95242
Microtel Inn & Suites	6428 West Banner St.	Lodi	CA	95242
Holiday Inn Express	1337 East Kettleman Ln.	Lodi	CA	95240
Golden Era	18 South Main St.	Lodi	CA	95240
Hutchins House Vacation Rental	705 West Oak St.	Lodi	CA	95240
Colleen's Cottage	306 Bella Vista Dr.	Lodi	CA	95242
Merlot Bungalow	430 Elm St.	Lodi	CA	95240
The Carriage House Vacation Rental	311 ½ West Oak St.	Lodi	CA	95240
Sandpiper	551 Sandpiper	Lodi	CA	95240

Circle	Cr.			
Bella Vino B&B	235 South Hutchins St.	Lodi	CA	95240

DRAFT

**NOTICE OF PUBLIC MEETING AND PUBLIC HEARING CONCERNING THE ESTABLISHMENT OF THE
LODI TOURISM BUSINESS IMPROVEMENT DISTRICT AND LEVY OF AN ASSESSMENT ON CERTAIN
LODGING BUSINESSES WITHIN THE DISTRICT**

NOTICE IS HEREBY GIVEN that on July 15, 2015, the City Council (the "Council") of the City of Lodi (the "City") adopted a Resolution of Intention to establish the Lodi Tourism Business Improvement District (the "LTBID") and to levy an assessment on certain lodging businesses within the LTBID as set forth in the attached Resolution of Intention.

NOTICE IS HEREBY FURTHER GIVEN that at 7:00 PM on August 5, 2015, at the City of Lodi Council Chambers, Carnegie Forum, 305 W. Pine Street, Lodi, CA 95240, a public meeting shall be held pursuant to Government Code section 54954.6 to allow public testimony regarding the establishment of the LTBID and the levy of assessments therein as set forth in the enclosed Resolution of Intention and pursuant to Government Code section 54954.6.

NOTICE IS HEREBY FURTHER GIVEN that at 7:00 PM on September 2, 2015, at the City of Lodi Council Chambers, Carnegie Forum, 305 W. Pine Street, Lodi, CA 95240, has been set as the time and place for a public hearing at which time the Council proposes to establish the LTBID and to levy the proposed assessment as set forth in the Resolution of Intention.

Boundaries: The proposed LTBID includes all lodging businesses located within the boundaries of the City of Lodi and a portion of the unincorporated area of San Joaquin County, County Service Area #31 also known as "Flag City".

Assessment: The annual assessment rate is four and one half percent (4.5%) for lodging businesses in the City of Lodi and three percent (3%) for lodging businesses in the unincorporated area of San Joaquin County of gross short-term (stays less than 31 days) room rental revenue. Based on the benefit received, assessments will not be collected on stays of more than thirty (30) consecutive days. Assessments pursuant to the LTBID shall not include room rental revenue resulting from stays pursuant to contracts executed prior to October 1, 2015.

Budget: The total LTBID annual budget for the initial year of its five (5) year operation is anticipated to be approximately \$538,000. This budget is expected to fluctuate as room sales do, but is not expected to significantly change over the LTBID's term.

Purpose: The LTBID is designed to provide specific benefits directly to payors by increasing room night sales. Marketing and sales promotions will increase overnight tourism and market payors as tourist, meeting and event destinations, thereby increasing room night sales.

Duration: The proposed LTBID will have a five (5) year life, beginning October 1, 2015 through September 30, 2020. Once per year beginning on the anniversary of district formation

there is a 30-day period in which owners paying more than fifty percent (50%) of the assessment may protest and initiate a City Council hearing on district termination.

Collection: The City will be responsible for collecting the assessment on a quarterly basis (including any delinquencies, penalties and interest) from each lodging business located in the LTBD. The City shall take all reasonable efforts to collect the assessments from each lodging business.

Protest: Any owner of a lodging business within the proposed LTBD that will be subject to the assessment may protest the establishment of the LTBD. If written protests are received from the owners of lodging businesses in the proposed LTBD who represent 50 percent (50%) or more of the estimated annual assessments to be levied, the LTBD shall not be established and the assessment shall not be imposed.

You may mail a written protest to:

Office of the City Clerk
City of Lodi
221 West Pine Street
Lodi, CA 95240

You may also appear at the public meeting or hearing and submit a written protest at that time.

Information: Should you desire additional information about this proposed LTBD or assessment contact:

Nancy Beckman, President & CEO
Lodi Conference & Visitors Bureau
25 North School Street
Lodi, CA 95240
(209) 996-9979

Dated: _____

City Clerk



July 28, 2015

Honorable Mayor and Councilmembers
City of Lodi
221 West Pine Street
Lodi, CA 95240

Re: Lodi Tourism Business Improvement District

Honorable Mayor and Councilmembers:

On behalf of the Lodi Conference and Visitors Bureau, I am writing to recommend disestablishment of the Lodi Tourism Business Improvement District ("LTBID") in accordance with Streets and Highways Code §36550.

The Lodi City Council intends to form a new district, the Lodi Tourism Business Improvement District. The new district will contain the same businesses, and any funds remaining from the prior LTBID will be transferred to the new Lodi Tourism Business Improvement District. It is our recommendation therefore that the Lodi City Council disestablish the LTBID.

We ask that you consider this item at your August 5, 2015 meeting. It is our understanding that a public hearing will also be necessary to complete the modification; we ask that you set the public hearing for September 5, 2015.

Best Regards,

A handwritten signature in black ink that reads "Nancy Beckman". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Ms. Nancy Beckman
President & CEO

Lodi Conference and Visitors Bureau

Visit Lodi! Conference & Visitors Bureau
25 N School St. Lodi, CA 95240 t [209] 365-1195 f [209] 365-1191

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
DECLARING ITS INTENTION TO DISESTABLISH THE
LODI TOURISM BUSINESS IMPROVEMENT DISTRICT

=====

WHEREAS, on October 6, 2004, the City Council adopted Ordinance No. 1753 establishing the Lodi Tourism Business Improvement District (herein called "District"); and

WHEREAS, on January 21, 2009, the City Council adopted Ordinance No. 1818 expanding the District; and

WHEREAS, the Parking and Business Improvement Area Law of 1989 (herein called "89 Law"), Streets and Highways Code §36500 et seq., allows the City Council to disestablish the District; and

WHEREAS, the City Council now intends to disestablish the District.

