AGENDA
VALLEJO CITY COUNCIL
VALLEJO REDEVELOPMENT AGENCY
MARINE WORLD JOINT POWERS AUTHORITY

JUNE 12, 2007

City Hall
555 Santa Clara Street
Vallejo, CA 94590

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

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

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

The Vallejo Sanitation & Flood Control District is located at 450 Ryder Street, (707) 644-8949. A public agenda book is available at the District Office during regular business hours for those desiring additional information on agenda items.

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

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

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

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **PRESENTATIONS AND COMMENDATIONS**

   A. PRESENTATION OF CERTIFICATES OF APPRECIATION FOR VETERANS' MEMORIAL PLAQUES

B. PRESENTATION OF CERTIFICATES OF APPRECIATION TO MOTHERS' DAY PORTRAIT PROJECT PARTICIPANTS

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS

Members of the public wishing to address the Council on Consent Calendar Items are requested to submit a completed speaker card to the City Clerk. Each speaker is limited to three minutes pursuant to Vallejo Municipal Code Section 2.02.310. Requests for removal of Consent Items received from the public are subject to approval by a majority vote of the Council. Items removed from the Consent Calendar will be heard immediately after approval of the Consent Calendar and Agenda.

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

All matters are approved under one motion unless requested to be removed for discussion by a Councilmember, City Manager, or member of the public subject to a majority vote of the Council.

A. APPROVAL OF RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH DESIGN, COMMUNITY & ENVIRONMENT TO PROVIDE ENVIRONMENTAL REVIEW SERVICES FOR THE KB HOME PROJECT AND TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN KB HOME AND THE CITY OF VALLEJO FOR SAID SERVICES.

PROPOSED ACTION: Adopt the resolution authorizing the City Manager to enter into a consultant and professional services agreement between the City of Vallejo and Design, Community & Environment for environmental review services and authorizing the City Manager to execute a reimbursement agreement between KB Home and the City of Vallejo for said services.

B. APPROVAL OF THE SALE OF 200 SURPLUS GLASS DIELECTRIC TUBES TO OZONE SYSTEM SERVICES GROUP, INC., OF MORROW, OHIO

PROPOSED ACTION: Adopt the resolution authorizing sale of 200 surplus glass dielectric tubes for the agreed price of $20,000 to Ozone Systems Services Group, Inc., of Morrow, Ohio.

C. APPROVAL OF RESOLUTION CALLING AND PROVIDING FOR A GENERAL MUNICIPAL ELECTION TO BE HELD TUESDAY, NOVEMBER 6, 2007, FOR THE PURPOSE OF ELECTING MUNICIPAL OFFICERS AND CONSOLIDATING SAID ELECTION WITH THE GOVERNING BOARD MEMBER ELECTION OF THE VALLEJO CITY UNIFIED SCHOOL DISTRICT

PROPOSED ACTION: Adopt the resolution calling and providing for a general municipal election to be held Tuesday, November 6, 2007 and consolidating said election with the Governing Board Member election of the Vallejo City Unified School District.

D. APPROVAL OF A RESOLUTION TO AWARD EIGHT CONTRACTS AND EXTEND ONE EXISTING CONTRACT FOR SUPPLY OF CHEMICALS FOR APPLICATION TO AND TREATMENT OF WATER FOR FISCAL YEAR 2007/2008

PROPOSED ACTION: Staff recommends adopting a resolution awarding eight contracts and extending one existing contract for the supply of chemicals for application to and treatment of water for fiscal year 2007/2008 and authorizing the City Manager or his designee to sign contracts.

E. APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A MEMORANDUM OF UNDERSTANDING FOR JOINT SOLANO EMERGENCY COMMUNICATIONS ACTIVITIES ("SECA")

In 2003, Solano County and the seven local agencies established a Memorandum of Understanding (MOU) for the design and procurement of communications systems in Solano County. The MOU established the respective responsibilities for the management and operation of the equipment and systems and established a cost-sharing plan. Additionally, the MOU supported efforts to obtain Homeland Security grants and other funding opportunities that became available. The MOU is due to expire in August 2007. Signing parties may authorize subsequent renewals upon mutual agreement. The Steering Committee has recommended the renewal of the MOU for a five-year term.

PROPOSED ACTION: Adopt the resolution authorizing the City Manager or his designee, to enter into a Memorandum of Understanding on Joint Solano Emergency Communications Activities.

F. APPROVAL OF RESOLUTIONS 1) AUTHORIZING THE CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH MUNICIPAL AUDITING SERVICES FOR BUSINESS LICENSE TAX DISCOVERY AND AUDIT SERVICES AND 2) DESIGNATING MUNICIPAL AUDITING SERVICES AS AN AUTHORIZED CITY REPRESENTATIVE TO EXAMINE SALES AND USE TAX RECORDS.

PROPOSED ACTION: 1) Adopt a Resolution approving the Consultant and Professional Services Agreement with Municipal Auditing Services for Business License Tax Discovery and Audit Services, and authorize the City Manager to execute the agreement on behalf of the City. 2) Adopt a Resolution Designating Municipal Auditing Services as an Authorized City Representative to Examine Sales and Use Tax Records.

G. APPROVAL OF A RESOLUTION APPOINTING MOTEL OPERATOR REPRESENTATIVE TO THE VALLEJO TOURISM BUSINESS IMPROVEMENT DISTRICT'S ADVISORY BOARD

PROPOSED ACTION: Appoint Motel Operator Representative to the Vallejo Tourism Business Improvement District's Advisory Board.

H. APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO 1) ISSUE A PURCHASE ORDER TO FLOORTEC FOR THE REPLACEMENT OF CARPET ON THE THIRD FLOOR OF CITY HALL UTILIZING THE CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS); AND 2) ISSUE A PURCHASE

ORDER TO CHIPMAN RELOCATION SERVICE FOR FURNITURE RELOCATION NECESSARY TO SUPPORT ITEM NO. 1.

PROPOSED ACTION: Staff recommends adoption of a Resolution authorizing the Public Works Director to 1) issue a purchase order to Floortec for the replacement of carpet on the third floor of City Hall utilizing the California Multiple Award Schedule; and 2) issue a purchase order to Chipman Relocation Service for furniture relocation service necessary to support item No. 1.

I. APPROVAL OF A RESOLUTION ACCEPTING THE RESIGNATION OF JOE ATHEY AND SARAH NICHOLS FROM THE BEAUTIFICATION ADVISORY COMMISSION

PROPOSED ACTION: Adopt the resolution accepting the resignation of Joe Athey and Sarah Nichols from the Beautification Advisory Commission.

J. CONSIDERATION OF A RESOLUTION AUTHORIZING USE OF REVENUE SHARING FUNDS FROM SIX FLAGS DISCOVERY KINGDOM

PROPOSED ACTION: Adopt the resolution authorizing use of revenue sharing funds from Six Flags Discovery Kingdom consistent with Recommended Repayment Plan (Note: This action is unrelated to the recently announced decision of Six Flags Discovery Kingdom to exercise their purchase option).

K. APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A FUNDING AGREEMENT BETWEEN THE METROPOLITAN TRANSPORTATION COMMISSION AND THE CITY OF VALLEJO FOR THE 2007 SPARE THE AIR/FREE TRANSIT CAMPAIGN.

PROPOSED ACTION: Staff recommends approving the resolution authorizing the City Manager to execute the funding agreement between the Metropolitan Transportation Commission and the City of Vallejo for participation in the 2007 Spare the Air/Free Transit Campaign.

L. APPROVAL OF TWO RESOLUTIONS (1) AMENDING THE CAPITAL BUDGET FISCAL YEAR 2006/2007 FOR THE ADMIRAL CALLAGHAN LANE IMPROVEMENT PROJECT (ADDING TIMF FUNDS), AND (2) TO AWARD A CONTRACT TO J. A. GONSALVES & SON CONSTRUCTION INC., FOR THE ADMIRAL CALLAGHAN LANE IMPROVEMENT PROJECT

PROPOSED ACTION: Adopt two resolutions (1) amending the capital budget for Fiscal Year 2006/2007 for the Admiral Callaghan Lane Improvement Project (adding TIMF Funds), and (2) award a contract to J. A. Gonsalves & Son Construction, Inc., for the Admiral Callaghan Lane Improvement Project.

M. RESOLUTION AWARDING FOUR CONTRACTS FOR LANDSCAPE MAINTENANCE IN FISCAL YEAR 2007/2008 AS FOLLOWS: COAST LANDSCAPE MANAGEMENT FOR REGIONS ONE AND SIX, D & H LANDSCAPING FOR REGION THREE AND NORTH BAY LANDSCAPE

MANAGEMENT FOR THE SEAVIEW LANDSCAPE MAINTENANCE DISTRICT (LMD)

PROPOSED ACTION: Adopt a resolution awarding four (4) contracts for FY 2007/2008. These include: Coast Landscape Management for the maintenance of Region One and Six, D & H Landscaping for Region Three, and to North Bay Landscape Management for the Seaview LMD.