NOW, THEREFORE, BE IT RESOLVED BY THE LODI CITY COUNCIL AS FOLLOWS:

1. The recitals set forth herein are true and correct.
2. The City Council declares its intention to disestablish the Lodi Tourism Business Improvement District.
3. The time and place for a public hearing on the disestablishment of the District are set for 7:00 p.m., or as soon thereafter as the matter may be heard, on September 2, 2015, at the Council Chambers, Carnegie Forum, 305 West Pine Street, Lodi, CA, 95240.
4. The City Council intends to disestablish the District concurrently with forming a new tourism marketing district under the Property and Business Improvement District Law of 1994. The proposed new district will contain the same businesses, therefore, the City Council proposes transferring any remaining revenue to the new district, to be used for marketing and promotions efforts that benefit those businesses which paid the assessment.
5. The City Clerk is directed to provide notice of the public hearing in accordance with Streets and Highways Code §36523.
6. This resolution shall take effect immediately upon its adoption by the City Council.

Dated: August 5, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 5, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

BOB JOHNSON
Mayor

ATTEST:

JENNIFER M. FERRAIOLO
City Clerk

2015-_____

ORDINANCE NO. ____

AN ORDINANCE OF THE LODI CITY COUNCIL AMENDING
LODI MUNICIPAL CODE TITLE 12 – STREETS, SIDEWALKS
AND PUBLIC PLACES BY REPEALING CHAPTER 12.07, “LODI
TOURISM BUSINESS IMPROVEMENT DISTRICT,” IN ITS
ENTIRETY, THEREBY RESCINDING ORDINANCE NO. 1753
AND ORDINANCE NO. 1818, DISESTABLISHING THE LODI
TOURISM BUSINESS IMPROVEMENT DISTRICT

=====

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LODI, AS FOLLOWS:

SECTION 1. Lodi Municipal Code Title 12 – Streets, Sidewalks and Public Places is hereby amended by repealing Chapter 12.07, “Lodi Tourism Business Improvement District,” in its entirety, and hereby declares and determines as follows:

SECTION 2. AUTHORITY.

This ordinance is hereby introduced pursuant to the “Parking and Business Improvement Area Law of 1989,” Streets and Highways Code Section 36500 et seq. and Resolution Number _____, adopted by the Lodi City Council on August 5, 2015, entitled a “Resolution of the Lodi City Council Declaring its Intention to Disestablish the Lodi Tourism Business Improvement District.” Such resolution was published and mailed as provided by law and a public hearing was held by the City Council at its regular meeting on September 2, 2015, at which time all persons desiring to be heard and all objections made or filed were fully heard. The City Council duly concluded the hearing on September 2, 2015.

SECTION 3. AREA DISESTABLISHED.

The City Council finds and determines that the public convenience and necessity require disestablishment of the Lodi Tourism Business Improvement District for reasons given in the Resolution of Intention.

Pursuant to Section 36550 of the Parking and Business Improvement Area Law of 1989, the Lodi Tourism Business Improvement District is hereby disestablished.

SECTION 4. EFFECTIVE DATE.

Upon its adoption, this Ordinance shall take effect on October 2, 2015.

Section 2 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3 - Severability. If any one or more of the terms, provisions, or sections of this Ordinance shall to any extent be judged invalid, unenforceable, and/or avoidable for any reason whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

Section 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

Section 5. This ordinance shall be published one time in the "Lodi News-Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi with the names of the members voting for and against same and shall be in force and take effect 30 days from and after its passage and approval.

Approved this ____ day of _____, 2015.

BOB JOHNSON
Mayor

Attest:

JENNIFER M. FERRAILOLO
City Clerk

State of California
County of San Joaquin, ss.

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. ____ was introduced at a regular meeting of the City Council of the City of Lodi held August 5, 2015, and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 2015, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. ____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAILOLO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney





CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Appointments to the Greater Lodi Area Youth Commission (Adult Advisors), Planning Commission, and San Joaquin County Commission on Aging; and Post for Vacancies on the Lodi Senior Citizens Commission and Lodi Arts Commission

MEETING DATE: August 5, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Concur with the Mayor’s recommended appointments to the Greater Lodi Area Youth Commission (adult advisors), Planning Commission, and San Joaquin County Commission on Aging; and post for vacancies on the Lodi Senior Citizens Commission and Lodi Arts Commission.

BACKGROUND INFORMATION: On April 1, 2015, and May 6, 2015, the City Council directed the City Clerk to post for vacancies on the Greater Lodi Area Youth Commission, Planning Commission, and San Joaquin County Commission on Aging. The Mayor reviewed the applications, conducted interviews, and recommends that the City Council concur with the appointments detailed below.

Due to a recent resignation, it is recommended that one vacancy on the Lodi Senior Citizens Commission be posted, as detailed below. Following a recent resignation, the Lodi Arts Commission now has two vacancies. The previous vacancy was not filled following the initial posting in May and is currently posted until the position is filled. It is recommended that the current vacancy also be posted until filled. Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application.

APPOINTMENTS:

Greater Lodi Area Youth Commission (Adult Advisors)

Elizabeth Mazzeo	Term to expire May 31, 2018
Anne Siegfried	Term to expire May 31, 2018
Daniel Valdez	Term to expire May 31, 2018

NOTE: Six applicants (three applications seeking reappointment, one application on file, two new applications); posting ordered 4/1/15; application deadline extended to 5/12 due to City Hall inaccessibility during Amgen Tour on 5/11.

Planning Commission

Steven Hennecke	Term to expire June 30, 2019
David Kirsten	Term to expire June 30, 2019

NOTE: Six applicants (two applications seeking reappointment, three applications on file, one new application); posting ordered 5/6/15; application deadline 6/15.

APPROVED: _____
Steve Schwabauer, City Manager

Appointments to the Greater Lodi Area Youth Commission (Adult Advisors), Planning Commission, and San Joaquin County Commission on Aging; and Post for Vacancies on the Lodi Senior Citizens Commission and Lodi Arts Commission

August 5, 2015

Page Two

San Joaquin County Commission on Aging

Teresa Whitmire Term to expire June 30, 2018

NOTE: Two applicants (one application seeking reappointment, no applications on file, one new application); posting ordered 5/6/15; application deadline 6/15.

POSTING:

Lodi Senior Citizens Commission

One Vacancy Term to expire December 31, 2016

Lodi Arts Commission

One Vacancy Term to expire July 1, 2017

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Adopt Resolution Adding One Full-Time Management Analyst Position to be Shared Between the Fire and Parks, Recreation and Cultural Services Departments and Deleting One Part-Time Management Analyst Position Within the Fire Department and Revising Appropriations (\$66,200)

MEETING DATE: August 5, 2015

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Adopt resolution adding one full-time Management Analyst position to be shared between the Fire and Parks, Recreation and Cultural Services departments and deleting one part-time Management Analyst position within the Fire Department and revising appropriations (\$66,200).

BACKGROUND INFORMATION: The Fire Department currently has one funded part-time Management Analyst position in its budget. The Fire Chief and the PRCS Director have a need for a management analyst and have discussed sharing a full-time allocated position between the two departments. The Management Analyst position would be split 60 percent in the Fire department and 40 percent in the PRCS department.

The Management Analyst duties that will be performed within the Fire department will be to manage and monitor the budget, provide data analysis, research and prepare grant applications, and perform other analytical duties as needed. The duties that will be performed within the PRCS department will be to manage and monitor the budget, research and prepare grant applications, and to perform some marketing functions.

The Fire department and the PRCS department are requesting to increase their budgeted and allocated positions and to fund one full-time Management Analyst position to be shared between the two departments. Upon approval of the full-time position, Human Resources staff will conduct a recruitment to fill the position.

FISCAL IMPACT: Total cost for the full-time position is \$108,000 of which \$64,800 is applicable to the Fire Department and \$43,200 is applicable to PRCS Department. The Fire Department has existing appropriations of \$41,800 for the part-time position. The additional funding for the full-time position was included in the 2015/16 Non-Departmental budget.

FUNDING AVAILABLE: The attached appropriation adjustment moves funding from the Non-Departmental budget to the budgets of the respective departments.

Adele Post, Human Resources Manager

Jordan Ayers, Deputy City Manager

APPROVED: _____
Stephen Schwabauer, City Manager

1. AA# _____
 2. JV# _____

CITY OF LODI APPROPRIATION ADJUSTMENT REQUEST			
TO:	Internal Services Dept. - Budget Division		
3. FROM:	Jordan Ayers, Deputy City Manager	5. DATE:	8/5/15
4. DEPARTMENT/DIVISION:			

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW					
	FUND #	ORG #	OBJ #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	100	10095000	72450	Misc. Professional Services	\$ 66,200.00
	100	10040001	71003	Part Time Salary	\$ 41,800.00
	100	10040001	71188	Personnel Transfer Recovery	\$ 43,200.00
	200	20000000	50001	Operating Transfers In	\$ 43,200.00
B. USE OF FINANCING	100	10040001	71001	Regular Salary	\$ 108,000.00
	100	10095000	76220	Operating Transfers Out	\$ 43,200.00
	200	20070001	71189	Personnel Transfer Charges	\$ 43,200.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET
<p>Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.</p> <p>Increasing appropriations in Fire and PRCS associated with converting a Part Time Management Analyst to full time. Incremental funding coming from reducing Professional Services in Non-Departmental.</p>

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: 8/5/15 Res No: _____ Attach copy of resolution to this form.

Department Head Signature: 

8. APPROVAL SIGNATURES	
Deputy City Manager/Internal Services Manager	Date

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
ADDING ONE FULL-TIME MANAGEMENT ANALYST
POSITION TO BE SHARED BETWEEN THE FIRE
DEPARTMENT AND THE PARKS, RECREATION, AND
CULTURAL SERVICES DEPARTMENT AND DELETING
ONE PART-TIME MANAGEMENT ANALYST
POSITION IN THE FIRE DEPARTMENT AND
REVISING APPROPRIATIONS

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the addition of one full-time Management Analyst position to be shared between the Fire Department and the Parks, Recreation, and Cultural Services Department, and the deletion of one part-time Management Analyst position within the Fire Department; and

BE IT FURTHER RESOLVED that funds in the amount of \$66,200 be appropriated, as shown on the attached Appropriation Adjustment Request Form.

Dated: August 5, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the Lodi City Council in a regular meeting held August 5, 2015 by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLO
City Clerk

1. AA# _____
 2. JV# _____

CITY OF LODI APPROPRIATION ADJUSTMENT REQUEST			
TO:	Internal Services Dept. - Budget Division		
3. FROM:	Jordan Ayers, Deputy City Manager	5. DATE:	8/5/15
4. DEPARTMENT/DIVISION:			

6. REQUEST ADJUSTMENT OF APPROPRIATION AS LISTED BELOW					
	FUND #	ORG #	OBJ #	ACCOUNT TITLE	AMOUNT
A. SOURCE OF FINANCING	100	10095000	72450	Misc. Professional Services	\$ 66,200.00
	100	10040001	71003	Part Time Salary	\$ 41,800.00
	100	10040001	71188	Personnel Transfer Recovery	\$ 43,200.00
	200	20000000	50001	Operating Transfers In	\$ 43,200.00
B. USE OF FINANCING	100	10040001	71001	Regular Salary	\$ 108,000.00
	100	10095000	76220	Operating Transfers Out	\$ 43,200.00
	200	20070001	71189	Personnel Transfer Charges	\$ 43,200.00

7. REQUEST IS MADE TO FUND THE FOLLOWING PROJECT NOT INCLUDED IN THE CURRENT BUDGET
<p>Please provide a description of the project, the total cost of the project, as well as justification for the requested adjustment. If you need more space, use an additional sheet and attach to this form.</p> <p>Increasing appropriations in Fire and PRCS associated with converting a Part Time Management Analyst to full time. Incremental funding coming from reducing Professional Services in Non-Departmental.</p>

If Council has authorized the appropriation adjustment, complete the following:

Meeting Date: 8/5/15 Res No: _____ Attach copy of resolution to this form.