N. APPROVAL OF A RESOLUTION AUTHORIZING THE PURCHASE OF EIGHT (8) VEHICLES FROM CORNELIUS FORD OF VALLEJO, CALIFORNIA FOR $208,884.40 AND ONE (1) VEHICLE FROM WONDRIES FLEET GROUP OF ALHABMRA, CALIFORNIA FOR $30,576.11

PROPOSED ACTION: Staff recommends approval of a resolution authorizing staff to execute purchase agreements for the purchase of eight (8) vehicles as described in RFQ #502-2902-16, 17-(1), 17-(2), 18-(1), 18-(2), 21, 22 and 23 from Cornelius Ford of Vallejo, California for $208,884.40 and one (1) vehicle as described in RFQ #502-2902-17-(3) from Wondries Fleet Group of Alhambra, California for $30,576.11.

7. PUBLIC HEARINGS

A. APPROVAL OF A RESOLUTION AMENDING THE DOWNTOWN SPECIFIC PLAN, AND HOLDING ON FIRST READING AN ORDINANCE AMENDING THE DOWNTOWN MASTER PLAN (ORD. NO. 1533 N.C., 2D) INCORPORATING TEMPORARY LAND USE REGULATIONS FOR SPECIFIED NON-RETAIL USES OCCUPYING THE GROUND FLOOR ALONG THE GEORGIA STREET CORRIDOR IN THE DOWNTOWN VALLEJO SPECIFIC PLAN AREA WITH A REEVALUATION AFTER TWELVE MONTHS.

PROPOSED ACTION: Approve a resolution amending the Downtown Specific Plan, and holding on first reading an ordinance amending the Downtown Master Plan (Ord. No. 1533 N.C., 2d) incorporating temporary land use regulations for specified non-retail uses occupying the ground floor along the Georgia Street Corridor in the Downtown Vallejo Specific Plan area with a reevaluation after twelve months.

B. CONSIDERATION OF A RESOLUTION APPROVING THE ENGINEERS REPORT AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN FOURTEEN (14) IMPROVEMENT ACT OF 1911 LANDSCAPE MAINTENANCE DISTRICTS

Hold a public hearing to take public comments regarding Fiscal Year (FY) 2007/2008 assessments within the following fourteen (14) ad valorem Landscape Maintenance Districts, formed pursuant to the Improvement Act of 1911: Cimarron Hills/Madigan; College Hills; Costa Del Rio (Seaview); Somerset Highlands I/II; Hunter Ranch I/II; Monica Place; Ridgecrest; Somerset Highlands III; Springtree/Fleming Hill; Summit II; Town and Country I; Woodridge; and Glen Cove I/II. The 1911 Act requires annual determination of each district's costs and allocation of those costs by means of annual assessments to the parcels within each district. Assessments for the 1911 act districts are determined by applying the established assessment rate to each one hundred dollars ($100.00) of assessed value of each parcel.

Four (4) districts are recommended to remain at the same rate as assessed in FY 2006/2007. Staff is recommending an increase for ten (10) districts in FY 2007/2008.

PROPOSED ACTION: Staff recommends conducting a public hearing and adopting a resolution approving the Engineers Report and ordering the levy and collection of assessments within fourteen (14) Landscape Maintenance Districts for FY 2007/2008.

C. CONSIDERATION OF A RESOLUTION APPROVING THE ENGINEER'S ANNUAL LEVY REPORT AND A RESOLUTION ORDERING THE LEVY AND COLLECTION OF FISCAL YEAR 2007/2008 ASSESSMENTS WITHIN TEN (10) LANDSCAPE MAINTENANCE DISTRICTS

Hold a Public Hearing pursuant to the Landscaping and Lighting Act of 1972 and take public comments regarding Fiscal Year 2007/2008 assessments within the following ten (10) Landscape Maintenance Districts: Carriage Oaks, Garthe Ranch, Glen Cove III, Hunter Ranch III, Marine World/Fairgrounds, Marinview, Sandpiper Point, South Vallejo Business Park, Town and Country II-V, and Northeast Quadrant. Adopt resolutions that conclude the process for establishing the Fiscal Year 2007/2008 assessments within the above referenced Districts.

PROPOSED ACTION: Hold the Public Hearing regarding the ten (10) Landscape Maintenance Districts and adopt a resolution approving the Engineer's Annual Levy Report and a resolution ordering the levy and collection of assessments within ten (10) Landscape Maintenance Districts for Fiscal Year 2007/2008.

8. POLICY ITEMS – NONE

9. RECESS TO JOINT SPECIAL MEETING WITH THE REDEVELOPMENT AGENCY

10. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A SECOND AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT BETWEEN THE CITY OF VALLEJO AND EMPRESS THEATRE ASSOCIATES, LLC AND CONSIDERATION OF AN AGREEMENT TO TERMINATE OPTION AGREEMENT BETWEEN THE CITY AND EMPRESS THEATRE ASSOCIATES

Over the last several years, the Redevelopment Agency and the City have entered into agreements regarding the renovation of the historic Empress Theatre and subsequent operation and management of the Empress Theatre by the nonprofit Vallejo Community Arts Foundation. The Owner Participation Agreement between the City of Vallejo and Empress Theatre Associates was entered into on March 22, 2004, and amended by a First amendment to the Owner Participation Agreement, dated May 11, 2006. It provides for the rehabilitation and reconstruction by Empress Theatre Associates LLC (the "Participant") of the Empress Theatre, an historic structure, and certain adjacent property.

The renovation of the Empress Theatre is nearing completion and the Participant's obligations under the OPA along with additional improvements committed by the Participant should be completed by the end of the month. The Participant has presented the City with a proposal to utilize two federal tax credit programs that will provide additional funds to complete the renovation work on the Project, provide certain community benefits, as well as reimburse a portion of the Participant's investment to date on the Project beyond the original scope and budget. Participation in the tax programs requires some minor changes to the existing Owner Participation Agreement and related documents.

PROPOSED ACTION: Adopt the following attached resolutions:

1) A Resolution of the Redevelopment Agency of the City of Vallejo approving and authorizing the execution of a Second Amendment to the Owner Participation Agreement between the Redevelopment Agency and Empress Theatre Associates, LLC; and

2) A Resolution of the City of Vallejo approving and authorizing the execution of a Second Amendment to the Owner Participation Agreement between the Redevelopment Agency and Empress Theatre Associates, LLC , and authorizing the execution of an Agreement to Terminate Option Agreement between the City and Empress Theatre Associates.

11. RECONVENE CITY COUNCIL MEETING

12. ADMINISTRATIVE ITEMS (Continued)

B. STUDY SESSION REGARDING FEE STUDY AND PROPOSED UPDATE TO BUILDING AND DEVELOPMENT PROCESSING FEES

PROPOSED ACTION: Information only at this meeting. Feedback is requested from the City Council regarding the fee study results and proposed fee increases.

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

14. WRITTEN COMMUNICATIONS

Correspondence addressed to the City Council or a majority thereof, and not added to the agenda by the Mayor or a Council member in the manner prescribed in Government Code, Section 54954.2, will be filed unless referred to the City Manager for a response. Such correspondence is available for public inspection at the City Clerk's office during regular business hours.

15. CITY MANAGER'S REPORT

16. CITY ATTORNEY'S REPORT

17. COMMUNITY FORUM

Anyone wishing to address the Council on any matter for which another opportunity to speak is not provided on the agenda, and which is within the jurisdiction of the Council to resolve, is requested to submit a completed speaker card to the City Clerk. When called upon, each speaker should step to the podium, state his /her name, and address for the record. Each speaker is limited to three minutes pursuant to Vallejo Municipal Code Section 2.20.300.

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

19. CLOSED SESSION: *May recess to consider matters of pending litigation (GC 54956.9), personnel (GC 54957), labor relations (GC 54957.6), and real property negotiations (GC 54956.8). Records are not available for public inspection.*

20. ADJOURNMENT

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

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

1. CALL TO ORDER

A. ROLL CALL

2. CONSENT CALENDAR

A. CONSIDERATION OF A RESOLUTION AUTHORIZING USE OF REVENUE SHARING FUNDS FROM SIX FLAGS DISCOVERY KINGDOM

PROPOSED ACTION: Adopt the resolution authorizing use of revenue sharing funds from Six Flags Discovery Kingdom consistent with Recommended Repayment Plan (Note: This action is unrelated to the recently announced decision of Six Flags Discovery Kingdom to exercise their purchase option).

3. ADMINISTRATIVE ITEM

A. CONSIDERATION OF A SECOND AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT BETWEEN THE CITY OF VALLEJO AND EMPRESS THEATRE ASSOCIATES, LLC AND CONSIDERATION OF AN AGREEMENT TO TERMINATE OPTION AGREEMENT BETWEEN THE CITY AND EMPRESS THEATRE ASSOCIATES (JOINT WITH CITY COUNCIL)

Over the last several years, the Redevelopment Agency and the City have entered into agreements regarding the renovation of the historic Empress Theatre and subsequent operation and management of the Empress Theatre by the nonprofit Vallejo Community Arts Foundation. The Owner Participation Agreement between the City of Vallejo and Empress Theatre Associates was entered into on March 22, 2004, and amended by a First amendment to the Owner Participation Agreement, dated May 11, 2006. It provides for the rehabilitation and reconstruction by Empress Theatre Associates LLC (the "Participant") of the Empress Theatre, an historic structure, and certain adjacent property.