Department Head Signature: 

8. APPROVAL SIGNATURES	
Deputy City Manager/Internal Services Manager	Date

Submit completed form to the Budget Division with any required documentation.
 Final approval will be provided in electronic copy format.



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt Resolution Adding One Maintenance Worker I Position in the Wastewater Division and One Maintenance Worker III Position in the Streets Division and Deleting One Wastewater Plant Operator and One Streets Supervisor Position Within the Public Works Department

MEETING DATE: August 5, 2015

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Adopt resolution adding one Maintenance Worker I position in the Wastewater Division and one Maintenance Worker III position in the Streets Division and deleting one Wastewater Plant Operator and one Streets Supervisor position within the Public Works Department.

BACKGROUND INFORMATION: The Public Works Director would like to delete two vacant and funded positions. Specifically, the Director is requesting to delete one Wastewater Plant Operator and one Streets Supervisor, and add two lower level positions; one Maintenance Worker I and one Maintenance Worker III. The Public Works Director has been implementing a strategic plan over the past several years, which includes changes to positions, resulting in cost savings and improved operations in the Public Works department.

The requested position change in the Streets Division is needed because of the transition of maintenance work being performed in-house, rather than contracting it out to vendors. As such, there is a need for additional maintenance workers and less of a need for a supervisor position. There is currently one vacant Streets Supervisor position, due to a recent promotion, and the Public Works Director wishes to implement the organizational change at this time.

Upon review of the operational needs at the White Slough Water Pollution Control Facility, it was determined there is a higher need for a Maintenance Worker than a Plant Operator. As such, the Public Works Director requests the elimination of one Wastewater Plant Operator vacant position and the addition of one Maintenance Worker I.

Staff requests that you approve these position changes.

FISCAL IMPACT: Cost savings of about \$42,919 annually, of which \$26,352 is in the Streets Division, and \$26,567 is in the Wastewater Division.

FUNDING AVAILABLE: Cost savings as noted above.

Adele Post, Human Resources Manager

Jordan Ayers, Deputy City Manager

APPROVED: _____
Stephen Schwabauer, City Manager

RESOLUTION NO. 2015-_____

A RESOLUTION OF THE LODI CITY COUNCIL
ADDING ONE MAINTENANCE WORKER I POSITION
AND ONE MAINTENANCE WORKER III POSITION, AND
DELETING ONE WASTEWATER PLANT OPERATOR
POSITION AND ONE STREETS SUPERVISOR
POSITION WITHIN THE PUBLIC WORKS DEPARTMENT

=====

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve adding one Maintenance Worker I position in the Wastewater Division and one Maintenance Worker III position in the Streets Division, and deleting one Wastewater Plant Operator position and one Streets Supervisor position within the Public Works Department.

Dated: August 5, 2015

=====

I hereby certify that Resolution No. 2015-_____ was passed and adopted by the Lodi City Council in a regular meeting held August 5, 2015 by the following vote:

- AYES: COUNCIL MEMBERS –
- NOES: COUNCIL MEMBERS –
- ABSENT: COUNCIL MEMBERS –
- ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Introduce Ordinance Amending Lodi Municipal Code Title 15 – Buildings and Construction – by adding Chapter 15.19 “Expedited Permit Process for Small Residential Rooftop Solar Systems”

MEETING DATE: August 5, 2015

PREPARED BY: Community Development Director and Electric Utility Director

RECOMMENDED ACTION: Introduce Ordinance Amending Lodi Municipal Code Title 15 – Buildings and Construction – by adding Chapter 15.19 “Expedited Permit Process for Small Residential Rooftop Solar Systems.”

BACKGROUND INFORMATION: On September 21, 2014, the Governor signed AB 2188 into law, adding Section 65850.5 to the California Government Code. AB 2188 provides that it is the policy of the state to promote and encourage the installation and use of solar energy systems by limiting obstacles to their use and by minimizing the permitting costs of such systems. In furtherance of that objective, Government Code section 65850.5(g)(1) requires that, on or before, September 30, 2015, every city, county, or city and county, must adopt an ordinance that creates an expedited, streamlined permitting process for small residential rooftop solar energy systems.

The proposed ordinance, attached hereto, brings the City into compliance with the requirements of Government Code section 65850.5(g) by:

- 1) Defining several terms associated with small residential rooftop solar energy systems, including a definition of small residential rooftop solar energy systems.
- 2) Directing the City’s building official to develop a checklist, clearly listing all of the requirements that must be met by an applicant to be eligible for an expedited review of and completeness determination regarding a permit application for a small rooftop solar energy system.
- 3) Requiring that the checklist and other required permit application forms and documents be published on the City’s website.
- 4) Requiring the City’s building official to develop an expedited, streamlined permitting process containing a checklist of all submittal and installation requirements.
- 5) Requiring the City to accept permit applications by mail and facsimile and allowing for acceptance of an applicant’s electronic signature.
- 6) Creating an expedited review process for qualified solar systems.
- 7) Limiting the City to one consolidated inspection to insure compliance with building and fire codes. A subsequent inspection is allowed if a solar energy system fails the initial inspection.

APPROVED: _____
Stephen Schwabauer, City Manager

In addition, the proposed ordinance requires pre-approval by the Electric Utility (EU) prior to submittal of an application for a building permit. This will ensure the proposed small residential rooftop solar system is sized appropriately, has no adverse impact on EU's distribution system, and is approved for interconnection to the electric grid. Once approved by EU, an application for a building permit can be submitted. City's Building & Safety Division will issue a building permit within 1-3 business days of receipt of a complete application that meets the requirements of the checklist and standard plan.

The adoption of the proposed Ordinance will serve to expedite the permitting process for small residential rooftop solar energy systems in compliance with the Solar Rights Act and AB 2188 (Chapter 521, Statutes 2014). Staff recommends that the City Council introduce the proposed ordinance to ensure the City is in conformance with state law.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

Stephen Schwabauer
Community Development Director

Elizabeth A. Kirkley
Electric Utility Director

Attachments

ORDINANCE NO. _____

AN ORDINANCE OF THE LODI CITY COUNCIL
AMENDING LODI MUNICIPAL CODE TITLE 15 –
BUILDINGS AND CONSTRUCTION - BY ADDING
CHAPTER 15.19 "EXPEDITED PERMIT PROCESS FOR
SMALL RESIDENTIAL ROOFTOP SOLAR SYSTEMS"

=====

WHEREAS, the Lodi City Council seeks to implement AB 2188 (Chapter 521, Statutes 2014) through the creation of an expedited, streamlined permitting process for small residential rooftop solar energy systems; and

WHEREAS, the City Council wishes to advance the use of solar energy by all of its citizens, businesses and industries; and

WHEREAS, the City Council seeks to meet the climate action goals set by the City of Lodi and the State; and

WHEREAS, solar energy creates local jobs and economic opportunity; and

WHEREAS, the City Council recognizes that rooftop solar energy provides reliable energy and pricing for its residents and businesses; and

WHEREAS, it is in the interest of the health, welfare and safety of the citizens of the City of Lodi to provide an expedited permitting process to assure the effective deployment of solar technology.

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Lodi Municipal Code Title 15 – Buildings and Construction – is hereby amended by adding Chapter 15.19 "Expedited Permit Process for Small Residential Rooftop Solar Systems" and shall read as follows:

Chapter 15.19

Expedited Permit Process for Small Residential Rooftop Solar Systems

- 15.19.010 Definitions.
- 15.19.020 Purpose.
- 15.19.030 Applicability.
- 15.19.040 Solar Energy System Requirements.
- 15.19.050 Duties of Building Official and Electric Utility Director.
- 15.19.060 Pre-Application Verification by Applicant
- 15.19.070 Authorization by Lodi Electric Utility
- 15.19.080 Permit Review and Inspection Requirements

15.19.010 Definitions

- a. A "Solar Energy System" means either of the following:

- i. Any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating, space cooling, electric generation, or water heating.
 - ii. Any structural design feature of a building, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for electricity generation, space heating or cooling, or for water heating.
- b. A “small residential rooftop solar energy system” means all of the following:
- i. A solar energy system that is no larger than 10 kilowatts alternating current nameplate rating or 30 kilowatts thermal.
 - ii. A solar energy system that conforms to all applicable state fire, structural, electrical, and other building codes as adopted or amended by the City of Lodi and all state and City health and safety standards.
 - iii. A solar energy system that is installed on a single or duplex family dwelling.
 - iv. A solar panel or module array that does not exceed the maximum legal building height as defined by the City.
- c. “Electronic submittal” means the utilization of one or more of the following:
- i. Email; or
 - ii. Facsimile
- d. An “association” means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development.
- e. A “common interest development” means any of the following:
- i. A community apartment project.
 - ii. A condominium project.
 - iii. A planned development.
 - iv. A stock cooperative.
- f. “Specific, adverse impact” means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified, and written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.
- g. “Reasonable restrictions” on a solar energy system are those restrictions that do not significantly increase the cost of the system or significantly decrease its efficiency or specified performance, or that allow for an alternative system of comparable cost, efficiency, and energy conservation benefits.

- h. “Restrictions that do not significantly increase the cost of the system or decrease its efficiency or specified performance” means:
 - i. For Water Heater Systems or Solar Swimming Pool Heating Systems: an amount exceeding 10 percent of the cost of the system, but in no case more than one thousand dollars (\$1,000), or decreasing the efficiency of the solar energy system by an amount exceeding 10 percent, as originally specified and proposed.
 - ii. For Photovoltaic Systems: an amount not to exceed one thousand dollars (\$1,000) over the system cost as originally specified and proposed, or a decrease in system efficiency of an amount exceeding 10 percent as originally specified and proposed

15.19.020 Purpose

The purpose of this ordinance is to adopt an expedited, streamlined solar permitting process that complies with the Solar Rights Act and AB 2188 (Chapter 521, Statutes 2014) to achieve timely and cost-effective installations of small residential rooftop solar energy systems. This ordinance encourages the use of solar systems by removing unreasonable barriers, minimizing costs to property owners and the City of Lodi, and expanding the ability of property owners to install solar energy systems. This ordinance allows the City of Lodi to achieve these goals while protecting the public health and safety.

15.19.030 Applicability

- a. This ordinance applies to the permitting of all small residential rooftop solar energy systems in the City of Lodi.
- b. Small residential rooftop solar energy systems legally established or permitted prior to the effective date of this ordinance are not subject to the requirements of this Ordinance unless physical modifications or alterations are undertaken that materially change the size, type, or components of a small residential rooftop solar energy system in such a way as to require new permitting. Routine operation and maintenance or like-kind replacements shall not require a permit.

15.19.040 Solar Energy System Requirements

- a. All solar energy systems shall meet applicable health and safety standards and requirements imposed by the State, the City of Lodi, its fire department and electric utility.
- b. Solar energy systems for heating water in single-family residences and for heating water in commercial or swimming pool applications shall be certified by an accredited listing agency as defined by the California Plumbing and Mechanical Code.
- c. Solar energy systems for producing electricity shall meet all applicable safety and performance standards established by the California Electrical Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such

as Underwriters Laboratories and, where applicable, rules of the Public Utilities Commission regarding safety and reliability.

15.19.050 Duties of Building Official and Electric Utility Director

- a. All documents required for the submission of an expedited solar energy system application shall be made available to the public on the City's website.
- b. Electronic submittal of the required permit application and documents by email, or facsimile shall be made available to all small residential rooftop solar energy system permit applicants.
- c. An applicant's electronic signature shall be accepted on all forms, applications, and other documents in lieu of a wet signature. For purposes of this Chapter, the City will accept as an electronic signature an electronic copy, such as a facsimile image or an electronic image, of an applicant's written signature.
- d. The City's Building & Safety Inspection Division in coordination with City's Electric Utility and Fire Department is authorized and directed to develop and adopt a standard plan and checklist, of all requirements with which small residential rooftop solar energy systems shall comply to be eligible for expedited review.
- e. The small residential rooftop solar system permit process, standard plan(s), and checklist(s) shall from time to time be revised to substantially conform to recommendations for expedited permitting, including the checklist and standard plans contained in the most current version of the *California Solar Permitting Guidebook* adopted by the Governor's Office of Planning and Research.
- f. All fees prescribed for the permitting of small residential rooftop solar energy system shall comply with Government Code Section 65850.55, Government Code Section 66015, Government Code Section 66016, and State Health and Safety Code Section 17951.