The renovation of the Empress Theatre is nearing completion and the Participant's obligations under the OPA along with additional improvements committed by the Participant should be completed by the end of the month. The Participant has presented the City with a proposal to utilize two federal tax credit programs that will provide additional funds to complete the renovation work on the Project, provide certain community benefits, as well as reimburse a portion of the Participant's investment to date on the Project beyond the original scope and budget. Participation in the tax programs requires some minor changes to the existing Owner Participation Agreement and related documents.

PROPOSED ACTION: Adopt the following attached resolutions:

3) A Resolution of the Redevelopment Agency of the City of Vallejo approving and authorizing the execution of a Second Amendment to the Owner Participation Agreement between the Redevelopment Agency and Empress Theatre Associates, LLC; and

4) A Resolution of the City of Vallejo approving and authorizing the execution of a Second Amendment to the Owner Participation Agreement between the Redevelopment Agency and Empress Theatre Associates, LLC , and authorizing the execution of an Agreement to Terminate Option Agreement between the City and Empress Theatre Associates.

B. AUTHORIZATION TO EXECUTE THE AGREEMENT FOR CONSULTING SERVICES BETWEEN THE REDEVELOPMENT AGENCY AND THE NATIONAL COUNCIL FOR COMMUNITY DEVELOPMENT, DBA AS THE NATIONAL DEVELOPMENT COUNCIL, TO PROVIDE A RANGE OF CONSULTING SERVICES AND TO PROVIDE SEED MONIES FOR THE GROW VALLEJO FUND FOR ELIGIBLE SMALL BUSINESSES

PROPOSED ACTION: Approve the resolution authorizing the Executive Director to execute the Agreement for Consulting Services between the Redevelopment Agency and the National Council for Community Development, dba as The National Development Council.

4. ADJOURN TO SPECIAL MEETING OF THE MARINE WORLD JOINT POWERS AUTHORITY

MARINE WORLD JOINT POWERS AUTHORITY
SPECIAL JOINT MEETING
7:00 P.M. - CITY COUNCIL CHAMBERS

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

1. CALL TO ORDER

A. ROLL CALL

2. CONSENT CALENDAR

A. CONSIDERATION OF A RESOLUTION AUTHORIZING USE OF REVENUE SHARING FUNDS FROM SIX FLAGS DISCOVERY KINGDOM

PROPOSED ACTION: Adopt the resolution authorizing use of revenue sharing funds from Six Flags Discovery Kingdom consistent with Recommended Repayment Plan (Note: This action is unrelated to the recently announced decision of Six Flags Discovery Kingdom to exercise their purchase option).

3. ADJOURN TO CITY COUNCIL MEETING

CONSENT A

CITY OF VALLEJO

Agenda Item No.

COUNCIL COMMUNICATION

Date: June 12, 2007

TO: Mayor and Members of the City Council

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

SUBJECT: APPROVAL OF RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH DESIGN, COMMUNITY & ENVIRONMENT TO PROVIDE ENVIRONMENTAL REVIEW SERVICES FOR THE KB HOME PROJECT AND TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN KB HOME AND THE CITY OF VALLEJO FOR SAID SERVICES.

BACKGROUND & DISCUSSION

KB Home has submitted an application to develop the Vallejo City Unified School District and Syufy Properties, which, in conjunction with an adjacent City-owned property designated for recreational use, encompass approximately 30 acres located at the northwest corner of the intersection of Benicia Road and Rollingwood Drive. The project will be subject to a comprehensive City planning process and environmental review, pursuant to the California Environmental Quality Act (CEQA).

It is expected that the project will require approval of a General Plan amendment, rezoning to Planned Development Residential District, approval of a Planned Development Master Plan/Unit Plan, and preparation of an Initial Study and potentially an Environmental Impact Report (EIR). City staff has determined that the hiring of an environmental consulting firm is desirable and necessary for the project. The environmental consulting firm would work for the City of Vallejo and under the direction of the Planning Manager.

A Request for Qualifications (RFQ) was sent to nine environmental consulting firms and two responses to the RFQ were received. Both firms were interviewed by a panel consisting of the Development Services Director, the Planning Manager, the staff project manager, and the contract planner for the project. Design, Community & Environment (DC&E) was selected based on their experience performing similar roles and their ability to meet City contracting requirements.

CDE submitted a Scope of Work for the project that was reviewed by City staff (see Exhibit A of Attachment 2). The estimated cost of the environmental impact analysis services is $98,498, including a ten percent contingency for additional required work.

To secure the funding for the services of the environmental consulting firm, it is recommended that the Council authorize the City Manager to enter into a reimbursement agreement with KB Home where KB Home would be financially responsible for the cost of the environmental services.

FISCAL IMPACT

KB Home will fund all costs associated with this contract and will execute a reimbursement agreement prior to commencement of work by the environmental consultant. Since the costs will be borne by KB Home, the contract for environmental review services will have no fiscal impact to the City.

RECOMMENDATION

KB Home has submitted an application for this project. Given the complexity of the project and limited City staff, approving the contract to hire an environmental consultant to perform the environmental review of the project will inform the applicant, staff, and decision makers of any potential environmental issues that will need to be mitigated as part of the project.

ENVIRONMENTAL REVIEW

The proposed contract for environmental review services and the reimbursement agreement between KB Home and the City of Vallejo are activities which have no potential for resulting in either a direct or indirect physical change in the environment, so that it is not considered a project under CEQA (See Guidelines sec. 15378(a)). The project itself will be subject to its own environmental evaluation under the California Environmental Quality Act.

PROPOSED ACTION

Adopt the resolution authorizing the City Manager to enter into a consultant and professional services agreement between the City of Vallejo and Design, Community & Environment for environmental review services and authorizing the City Manager to execute a reimbursement agreement between KB Home and the City of Vallejo for said services. The resolution also authorizes the City Manager to amend the term and scope of the agreements if necessary to carry out the purposes of these agreements.

DOCUMENTS ATTACHED

Attachment 1 – Draft City Council Resolution
Attachment 2 – Consultant and Professional Services Agreement, including the following attachments:
- Exhibit A – Proposal to the City of Vallejo for environmental services from Design, Community & Environment
- Exhibit B – Compensation
- Exhibit C – Insurance Requirements for Consultant

Attachment 3 – Reimbursement Agreement

CONTACT: Brian Dolan, Development Services Director
707-649-5458; bdolan@ci.vallejo.ca.us

Katherine Donovan, Associate Planner
707-648-4327; kdonovan@ci.vallejo.ca.us

Attachment 1

RESOLUTION NO. _____ N.C.

A RESOLUTION TO APPROVE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH DESIGN, COMMUNITY & ENVIRONMENT TO PROVIDE CONTRACT ENVIRONMENTAL REVIEW SERVICES FOR THE KB HOME PROJECT, APPROVE A REIMBURSEMENT AGREEMENT WITH KB HOME AND THE CITY FOR SAID SERVICES AND AUTHORIZING THE CITY MANAGER TO SIGN THE AGREEMENTS ON BEHALF OF THE CITY

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

WHEREAS, KB Home has submitted an application to develop the Vallejo City Unified School District and Syufy properties, which, in conjunction with an adjacent City-owned property encompass approximately 30 acres on the northwest corner of Benicia Road and Rollingwood Drive; and

WHEREAS, the KB Home project involves the proposed development of over 200 residential units and a neighborhood park; and

WHEREAS, the KB Home project will be subject to a comprehensive planning and environmental review process, which will include the preparation of an Initial Study and possibly an Environmental Impact Report; and

WHEREAS, the Development Services Department typically hires environmental consultants to conduct more complex environmental analysis and City staff has determined that the hiring an environmental consultant is desirable and necessary for this project; and

WHEREAS, the Development Services Department sent out a Request for Qualifications for the environmental services needed for the project to nine environmental firms; and

WHEREAS, the Development Services Department received two responses to the Request for Qualifications and held interviews for both firms; and

WHEREAS, the Development Services Department chose Design, Community & Environment based upon their experience, qualifications, and ability to meet the City's contracting requirements; and

WHEREAS, all costs associated with this agreement will be borne by KB Home;

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves the consultant and professional services agreement with Design, Community & Environment and the reimbursement agreement between KB Home and the City, authorizing the City Manager to sign the agreements on behalf of the City.

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

K:\PUBLIC\AI\PL\KB envir. consultant contract\resolution.doc

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

This Agreement ("AGREEMENT") is made at Vallejo, California, on the ___day of ______, 2007, by and between the CITY OF VALLEJO, a Municipal Corporation ("CITY"), and Design, Community & Environment, hereinafter referred to as CONSULTANT, who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this AGREEMENT, CONSULTANT shall provide the CITY professional services as specified in Exhibit A, entitled "Scope of Work", which is attached hereto and made a part hereof.

2. **Payment.** CITY shall pay CONSULTANT for services rendered pursuant to this AGREEMENT at the times and in the manner set forth in Exhibit B, which is attached hereto and made a part hereof. The payments specified in Exhibit B shall be the only payments to be made to CONSULTANT for services rendered pursuant to this AGREEMENT.