15.19.060 Pre-Application Verification by Applicant

- a. Prior to submitting an application for a small residential rooftop solar energy system, an applicant shall:
 1. Verify to the applicant's reasonable satisfaction through the use of standard engineering evaluation techniques that the support structure for the small residential solar energy system is stable and adequate to transfer all wind, seismic, and dead and live loads associated with the system to the building foundation; and
 2. At the applicant's cost, verify to the applicant's reasonable satisfaction using standard electrical inspection techniques that the existing electrical system, including existing line, load, ground, and bonding wiring, as well as main panel and subpanel sizes are adequately sized, based on the existing electrical system's current use, to carry all new photovoltaic electrical loads.

15.19.070 Authorization by Lodi Electric Utility

Applicant shall obtain authorization from City's Electric Utility to connect the proposed small residential rooftop solar energy system to the Lodi Electric Utility electricity grid prior to submittal to City's Building & Safety Division.

15.19.080 Permit Review and Inspection Requirements

- a. The City's Building & Safety Division is authorized and directed to implement an administrative, nondiscretionary review process, to expedite approval of small residential rooftop solar energy systems within 30 days of the adoption on this Ordinance. The Building & Safety Division, shall issue a building permit or other nondiscretionary permit within 1-3 business days of receipt of a complete application that meets the requirements of the approved checklist and standard plan. The City's building official may require an applicant to apply for a use permit if the official finds, based on substantial evidence, that the solar energy system could have a specific, adverse impact upon the public health and safety or on the City's electric distribution system. Such decisions may be appealed to the City Planning Commission.
- b. Review of the application shall be limited to the building official's review of whether the application meets local, state, and federal health and safety requirements.
- c. If a use permit is required, a building official may deny an application for the use permit if the official makes written findings based upon substantive evidence in the record that the proposed installation would have a specific, adverse impact upon public health or safety and there is no feasible method to satisfactorily mitigate or avoid, as defined, the adverse impact. Such findings shall include the basis for the rejection of the potential feasible alternative for preventing the adverse impact. Such decisions may be appealed to the City Planning Commission.
- d. Any condition imposed on an application shall be designed to mitigate the specific, adverse impact upon health and safety at the lowest possible cost.
- e. "A feasible method to satisfactorily mitigate or avoid the specific, adverse impact" includes, but is not limited to, any cost-effective method, condition, or mitigation imposed by the City, on another similarly situated application in a prior successful application for a permit. The City, shall use its best efforts to ensure that the selected method, condition, or mitigation meets the conditions of subparagraphs (A) and (B) of paragraph (1) of subdivision (d) of Section 714 of the Civil Code defining restrictions that do not significantly increase the cost of the system or decrease its efficiency or specified performance.
- f. City shall not condition approval of an application on the approval of an association, as defined in Section 4080 of the Civil Code.
- g. If an application is deemed incomplete, a written correction notice detailing all deficiencies in the application and any additional information or documentation

required to be eligible for expedited permit issuance shall be sent to the applicant for resubmission.

- h. Only one inspection shall be required and performed by the City's Building & Safety Division and its Fire Department for small residential rooftop solar energy systems eligible for expedited review.
- i. The inspection shall be done in a timely manner and should include consolidated inspections. An inspection will be scheduled within two (2) business days of a request.
- j. If a small residential rooftop solar energy system fails inspection, a subsequent inspection is authorized but need not conform to the requirements of this ordinance.

SECTION 2. California Environmental Quality Act (CEQA) Finding. This ordinance is exempt from CEQA as specific regulatory actions are necessary to assure the maintenance, restoration, enhancement or protection of the environment pursuant to CEQA Guidelines section 15308.

SECTION 3. No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 4. Severability. If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application. To this end, the provisions of this ordinance are severable. The City Council hereby declares that it would have adopted this ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 5. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 6. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

Approved this _____ day of _____, 2015

BOB JOHNSON
Mayor

Attest:

JENNIFER M FERRAILOLO
City Clerk

State of California
County of San Joaquin, ss.

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. _____ was introduced at a regular meeting of the City Council of the City of Lodi held August 5, 2015, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2015, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. _____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAIOLO
City Clerk

Approved as to Form:



JANICE D. MAGDICH
City Attorney



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Ordinance No. 1907 Entitled, “An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 15 – Buildings and Construction – by Repealing and Re-Enacting Chapter 15.65, ‘San Joaquin County Regional Transportation Impact Fee,’ in its Entirety”

MEETING DATE: August 5, 2015

PREPARED BY: City Clerk

RECOMMENDED ACTION: Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1907.

BACKGROUND INFORMATION: Ordinance No. 1907 entitled, “An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 15 – Buildings and Construction – by Repealing and Re-enacting Chapter 15.65, ‘San Joaquin County Regional Transportation Impact Fee,’ in its Entirety,” was introduced at the regular meeting of July 15, 2015.

ADOPTION: With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. **Cal. Gov’t Code § 36934.**

Ordinances take effect 30 days after their final passage. **Cal. Gov’t Code § 36937.**

This ordinance has been approved as to form by the City Attorney.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF
Attachment

APPROVED: _____
Stephen Schwabauer, City Manager

ORDINANCE NO. 1907

AN ORDINANCE OF THE LODI CITY COUNCIL
AMENDING LODI MUNICIPAL CODE TITLE 15,
"BUILDINGS AND CONSTRUCTION," BY
REPEALING AND REENACTING CHAPTER 15.65 -
SAN JOAQUIN COUNTY REGIONAL
TRANSPORTATION IMPACT FEE IN ITS ENTIRETY

=====

BE IT ORDAINED BY THE LODI CITY COUNCIL AS FOLLOWS:

SECTION 1. Title 15, "Buildings and Construction," of the Lodi Municipal Code is hereby amended by repealing and reenacting Chapter 15.65 - San Joaquin County Regional Transportation Impact Fee in its entirety, and shall read as follows:

CHAPTER 15.65

SAN JOAQUIN COUNTY REGIONAL TRANSPORTATION IMPACT FEE

SECTIONS:

- 15.65.010 Purpose, Findings, and Declaration of Intent
- 15.65.020 Definitions
- 15.65.030 Authority for Adoption
- 15.65.040 Collection of RTIF Program Fees
- 15.65.050 Fee Rate and Calculation
- 15.65.060 Administration of the RTIF Program
- 15.65.070 Existing City of Lodi Development Impact Mitigation Fee Program

15.65.010 Purpose, Findings, and Declaration of Intent

- A. In order to implement the goals and objectives of the general plan and to mitigate impacts caused by new development with the County of San Joaquin, a Regional Transportation Impact Fee Program is necessary. The program is needed to finance regional-serving transportation and transit improvements.
- B. Substantial population and employment growth is expected in San Joaquin County through 2025 and beyond. This growth will cause impacts on the Regional Transportation Network ("Regional Transportation Network" or "RTIF Network") including increased congestion and related impacts unless substantial improvements are completed. The Regional Transportation Impact Fee Program ("RTIF Program") is intended to impose a fee to provide funding for transportation and transit improvements that help mitigate these impacts.
- C. New development throughout the County will be subject to the fee which will be proportional to the impact caused on the Regional Transportation Network by such new development.
- D. The funding derived from the RTIF Program shall be used in combination with other funding available to complete the needed transportation and transit improvements. In the absence of an RTIF Program, existing funding sources, including federal, State, and local sources, will be inadequate to construct the Regional Transportation Network required to avoid the unacceptable levels of traffic congestion and related adverse impacts.

15.65.020 Definitions

- A. "Development Project" or "Project" means any project undertaken for the purpose of development including the issuance of a permit for construction or reconstruction, but not a permit to operate.
- B. "Industrial Project" means any Development Project that proposes manufacturing, transportation, or logistics, as identified in the RTIF Land Use Fee Category Summary.
- C. "Measure K" means the San Joaquin County Transportation Authority Local Transportation Improvement Plan: Air Quality, Mandatory Developer Fees and Growth Management Ordinance, which establishes and implements a retail transactions and use tax, as may be extended from time to time.
- D. "Multi-Family Residential Unit" means a Development Project that uses a single parcel for two or more dwelling units within one or more buildings, including duplexes, townhouses, condominiums, and apartments as identified in the RTIF Land Use Fee Category Summary.
- E. "Office Project" means any Development Project that involves business activities associated with professional or administrative services, and typically consists of corporate offices, financial institutions, legal and medical offices, personal and laundry services, or similar uses, and religious centers as identified in the RTIF Land Use Fee Category Summary.
- F. "Participating Agencies" means the County of San Joaquin and each of the cities situated in San Joaquin County if such agencies have (1) adopted the RTIF Program Fee by ordinance and/or resolution and (2) entered into the Operating Agreement.
- G. "Regional Transportation Impact Fee Program" or "RTIF Program" is the regional program established by the Operating Agreement by the Participating Agencies and SJCOG to impose, collect, and distribute a RTIF Program Fee to assist in the funding of transportation improvements to the Regional Transportation Network.
- H. "Regional Transportation Impact Program Fee" or "RTIF Program Fee" or "RTIF Fee" means the fee established by each Participating Agency consistent with the RTIF Program and the Operating Agreement.
- I. "Regional Transportation Network" means the regional network of highways and arterials as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG.
- J. "RTIF Capital Projects" or "Capital Projects" or "RTIF Project List" is the RTIF Program improvements and projects as identified in the RTIF Technical Report and which may be amended from time to time by SJCOG's adoption and amendment of a "RTIF Capital Projects Report."
- K. "RTIF Capital Projects Report" means the report adopted by SJCOG annually which identifies the RTIF Capital Projects as amended from time to time by SJCOG consistent with the RTIF Program and the Operating Agreement.
- L. "RTIF Operating Agreement" or "Operating Agreement" is the Regional Transportation Impact Fee Program Operating Agreement establishing the administration of the RTIF Program as adopted by each Participating Agencies and SJCOG which may be amended from time to time by the parties thereto.
- M. "RTIF Technical Report" means the San Joaquin County Regional Transportation Impact

Fee RTIF Technical Report dated October 27, 2005, and prepared pursuant to California Government Code, Section 66000 et seq., the Mitigation Fee Act.

- N. "Residential Dwelling Unit" means a building or portion thereof which is designed primarily for residential occupancy by one family including single-family and multi-family dwellings. "Residential Dwelling Unit" shall not include hotels or motels.
- O. "Retail Project" means any Development Project that retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise at a fixed point of sale as identified in the RTIF Land Use Fee Category Summary.
- P. "Single-Family Residential Unit" means the use of a parcel for only one residential dwelling unit as identified in the RTIF Land Use Fee Category Summary.
- Q. "Warehousing Project" means any Development Project that is primarily devoted to the storage of materials. Examples include self-storage facilities, distribution centers used for storage of finished material prior to distribution to retail centers or other storage facilities, as identified in the RTIF Land Use Fee Category Summary.
- R. "Non-Conforming Land Use" means any Development Project not adequately represented in the RTIF Land Use Fee Category Summary and is typically a non-retail, non-residential development project that has minimal or no building area and yet would generate impacts at a level that is significantly more than represented in the RTIF Land Use Fee Category Summary. Examples are projects related to mining, intermodal facilities, agriculture, and outdoor recreation. For these non-conforming land use projects the "per trip" calculation in the RTIF Land Use Fee Category Summary is applied.
- S. "On-Going Third Party Costs" means costs to implement the RTIF program associated with outside professional services secured by SJCOG.

15.65.030 Authority for Adoption

This chapter is adopted under the authority of Title 7, Division 1, Chapter 5 of the California Government Code Sections 66000 et seq. (Ord. 1758 § 1 (part), 2005).