3. **Facilities and Equipment.** CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this AGREEMENT.

4. **Indemnification.** CONSULTANT shall defend and hold harmless CITY, its officers, officials, directors, employees, agents, volunteers, and affiliates and any each of them from and against any and all claims, losses, or liability arising out of or in connection with CONSULTANT'S work, or any subcontractor's work, to be performed under this agreement for CONSULTANT'S or subcontractor's tort negligence, including active or passive, or strict negligence, caused by any act or omission of CONSULTANT, or any subcontractor, for the full period of time allowed by the law, regardless of any limitation by insurance, with the exception of the sole negligence or willful misconduct of the CITY.

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

5. **Insurance Requirements.** CONSULTANT agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements For Consultant", which is attached hereto and made a part hereof.

6. **Conflict of Interest.** CONSULTANT shall not enter into any contract or agreement during the performance of this AGREEMENT which will create a conflict of interest with its duties to CITY under this AGREEMENT.

7. **Independent Contractor.** CONSULTANT shall be an independent contractor and shall not be an employee of CITY while performing services pursuant to this AGREEMENT. CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this AGREEMENT; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services pursuant to this AGREEMENT.

8. **Licences, Permits, Etc.** CONSULTANT represents and warrants to CITY that it has all professional licenses, permits, qualifications and approvals of whatsoever nature which are legally required for CONSULTANT to practice its profession. CONSULTANT represents and warrants to CITY that it shall, at its sole cost and expense, keep in effect at all times during the term of this AGREEMENT any licenses, permits, and approvals which are legally required for CONSULTANT to practice its profession.

9. **Standard of Performance.** CONSULTANT shall perform all services required pursuant to this AGREEMENT in a manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged. All products and services of any nature which CONSULTANT provides to CITY pursuant to this AGREEMENT shall conform to the standards of quality normally observed by licensed, competent professionals practicing in CONSULTANT'S profession.

10. **Time for Performance.** CONSULTANT shall devote such time to the performance of the services required by this AGREEMENT as may be reasonably necessary for the satisfactory performance of its obligations pursuant to this AGREEMENT. Neither party shall be considered in default of this AGREEMENT to the extent performances are prevented or delayed by any cause, present or future, which is beyond the reasonable control of the parties set forth in this AGREEMENT.

11. **Personnel.** CONSULTANT agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this AGREEMENT. Failure to assign such competent personnel shall constitute grounds for termination of this AGREEMENT pursuant to Section 14 of this AGREEMENT.

12. **Consultant Not Agent.** Except as CITY may authorize in writing, CONSULTANT shall have no authority, express or implied to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this AGREEMENT, to bind CITY to any obligation whatsoever.

13. **Abandonment by CITY.** Upon abandonment of the project encompassed by this AGREEMENT by CITY, and written notification to CONSULTANT, this

AGREEMENT shall terminate. CONSULTANT shall be entitled to compensation earned by it prior to the date of termination, computed prorated up to and including the date of termination. CONSULTANT shall not be entitled to any further compensation as of the date of termination. All charges incurred shall be payable by CITY within thirty (30) days following submission of a final statement by CONSULTANT.

14. **Termination by CITY.** Should CITY, at any time and in its sole discretion, become dissatisfied with CONSULTANT'S performance under this AGREEMENT, it may terminate the AGREEMENT immediately upon giving notice to CONSULTANT. In the event of such a termination, CONSULTANT shall be compensated for all reasonably satisfactory work completed at the time of termination.

15. **Products of Consulting Services.** All information developed pursuant to this AGREEMENT, and all work sheets, reports and other work products, whether complete or incomplete, of CONSULTANT resulting from services rendered pursuant to this AGREEMENT, shall become the property of CITY. CONSULTANT does not assume any liability which may arise from the use of its work products created under this AGREEMENT for other than their specific intended purpose.

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

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

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

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

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

If to CITY: Katherine Donovan
Planning Division
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590

If to CONSULTANT: Ted Heyd
Design, Community & Environment
1625 Shattuck Ave., Suite 300
Berkeley, CA 94709

20. **Integration Clause.** This AGREEMENT constitutes the entire agreement of the parties and may not be amended, except in a writing signed by both parties.

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

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

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

24. **Confidentiality of CITY Information.** During performance of this AGREEMENT, CONSULTANT may gain access to and use City information regarding, but not limited to, Development Services Department procedures, policies, training, operational practices, and other vital information (hereafter collectively referred to as "City Information") which are valuable, special and unique assets of the CITY. CONSULTANT agrees to protect all City Information and treat it as strictly confidential, and further agrees CONSULTANT will not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of CITY. A violation by CONSULTANT of this paragraph shall be a material violation of this AGREEMENT and will justify legal and/or equitable relief.

25. **CITY Representative.** The CITY Representative specified in Exhibit A, or the representative's designee, shall administer this AGREEMENT for the CITY.

26. **Counterparts.** The Parties may execute this AGREEMENT in two or more counterparts, which shall, in the aggregate, be signed by all the Parties; each counterpart shall be deemed an original of this AGREEMENT as against a Party who has signed it.

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

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

    A. Exhibit A, entitled "Scope of Work"
    B. Exhibit B, entitled "Compensation"
    C. Exhibit C, entitled "Insurance Requirements For Consultant"

(SIGNATURES ARE ON FOLLOWING PAGE)

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

Design, Community and Environment

By:________________________
Stephen T. Noack

(City Seal)

CITY OF VALLEJO,
A Municipal Corporation

By:________________________
Joe Tanner, City Manager

ATTEST:

By:________________________
Mary Ellsworth, Acting City Clerk

APPROVED AS TO CONTENT:

____
Don Hazen, Planning Manager

APPROVED AS TO FORM:

____
Frederick G. Soley, City Attorney

APPROVED AS TO INSURANCE

____
Harry Maurer, Interim Risk Manager

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EXHIBIT A: WORK SCOPE AND COSTS

This chapter details the DC&E team's proposed scope for completion of the Rollingwood Drive Project Initial Study/Mitigated Negative Declaration (IS/MND). A summary of the scope of work is shown in Table 1.

This scope of work is based on the assumption that technical review will be required to address issues including cultural resources, hazardous materials, geology and soils, hydrology and water quality, biological resources, traffic and transportation, air quality, and noise. If it is determined by the City that environmental review on additional issue will be required, a contract amendment will be prepared.

The DC&E team will complete five work tasks as part of this project, as outlined below:

Task A. Project Initiation

1. Kickoff Conference Call Meeting

The DC&E team will meet with City staff to discuss key environmental issues relevant to the proposed project. We will also discuss the required format for the IS/MND and the schedule for completing and adopting the document. At this meeting, we will request any additional technical documents or background material on the project area.

2. Site Reconnaissance

DC&E team members will visit the project site to identify and photograph existing conditions on the site and the surrounding area. Each consultant team member will conduct the necessary field work to fully document the relevant issues.

3. Review Existing Documents

DC&E team members will review all data sources and documents associated with the Rollingwood Drive Project and vicinity, including all relevant City plans and regulations. Relevant documents include, but may not be limited

TABLE 1 **WORK PROGRAM SUMMARY**

Task A: Project Initiation	
1. Kickoff Conference Call Meeting 2. Site Reconnaissance	3. Review of Existing Documents
Task B: Environmental Evaluation and Initial Study/Mitigated Negative Declaration	
1. Aesthetics 2. Cultural Resources 3. Traffic and Transportation 4. Air Quality 5. Noise 6. Biological Resources 7. Recreation	8. Hazardous Materials 9. Hydrology 10. Geology, Soils and Seismicity 11. Other Environmental Issues 12. Mitigated Negative Declaration
Task C: City Review and Revision	
1. IS/MND	
Task D: Public Review/Responses to Comments	
Task E: Public Hearings	

to, the City of Vallejo General Plan and Zoning Ordinance, and infrastructure master plans.

Task B. Environmental Evaluation and Initial Study/Mitigated Negative Declaration

Using existing documents such the General Plan, and technical analyses completed specifically for this project, DC&E will prepare a detailed Initial Study using a DC&E formatted checklist. As a stand-alone environmental document, the Initial Study will include a project description, and information to support all the conclusions stemming from the threshold questions. All references will be noted and appropriate technical information will be appended as necessary. The Initial Study will determine if any environmental impacts are anticipated due to implementation of the project, and include mitigation measures as required. It is anticipated that a Mitigated Negative Declaration will be prepared for the project. If it is determined by the City that an Environmental Impact Report will be required , a contract amendment would be required to complete the work.

Table 1, Task B identifies the primary topic areas that will be examined in the Initial Study in accordance with CEQA. The Initial Study will present evidence that indicates that significant environmental effects will be avoided, as appropriate. We will use DC&E's modified CEQA checklist, upon review and approval by the City. The issues that will be evaluated through completion of the Initial Study are discussed below.

1. Aesthetics

DC&E's aesthetic and visual quality impacts investigation will consist of an analysis of the proposed project area, with particular focus on how the project would appear from adjacent public viewpoints and whether it would effect any scenic resources or vistas. DC&E will identify mitigation measures, if necessary, to ensure that the level of visual impact resulting from the project is less-than-significant.

2. Cultural Resources

Archeo-Tec will complete the Cultural Resource analysis for the project consisting of the following four sub-tasks:

a. Peer Review

Archeo-Tec will conduct a peer review of the Archaeological Survey and Cultural Resources Assessment, completed in October 2006 by Bill Self and Associates. Archeo-Tec will identify any data gaps in the report, which will be presented in brief memo form to the City for consideration by the project applicant. If necessary, the applicant would be responsible for addressing identified data gaps and submitting a complete analysis to the City. If it is determined that original analysis would be required to address the CEQA thresholds, the work would be completed with a contract amendment.

b. CEQA Checklist

Archeo-Tec will complete the cultural resource section of the CEQA Initial Study checklist by providing detailed responses, and listed impacts and mitigation measures, if necessary.

c. Response to City Comments

Archeo-Tec will respond to comments received from the City on the cultural resources section of the Administrative Draft IS/MND. Archeo-Tec has assumed that one hour would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

d. Response to Public Comments

Archeo-Tec will respond to comments received during the 30-day public review period on the cultural resources section of the Draft IS/MND. Archeo-Tec has assumed that one hour would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

3. Traffic and Transportation

a. Project Initiation and Project Description

Korve will initiate a meeting with City traffic engineering staff to discuss the project and scope of work. At this meeting Korve will confirm all elements of this scope, including study area and analysis methodologies.

The project description section of Korve's Traffic Study will be prepared and provided to the City traffic engineering staff at the kick-off meeting. This brief section will contain a site plan and all relevant data related to parking, driveway, and curb cut layouts.

b. Project Trip and Parking Generation

The volume of traffic to be generated by the project will be estimated based on information presented in *Trip Generation* (Institute of Transportation Engineers, 7th Edition, 2003). Estimates of inbound and outbound vehicle trips will be developed for the AM and PM peak hours. The proposed on-site parking supply will be evaluated against the expected parking demand based on industry standard methods and City code. Korve will also identify new trips in other modes, such as transit ridership, and bicyles.

c. Project Trip Distribution

The preliminary directional distribution of the site-generated traffic onto the roadway network will be estimated based on information from the City of Vallejo's travel demand model, existing travel patterns and traffic volumes in the area. The preliminary distribution of traffic will be submitted to City of Vallejo staff for review and comments. Any necessary revisions will be made to the preliminary distribution. Based on this final trip distribution, project generated trips will be assigned to study area roadways for the impact analysis. Trip assignments will be to and from all driveways that would be utilized by project traffic, and turning movements shall be shown for driveways as well as intersections.

d. Perform Data Collection

Korve assumes that the City will require the analysis of the following eight intersections:

- Rollingwood Drive/Dryden Drive
- Rollingwood Drive/Benicia Road
- Glen Cove Road/I-780 WB Ramps
- Glen Cove Road/I-780 EB Ramps
- Street B/Benicia Road
- Street C/Rollingwood Drive
- Keats/Rollingwood
- Benicia Road/Columbus Pkwy

AM and PM peak hour turning movement counts will be collected at these six intersections.

e. Traffic Impact Analysis

Korve will assess operating conditions at the study intersections for the following scenarios:

- Existing Conditions
- Existing Plus Project Conditions
- Cumulative Conditions
- Cumulative plus Project Conditions

The analysis of the study intersections will use the methodology and criteria of the Transportation Research Board's *2000 Highway Capacity Manual*. Default values will be used for items such as saturation flow rates, approach types, truck percentages, and lane utilization factors. The resulting level of service and average vehicular delay for AM and PM peak hour conditions at each study intersection will be presented in a tabular format. The analysis will describe how the forecast operation will differ from that of the existing facility. Cumulative conditions will be assessed using the City of Vallejo's travel demand model. Korve assumes that projections can be taken directly from the model and that no model updates or land use modifications are necessary as part of the current work.

This existing conditions section of the study will contain a description of roadways, traffic control and lane geometry, transit service (routes and frequency), and bicycle/pedestrian facilities. Level of service analysis for existing conditions will be included in this section. Site plans will be reviewed to assure adequate site access and circulation.

Based on the results of the level of service analysis, any significant adverse impacts will be identified in accordance with City significance standards. Mitigation measures will be developed for all identified impacts. Project contributions to any significant cumulative impacts will also be identified. Alternative mitigation measures will be discussed with City staff during the analysis period and included in a draft report to the City for review.

f. Prepare Report
Korve will prepare a stand-alone draft traffic report documenting the results of its data collection and analysis efforts. Based on comments to be received on the draft report, the report will be finalized and re-submitted to DC&E and the City. The results of this report will be incorporated into the traffic and transportation section of this Initial Study checklist.

g. Respond to City's Comments
Korve will respond to one-round of comments received from the City on the traffic section of the Administrative Draft IS/MND. Korve has assumed that 29 hours would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

h. Respond to Public Comments
Korve will respond to comments received during the 30-day public review period on the cultural resources section of the Draft IS/MND. Korve has assumed that 16 hours would be adequate for this task. If the nature or volume of comments received warrants additional effort, a contract modification would be required.

4. Air Quality
Illingworth and Rodkin will prepare an air quality analysis on the project in accordance with the Bay Area Air Quality Management District (BAAQMD) CEQA Guidelines.

a. Setting
Existing air quality conditions will be described based on air quality monitoring data for the area published by the BAAQMD. A brief description of the meteorological conditions that affect air quality in the area, along with a description of the regulatory environment, will be prepared.

b. Assess Air Quality Impacts
Air quality impacts will be assessed in accordance with the BAAQMD District CEQA Guidelines. Air pollutant emissions associated with the project will be calculated using traffic data and the latest emission factors available from the California Air Resources Board (CARB) (e.g., URBEMIS2002). Changes in daily emission rates for the project will be calculated and the differences with the future no-build case will be compared with BAAQMD significance thresholds. An assessment of changes to carbon monoxide concentrations will be conducted. Roadside carbon monoxide concentrations will be predicted using screening methods acceptable to the District. These methods are based on the Caline4 Line-Source Dispersion Model. The significance of the results will be based on a comparison of modeling results with ambient air quality standards.

c. Assess Construction Impacts
An analysis of construction impacts will be based on the potential for health and nuisance impacts and the level of dust control measures. These types of impacts will be evaluated on a qualitative basis taking into account the amount of construction activity and the proximity of sensitive receptors. (Note: DC&E assumes that the project applicant will provide a description of construction activities, including the number and type of heavy equipment on the site).

d. Global Warming Assessment
In completing the air quality section of the CEQA checklist, Illingworth and Rodkin will include a qualitative discussion of Green House Gas (GHG) Emissions and Global Warming. The discussion will include the following components:

- A discussion of current State regulations intended to reduce GHG emissions and address the prospect of global warming.

- Identification of specific green house gases that could be generated by the project and a qualitative assessment of how those emissions could contribute to global warming.

- Identification of possible mitigation measures that could be incorporated into the project to reduce anticipated emissions of green house gases.

e. Identify Mitigation Measures
Reasonable and feasible mitigation measures to reduce any significant air quality impacts will be identified and evaluated. These measures would likely be orientated to reducing emissions from motor vehicles through trip reduction and congestion

management plans (e.g. implementation of applicable transportation control measures). A list of reasonable and feasible dust control measures will be developed to reduce construction-related air quality impacts. Measures to reduce exposure of sensitive receptors to diesel exhaust will be identified; where prolonged construction activities near habitable places are proposed to occur.

Based on the work completed in sub-tasks a-d above, Illingworth and Rodkin will complete the Air Quality section of the CEQA Initial Study checklist and submit it to DC&E.

f. Respond to City's Comments
Illingworth and Rodkin will respond to one-round of comments received from the City on the air quality section of the Administrative Draft IS/MND. Illingworth and Rodkin has assumed that 2 hours would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

g. Respond to Public Comments
Illingworth and Rodkin will respond to comments received during the 30-day public review period on the air quality section of the Draft IS/MND. Illingworth and Rodkin has assumed that 2 hours would be adequate for this task. If the nature or volume of comments received warrants additional effort, a contract modification would be required.

5. Noise
Illingworth and Rodkin will complete the Noise analysis for the project, which will include the following sub-tasks.

a. Quantify Existing Noise Levels
Illingworth and Rodkin will conduct a site-specific ambient noise monitoring survey, comprised of long-term and short-term noise measurements to adequately establish baseline noise conditions at the project site and in surrounding areas. Measurements will include a combination of 24-hour and short-term durations.

b. Calculate Future Noise Levels
Future noise levels will be calculated for proposed residential areas of the project. Noise levels generated by the operation of the project will be calculated at nearby sensitive receivers and placed into context with existing and future noise levels expected at these sites. Illingworth and Rodkin will calculate the incremental increase in noise that would result from project-generated traffic. Noise resulting from con-

struction activities will be projected out to the nearest sensitive receptor locations based on industry-standard construction noise level data.

c. Assess Noise Impacts
Illingworth and Rodkin will assess the potential for significant noise impacts resulting from the project by evaluating the project's compatibility with the projected noise environment at the site. Illingworth and Rodkin will also assess the potential for project-generated noise impacts on existing residents and the nearby cemeteries from increased vehicular traffic noise along local roadways and construction noise.

d. Present Mitigation Measures
Mitigation will be identified to reduce any significant noise impacts to less-than-significant levels.

Based on the work completed in sub-tasks a-d above, Illingworth and Rodkin will complete the Noise section of the CEQA Initial Study checklist and submit it to DC&E.

e. Respond to City's Comments
Illingworth and Rodkin will respond to one-round of comments received from the City on the noise section of the Administrative Draft IS/MND. Illingworth and Rodkin has assumed that 2 hours would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

f. Respond to Public Comments
Illingworth and Rodkin will respond to comments received during the 30-day public review period on the noise section of the Draft IS/MND. Illingworth and Rodkin has assumed that 2 hours would be adequate for this task. If the nature or volume of comments received warrants additional effort, a contract modification would be required.

6. Biological Resources
Environmental Collaborative will prepare the Biological Resources analysis for the project, which will consist of the following sub-tasks:

a. Peer review
Environmental Collaborative will complete a peer review of the Biological Resources Analysis, completed May 2006 by Olberding Environmental, Inc. and the Preliminary Tree Report, completed December 2006 by HortScience, Inc. Envi-

ronmental Collaborative will identify any data gaps in these reports, which will be presented in brief memo form to the City for consideration by the project applicant. If necessary, the applicant would be responsible for addressing identified data gaps and submitting a complete analysis to the City. If it is determined that original analysis would be required to address the CEQA thresholds, the work would be completed with a contract amendment.

a. CEQA Checklist
Environmental Collaborative will complete the biological resources section of the CEQA Initial Study checklist and submit it to DC&E.

b. Respond to City's Comments
Environmental Collaborative will respond to one-round of comments received from the City on the biological resource section of the Administrative Draft IS/MND. Environmental Collaborative has assumed that one hour would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

c. Respond to Public Comments
Environmental Collaborative will respond to comments received during the 30-day public review period on the biological resources section of the Draft IS/MND. Environmental Collaborative has assumed that one hour would be adequate for this task. If the nature or volume of comments received warrants additional effort, a contract modification would be required.

7. Hazardous Materials
Stellar Environmental Solutions (SES) will prepare the Hazardous Materials analysis for the project, which will consist of the following sub-tasks:

a. Peer Review
Stellar Environmental Solutions (SES) will complete a peer review of the applicant's Phase I Environmental Site Assessment (ESA) to evaluate potential impacts from surface or subsurface chemical or contaminated materials within the City. SES will also review any available information provided by the City of Vallejo and/or Solano County. This information will be evaluated in the context of development constraints and regulatory sites where levels of contaminants have been identified as being above the Department of Toxic Substance Control (DTSC) and the Regional Water Quality Control Board (RWQCB) Environmental Screening Levels (ESLs).

SES will identify any data gaps in the Phase I Report, which will be presented in brief memo form to the City for consideration by the project applicant. SES will not be responsible for conducting any original analysis required to address potential data gaps in the Phase I Report. If necessary, the applicant would be responsible for addressing identified data gaps and submitting a complete analysis to the City.

b. CEQA Checklist

SES will complete the hazardous materials section of the CEQA Initial Study checklist and submit it to DC&E.

c. Respond to City's Comments

SES will respond to one-round of comments received from the City on the hazardous materials section of the Administrative Draft IS/MND. SES has assumed that two hours would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

d. Respond to Public Comments

Environmental Collaborative will respond to comments received during the 30-day public review period on the hazardous materials section of the Draft IS/MND. SES has assumed that two hours would be adequate for this task. If the nature or volume of comments received warrants additional effort, a contract modification would be required.

8. Hydrology and Water Quality

Stellar Environmental Solutions (SES) will prepare the Hydrology and Water Quality analysis for the project, which will consist of the following sub-tasks:

a. CEQA Checklist

The 23-acre property has a potentially diverse hydrologic environment with some riparian zones. SES will complete a detailed site inspection and a review of all available literature and watershed resources availed from the City of Vallejo, Solano County, and other published and unpublicized sources. A range of regulatory issues are associated with varying concerns about hydrology, water quality and watershed protection. Hydrology issues of potential concern include the increases in impervious surfaces and associated runoff that would result from residential housing. Other potential issues include understanding the current drainage capacity and impacts from planned improvements, flooding potential, groundwater recharge protection and potential future water quality discharge. The project must conform with storm drainage standards, flood control, water quality, erosion, and siltation.

Based on the site-reconnaissance and review of existing source data, SES will complete the Hydrology and Water Quality section of the CEQA checklist for submittal to DC&E.

b. Respond to City's Comments
SES will respond to one-round of comments received from the City on the hydrology and water quality section of the Administrative Draft IS/MND. SES has assumed that one hour would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

c. Respond to Public Comments
SES will respond to comments received during the 30-day public review period on the hydrology and water quality section of the Draft IS/MND. SES has assumed that two hours would be adequate for this task. If the nature or volume of comments received warrants additional effort, a contract modification would be required.

9. Geology, Soils and Seismicity
Stellar Environmental Solutions (SES) will prepare the analysis of Geology, Soils and Seismicity for the project, which will consist of the following sub-tasks:

a. Peer Review
SES will complete a peer review of applicant's geotechnical report, dated May 18, 2006. SES will identify any data gaps in the Geotechnical report, which will be presented in brief memo form to the City for consideration by the project applicant. If necessary, the applicant would be responsible for addressing identified data gaps and submitting a complete analysis to the City. If it is determined that original analysis would be required to address the CEQA thresholds, the work would be completed with a contract amendment.

b. CEQA Checklist
Based on its review of the Geotechnical report, other available literature, and the City of Vallejo current seismic safety element, SES will complete the Geology and Soils section of the CEQA checklist and submit it to DC&E.

c. Respond to City's Comments
SES will respond to one-round of comments received from the City on the geology, soils, and seismicity section of the Administrative Draft IS/MND. SES has

assumed that one hour would be adequate for this task. If the nature or volume or comments received warrants additional effort, a contract modification would be required.

d. Respond to Public Comments

SES will respond to comments received during the 30-day public review period on the geology, soils, and seismicity section of the Draft IS/MND. SES has assumed that two hours would be adequate for this task. If the nature or volume of comments received warrants additional effort, a contract modification would be required.

10. Land Use

Based on surrounding land uses and the City's land use and zoning designation established for the site, DC&E will determine whether the project would physically divide an existing community, create or exacerbate a land use conflict with adjacent uses, or conflict with any existing agency plans, policies, or regulations pertaining to the City.

11. Population and Housing

DC&E will evaluate the proposed project in the context of the City's existing housing-stock and population. DC&E will assess whether the project-based population would create a substantial increase in the City's existing population relative to existing levels.

12. Public Services

DC&E will evaluate whether the project would trigger a population increase in the City that would require the construction of new fire or police stations, schools, parks, or libraries, the construction of which could have potentially significant impacts on the environment. The potential need for new facilities would be based on whether the project would have an adverse effect on acceptable service ratios, response times or other performance objectives for any of the public services.

13. Recreation

DC&E will evaluate whether the proposed project, including the displacement of the Little League fields on-site, would increase usage of other neighborhood or regional parks to the degree that substantial deterioration of those other facilities would occur or be accelerated. DC&E will also evaluate whether new recreation facilities would potentially be required elsewhere in the City and whether the construction of these facilities could result in potentially significant impacts.

14. Utilities and Infrastructure
DC&E will evaluate whether the project would result in a demand on utilities and infrastructure that exceeds the current capacity of existing service providers. The particular issues that DC&E will focus on as part of this evaluation are sanitary wastewater, potable water, storm water, and solid waste collection.

15. Agricultural Resources
Using existing resources such as the City's General Plan Land Use Map, DC&E will determine whether or not the project site includes any land identified as Prime Farmland, Unique Farmland or Farmland of Statewide Importance. If these resources exist on-site, DC&E will determine whether potentially significant impacts would occur.

16. Mineral Resources
Using information in the City's General Plan EIR, DC&E will determine whether any mineral resources exist on the project site and whether the project would result in the loss of the availability of such resources that would be of value to the region or the State.

17. Mitigated Negative Declaration (MND)
Assuming that the Initial Study finds that there are no unavoidable significant environmental impacts as a result of the project, or if potentially significant impacts can be avoided or mitigated to a less-than-significant level, a CEQA MND will be prepared for the project. If the Initial Study concludes that the proposed project could have potentially significant unavoidable impacts, an EIR will be required.

18. Mitigation Monitoring Program (MMRP)
DC&E will prepare a mitigation monitoring program to accompany the IS/MND. This program, shown in tabular form, will identify responsibility for implementing and monitoring each mitigation measure contained in the Initial Study, along with monitoring triggers and reporting frequency.

Task C. City Review and Revision

The IS/MND and MMRP will be submitted to the City of Vallejo for review, as follows:

1. IS/MND

- *Administrative Draft IS/MND.* DC&E will submit this first draft to the City for review in paper and electronic formats. The City will provide DC&E with a consolidated set of comments on the report. This assumes that DC&E will respond to one-round of comments on the Administrative Draft received from the City.
- *Screencheck Draft IS/MND.* DC&E will submit a revised, second draft to City staff as an electronic "screencheck" prior to printing the public review draft. DC&E assumes that a minimal level of effort, not exceeding 4 hours, would be required to respond to any comment from the City on the screen check Draft IS/MND.
- *Draft IS/MND.* DC&E will provide the City with one electronic copy and 30 paper copies. This assumes that the City will circulate copies of the document to the State Clearinghouse, as required by CEQA, and to interested members of the public.
- *Memorandum of Responses to Comments:* DC&E will submit this memo to the City for review. DC&E assumes that it will respond to one round of comments from the City on the proposed responses to comments.

2. Mitigation Monitoring Program (MMRP)

DC&E will prepare a mitigation monitoring program to accompany the IS/MND. This program, shown in tabular form, will identify responsibility for implementing and monitoring each mitigation measure contained in the Initial Study, along with monitoring triggers and reporting frequency.

- *Administrative Draft MMRP.* DC&E will submit this first draft to the City for review in paper and electronic formats. The City will provide DC&E with a consolidated set of comments on the MMRP. This assumes one-round of review and comments by the City.
- *Screencheck Draft IS/MND.* We will submit a revised, second draft of the MMRP to City staff as an electronic "screencheck" prior to printing. This assumes one-round of review and comments by the City.
- *Final MMRP.* DC&E will submit a final MMRP to the City in electronic and paper formats.

Task D. Public Review/Responses to Comments

Once the IS/MND is published with the State Clearinghouse, CEQA requires a 30-day public review period during which the document will be available for review and comment. DC&E will respond to substantive comments received on the IS/MND in a memorandum form. DC&E's labor for this task is limited to 26 hours, which includes the time required to revise responses based on input from the City. Any additional labor for this task, beyond 26-hours, would require a budget amendment.

Task E. Public Hearings

Steve Noack will attend up to two public hearings on the Final IS/MND, at which he will present findings and respond to questions from members of the public or City staff. Attendance at additional hearings could be added to this scope of work on a time-and-materials basis, if required by the City.

1 SCHEDULE, PRODUCTS AND MEETINGS

This chapter describes the schedule, products and meetings associated with the DC&E team's proposed Scope of Work.

A. Schedule

Following Notice to Proceed from the City, DC&E proposes to submit an Administrative Draft IS/MND within 60 days of notice to proceed from the City. After review and comment by the City, DC&E will submit a Draft IS/MND within ten working days of receipt of comments. Upon receipt of agency and/or public comments on the Draft IS/MND following the public review period, DC&E will submit responses to comments to the City within ten working days. Following receipt of any comments from the City on the draft responses, DC&E will submit a Final Memorandum of Responses to Comments within five working days.

B. Products

In fulfillment of the scope of work presented in this proposal, DC&E will submit the following work products to the City:

- Administrative Draft IS/MND (two hardcopies and one electronic copy) (Task C)
- Screen-Check Draft IS/MND (Task C) (two hardcopies and one electronic copy) (Task C)
- Draft IS/MND (Task C) (30 hardcopies and one electronic copy)
- Memorandum of Responses to Comments (Task E) (two hardcopies and one electronic copy)
- Administrative Draft MMRP (two hardcopies and one electronic copy) (Task C)
- Screen-Check MMRP (two hardcopies and one electronic copy) (Task C)
- Final MMRP (two hardcopies and one electronic copy) (Task C)

C. *Meetings*

The proposed scope of work includes DC&E's attendance at two hearings on the Final IS/MND. DC&E would attend additional meetings on a time and materials basis, if required by the City. The estimated cost per attendance at additional meetings would be $600 per meeting.

Attendance at up to two meetings is included as part of Korve's scope of work and budget. This could include meetings with City staff throughout the course of the project and potentially public hearings. Korve could attend additional meetings on a time and materials basis at the request of the City.

2 COST ESTIMATE

As shown in the attached cost estimate, the estimated cost to complete the scope of work described in the attached proposal will be $ 76,744. DC&E *guarantees* that it will complete a contracted scope of work for the contracted cost. Any contract cost overruns are absorbed by the firm and are not passed on to the client.

Billing rates for this project are guaranteed through December 2007. Billing rates will be subject to an increase of up to six percent on January 1, 2008 and in each subsequent year thereafter. DC&E bills for its work monthly, with invoices showing staff hours spent, billing rates, and expenses.

A. Assumptions

This proposal, with its scope of work and budget, covers only the items specifically mentioned above. Any additional tasks will be added services defined under separate work scopes and cost estimates. The following assumptions apply to this scope of work and budget:

- 26-hours are assumed in the budget for DC&E to respond comments on the public-review Draft IS/MND, including time required to revise responses based on input from the City. Should the volume and/or nature of the comments require a level of effort exceeding 26-hours, a budget amendment will be required.
- DC&E and Korve will attend up to three meetings and two meetings, respectively. Either party can attend additional meetings on a time and materials basis, at the request of the City.
- Additional copies of documents beyond the quantities specified in the scope above can be provided on a time and materials basis.
- The Report Production cost of $650 included in the attached Cost Estimate is based on the assumption that the 30 copies of the public review draft of the IS/MND would include 200 pages (100 double-sided pages) sized at 8.5 x 11. It is assumed that each copy would contain 8 color exhibits sized at 8.5 x 11.
- This scope does not include completion of original, project-specific reports for the following issues: hydrology and water quality, cultural resources, hazardous materials, geology and soils, and biology. If original studies are required as part of this IS/MND, a separate scope and fee will be developed for their completion.

- Under the discussion of Task B in this scope of work, several assumptions have been included concerning the number of hours allocated to respond to the City's comments on the Administrative Draft IS/MND and comments received during the 30-day public review period for the Draft IS/MND. If the nature and/or volume of comments received from the City or the public and agencies is such that additional time is required beyond the hours specified, contract modifications will be requested on a case-by-case basis.
- In completing the MMRP, DC&E will respond to one round of the City's comments on the Administrative Draft and one round of consolidated comments on the screen-check version. Additional rounds of revisions by DC&E would require a budget amendment.
- Environmental Collaborative (EC) has included three additional assumptions. EC's attendance at public hearings or other project-related meetings other than the project start-up meeting would be billed on a time and materials basis. Third, any additional detailed surveys for special-status species, sensitive natural communities, or potential jurisdictional wetland resources would require an expanded study at additional cost. Fourth, any costs to prepare a detailed mitigation plan for special-status species or wetlands would be separately billed on a time and materials basis.
- The completion of visual simulations and the Mitigation Monitoring and Reporting Program are optional tasks. The estimated costs for completing these items are included in the budget under Optional Tasks.

Table 3
Design, Community & Environment
Rollingwood Avenue Initial Study
Cost Estimate

	DC&E					Archeo-Tec			Illingworth and Rodkin						Korve Engineering				Stellar Environmental Solutions		Environmental Collaborative
Hours per Task	Principal (Steve Noack)	Associate (Ted Heyd)	Planner	Graphics	Clerical	Principal Investigator (Allen Pastron)	Research Associate	Research Assistant	Rodkin	Reyff (AQ)	Thill (Noise)	Lodico (Noise)	Pommerenck (AQ)	Tech	Senior Traffic - Burton	Traffic Engineer	Graphics	Admin	Principal	Project Planner	Martin
A. Project Initiation	2	16	8			2	2	4	1		12	12		6	4	4			4		2
B. Environmental Evaluation and Initial Study	8	32	116	8	3	2	4	4	2	12			20		24	94	19		32	4	6
C. City Review and Revision	2	10	32	2	1			1							8	16	5	8			1
D. Public Review /Responses to Comments	2	8	16					1							4	8	4		10		1
E. Public Hearings	6	-	-																		
Project Management		12																			
Total Hours	20	78	172	10	4	4	6	10	3	12	12	12	20	6	40	122	28	8	46	4	10
Billing Rate	$175	$125	$80	$85	$65	$150	$85	$65	$ 190	$150	$150	$125	$110	$70	$240	$100	$85	$45	$140	$80	$100
Labor Cost	$3,500	$9,750	$13,760	$850	$260	$600	$510	$650	$570	$1,800	$1,800	$1,500	$2,200	$420	$9,600	$12,200	$2,380	$360	$6,440	$320	$1,000
Total Firm Labor Cost					$28,120			$1,760						$8,290				$24,540		$6,760	$1,000
EXPENSES																					
Mileage (@ $0.458 per mile)					100													97		108	50
Subconsultant Management (10%)					4,297																
Office Expenses (Phone, Fax, Copies, etc)					562													100			50
Report Production (30 Copies)					650																100
Delivery (Fedex)					50																
Total Expenses					5,659			-						110				197		108	200
TOTAL PER FIRM					$33,779			$1,760						$8,400				$24,737		$6,868	$1,200
GRAND TOTAL					$76,744																

Optional Tasks	Estimated Fee for Optional Tasks
A. Scoping Meeting	$600
B. Visual Simulations (3)	$12,800
C. Findings	$615

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

This Agreement ("AGREEMENT") is made at Vallejo, California, on the ___ day of ______, 2007, by and between the CITY OF VALLEJO, a Municipal Corporation ("CITY"), and Design, Community & Environment, hereinafter referred to as CONSULTANT, who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this AGREEMENT, CONSULTANT shall provide the CITY professional services as specified in Exhibit A, entitled "Scope of Work", which is attached hereto and made a part hereof.

2. **Payment.** CITY shall pay CONSULTANT for services rendered pursuant to this AGREEMENT at the times and in the manner set forth in Exhibit B, which is attached hereto and made a part hereof. The payments specified in Exhibit B shall be the only payments to be made to CONSULTANT for services rendered pursuant to this AGREEMENT.

3. **Facilities and Equipment.** CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this AGREEMENT.

4. **Indemnification.** CONSULTANT shall defend and hold harmless CITY, its officers, officials, directors, employees, agents, volunteers, and affiliates and any each of them from and against any and all claims, losses, or liability arising out of or in connection with CONSULTANT'S work, or any subcontractor's work, to be performed under this agreement for CONSULTANT'S or subcontractor's tort negligence, including active or passive, or strict negligence, caused by any act or omission of CONSULTANT, or any subcontractor, for the full period of time allowed by the law, regardless of any limitation by insurance, with the exception of the sole negligence or willful misconduct of the CITY.

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

5. **Insurance Requirements.** CONSULTANT agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements For Consultant", which is attached hereto and made a part hereof.

6. **Conflict of Interest.** CONSULTANT shall not enter into any contract or agreement during the performance of this AGREEMENT which will create a conflict of interest with its duties to CITY under this AGREEMENT.

7. **Independent Contractor.** CONSULTANT shall be an independent contractor and shall not be an employee of CITY while performing services pursuant to this AGREEMENT. CITY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT'S services rendered pursuant to this AGREEMENT; however, CITY shall not have the right to control the means by which CONSULTANT accomplishes services pursuant to this AGREEMENT.

8. **Licences, Permits, Etc.** CONSULTANT represents and warrants to CITY that it has all professional licenses, permits, qualifications and approvals of whatsoever nature which are legally required for CONSULTANT to practice its profession. CONSULTANT represents and warrants to CITY that it shall, at its sole cost and expense, keep in effect at all times during the term of this AGREEMENT any licenses, permits, and approvals which are legally required for CONSULTANT to practice its profession.

9. **Standard of Performance.** CONSULTANT shall perform all services required pursuant to this AGREEMENT in a manner and according to the standards observed by a competent practitioner of the profession in which CONSULTANT is engaged. All products and services of any nature which CONSULTANT provides to CITY pursuant to this AGREEMENT shall conform to the standards of quality normally observed by licensed, competent professionals practicing in CONSULTANT'S profession.

10. **Time for Performance.** CONSULTANT shall devote such time to the performance of the services required by this AGREEMENT as may be reasonably necessary for the satisfactory performance of its obligations pursuant to this AGREEMENT. Neither party shall be considered in default of this AGREEMENT to the extent performances are prevented or delayed by any cause, present or future, which is beyond the reasonable control of the parties set forth in this AGREEMENT.

11. **Personnel.** CONSULTANT agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this AGREEMENT. Failure to assign such competent personnel shall constitute grounds for termination of this AGREEMENT pursuant to Section 14 of this AGREEMENT.

12. **Consultant Not Agent.** Except as CITY may authorize in writing, CONSULTANT shall have no authority, express or implied to act on behalf of CITY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this AGREEMENT, to bind CITY to any obligation whatsoever.

13. **Abandonment by CITY.** Upon abandonment of the project encompassed by this AGREEMENT by CITY, and written notification to CONSULTANT, this

AGREEMENT shall terminate. CONSULTANT shall be entitled to compensation earned by it prior to the date of termination, computed prorated up to and including the date of termination. CONSULTANT shall not be entitled to any further compensation as of the date of termination. All charges incurred shall be payable by CITY within thirty (30) days following submission of a final statement by CONSULTANT.

14. **Termination by CITY.** Should CITY, at any time and in its sole discretion, become dissatisfied with CONSULTANT'S performance under this AGREEMENT, it may terminate the AGREEMENT immediately upon giving notice to CONSULTANT. In the event of such a termination, CONSULTANT shall be compensated for all reasonably satisfactory work completed at the time of termination.

15. **Products of Consulting Services.** All information developed pursuant to this AGREEMENT, and all work sheets, reports and other work products, whether complete or incomplete, of CONSULTANT resulting from services rendered pursuant to this AGREEMENT, shall become the property of CITY. CONSULTANT does not assume any liability which may arise from the use of its work products created under this AGREEMENT for other than their specific intended purpose.

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

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

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

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

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

If to CITY: Katherine Donovan
Planning Division
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590

If to CONSULTANT: Ted Heyd
Design, Community & Environment
1625 Shattuck Ave., Suite 300
Berkeley, CA 94709

20. **Integration Clause.** This AGREEMENT constitutes the entire agreement of the parties and may not be amended, except in a writing signed by both parties.

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

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

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

24. **Confidentiality of CITY Information.** During performance of this AGREEMENT, CONSULTANT may gain access to and use City information regarding, but not limited to, Development Services Department procedures, policies, training, operational practices, and other vital information (hereafter collectively referred to as "City Information") which are valuable, special and unique assets of the CITY. CONSULTANT agrees to protect all City Information and treat it as strictly confidential, and further agrees CONSULTANT will not at any time, either directly or indirectly, divulge, disclose or communicate in any manner any City Information to any third party without the prior written consent of CITY. A violation by CONSULTANT of this paragraph shall be a material violation of this AGREEMENT and will justify legal and/or equitable relief.

25. **CITY Representative.** The CITY Representative specified in Exhibit A, or the representative's designee, shall administer this AGREEMENT for the CITY.

26. **Counterparts.** The Parties may execute this AGREEMENT in two or more counterparts, which shall, in the aggregate, be signed by all the Parties; each counterpart shall be deemed an original of this AGREEMENT as against a Party who has signed it.

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

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

    A. Exhibit A, entitled "Scope of Work"
    B. Exhibit B, entitled "Compensation"
    C. Exhibit C, entitled "Insurance Requirements For Consultant"

(SIGNATURES ARE ON FOLLOWING PAGE)

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

Design, Community and Environment

By:______________________
Stephen T. Noack

CITY OF VALLEJO,
A Municipal Corporation

By:______________________
Joe Tanner, City Manager

ATTEST:

By:______________________
Mary Ellsworth, Acting City Clerk

APPROVED AS TO CONTENT:

____
Don Hazen, Planning Manager

APPROVED AS TO FORM:

____
Frederick G. Soley, City Attorney

APPROVED AS TO INSURANCE

____
Harry Maurer, Interim Risk Manager

(City Seal)

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CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

COMPENSATION

1. CONSULTANT'S Compensation.

A. Services: City agrees to pay CONSULTANT, at the rate specified below, for those services set forth in Exhibit A of this AGREEMENT and for all authorized reimbursable expenses.

B. Additional Services:

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

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

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

CONSULTANT'S billable hourly rate shall be as provided in the "Scope of Work". Funds will be submitted to the City by the developer, deposited into a City account, and paid by the City when invoices are received.

3. CONSULTANT'S Reimbursable Expenses.

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

4. Payments to CONSULTANT.

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

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

1. Description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. CITY'S Purchase Order Number
5. Amount of this Invoice (Itemize all Reimbursable Expenses")
6. Total Billed to Date

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

D. Request for payment shall be sent to:

Planning Division
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590

Attn.: Deborah Marshall

5. Accounting Records of CONSULTANT.

CONSULTANT shall maintain for three (3) years after completion of all services hereunder, all records under this AGREEMENT, including, but not limited to, records of CONSULTANT'S direct salary costs for all Services and Additional Services performed under this AGREEMENT and records of

CONSULTANT'S Reimbursable Expenses, in accordance with generally accepted accounting practices and shall keep such records available for inspection and audit by representatives of the Finance Department of CITY at a mutually convenient time.

6. Taxes.

CONSULTANT shall pay, when and as due, any and all taxes incurred as a result of CONSULTANT'S compensation hereunder, including estimated taxes, and shall provide CITY with proof of such payments upon request. CONSULTANT hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONSULTANT'S breach of this Section.

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CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

INSURANCE REQUIREMENTS FOR CONSULTANT

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

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

2. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 any auto and endorsement CA 0025.

3. Professional Liability insurance appropriate to the CONSULTANT'S profession (Errors and Omission).

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

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

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

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

C. Deductible and Self-Insured Retention

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

D. Other Insurance Provisions

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

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

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

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

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

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

E. Acceptability of Insurers

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

F. Verification of Coverage

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

G. Subconsultants

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

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Attachment 3

KB Home Project
Reimbursement Agreement

THIS AGREEMENT is entered into this______ day of ________, 2007, ("Effective Date"), between KB Home ("Developer") and the CITY OF VALLEJO, a municipal corporation organized and existing under the laws of the State of California ("City").

RECITALS

This Agreement is predicated upon the following findings:

A. DEVELOPER has submitted an application to develop the Vallejo City Unified School District and Syufy properties, which, in conjunction with an adjacent City-owned property encompass approximately 30 acres at the northwest corner of Benicia Road and Rollingwood Drive with over 200