15.65.040 Collection of RTIF Program Fees

- A. Authority of the Public Works Director. The Public Works Director, or his/her designee, is hereby authorized to levy and collect the RTIF Program Fee and make all determinations required by this Ordinance.
- B. Payment of RTIF Program Fees. Payment of the RTIF Program Fees shall be as follows:
 - 1. The RTIF Program Fees shall be paid at the time of issuance of a building permit for the Development Project, or as otherwise required or permitted pursuant to Government Code section 66007.
 - 2. The amount of the RTIF Program Fees shall be the fee amounts in effect at the time of payment.
 - 3. RTIF Program Fees shall not be waived.
- C. Payment by all Development Projects. Except as otherwise expressly provided by this Ordinance, the RTIF Program Fee required hereunder shall be payable by:
 - 1. All Development Projects within the City for which building permits or other

entitlements for Development Projects are issued on or after the effective date of this Ordinance, and

2. All Development Projects within the City for which building permits or other entitlements for Development Projects were issued prior to the effective date of this Ordinance and which permits or entitlements were issued subject to a condition requiring the developer to pay a RTIF Program Fee to be imposed upon such Development Project within the City.

D. Exemptions from the RTIF Program Fee. The following Development Projects shall not be subject to the RTIF Program Fee:

1. The rehabilitation and/or reconstruction of any legal, residential structure and/or the replacement of a previously existing legal dwelling unit, including an expansion of an existing dwelling unit that does not create an additional dwelling unit.
2. The rehabilitation and/or reconstruction of any non-residential structure where there is no net increase in square footage. Any increase in square footage shall pay the established applicable fee rate for that portion of square footage that is new.
3. Development Projects for which an application for a vesting tentative map authorized by Government Code Section 66498.1 was deemed complete on or prior to the effective date of the introduction of this Ordinance.
4. Development Projects which are the subject of a development agreement entered into pursuant to Government Code section 65864 et seq. prior to the effective date of the initial adoption of this Ordinance, wherein the imposition of new fees are expressly prohibited by the development agreement, provided, however, that if the term of such a development agreement is extended after the effective date of this Ordinance, the RTIF Program Fee shall be imposed.

E. Future Development Agreements. All future development agreements entered into after the effective date of this Ordinance shall require the full payment of the RTIF Program Fee.

1. Payments for non-residential projects. For non-residential projects the amount of the fee imposed on the entire Development Project shall be determined based upon:
 - (a) The gross floor area; and
 - (b) The predominant use of the building or structure as identified in the building permit.
2. Payment for mixed use projects. For mixed land use projects, which are projects that have both residential and non-residential uses, the amount of the fee imposed on the entire Development Project shall be proportionally determined based on the following:
 - (a) The fee associated with the type of residence; and
 - (b) The predominant use of the non-residential portion of the project.

F. Previously Paid RTIF Program Fees. In the event that RTIF Program Fees have previously been paid for an existing building which is a new Development Project with a new or

different RTIF Fee category, the previously paid RTIF Program Fees for that existing building shall be credited against the amount of the RTIF Program Fee attributable to the new Development Project, up to the amount of the previously paid RTIF Program Fee. A rebate will not be granted if the change in land use represents a lower fee.

- G. Reimbursements and Credits. In the event that RTIF Capital Projects are constructed by a developer in excess of the Development Project's RTIF Program Fee obligation or in lieu of payment of RTIF Program Fees by a developer pursuant to an agreement between the developer and the City, the developer may be reimbursed or credited for future application for any costs based on the actual costs of construction of the RTIF Capital Project incurred by the developer in excess of the amount the RTIF Program Fees that apply to the Development Project.

15.65.050 Fee Rate and Calculation

- A. Establishing the RTIF program fee. The amount of the RTIF program fee for development projects shall be consistent with the provisions of this ordinance and the RTIF technical report and shall be established by a resolution of the City Council.
- B. Annual adjustment. The RTIF Program Fee shall be automatically adjusted on an annual basis at the beginning of each fiscal year (July 1) based on the arithmetic average of the annualized percentage change of the Engineering News Record California Construction Cost Index (CCCI) for each of the three most recent years..

15.65.060 Administration of the RTIF Program

- A. RTIF account or RTIF funds. All fees collected pursuant to the RTIF Program Fee shall be deposited in a RTIF account or RTIF fund and shall not be commingled with other funds. The contents of this RTIF fund shall be designated solely for the purpose of contributing to the financing of the RTIF Capital Projects included in the RTIF Capital Projects Report and for the funding of incidental administrative costs. Any interest income earned on the RTIF fund shall also be deposited therein and shall only be expended for the purposes as set forth in this Ordinance.
- B. Prohibition on Interfund Transfers or Loans. Notwithstanding subsection (b)(1)(G) of section 66006 of the Government Code there shall be no interfund transfer, grant, or loan of the RTIF Program Fees or RTIF fund or RTIF account to other City accounts, funds, programs, or fees. However, the City may provide loans, grants, or transfers of RTIF Program Fees to other Participating Agencies or SJCOG provided that such funds are consistent with the RTIF Program and used for the development or construction of RTIF Capital Projects.

15.65.070 Existing City of Lodi Development Impact Mitigation Fee Program

- A. The City of Lodi Development Impact Mitigation Fee program pursuant to Lodi Municipal Code Title 15 Chapter 15.64 shall be adjusted on any future projects that are identified in the approved RTIF Project List to ensure continued compliance with the Fee Mitigation Act (Gov. Code §§ 66000 et seq.).

Section 2 - No Mandatory Duty of Care. This ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3 - Severability. If any one or more of the terms, provisions, or sections of this Ordinance shall to any extent be judged invalid, unenforceable, and/or avoidable for any reason

whatsoever by a court of competent jurisdiction, then each and all of the remaining terms, provisions, and sections of this Ordinance shall not be affected thereby and shall be valid and enforceable.

Section 4. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

Section 5. This ordinance shall be published one time in the "Lodi News-Sentinel," a daily newspaper of general circulation printed and published in the City of Lodi with the names of the members voting for and against same and shall be in force and take effect 30 days from and after its passage and approval.

Approved this ____ day of _____, 2015.

BOB JOHNSON
Mayor

Attest:

JENNIFER M. FERRAILOLO
City Clerk

State of California
County of San Joaquin, ss.

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. 1907 was introduced at a regular meeting of the City Council of the City of Lodi held July 15, 2015, and was thereafter passed, adopted and ordered to print at a regular meeting of said Council held _____, 2015, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. 1907 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAILOLO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney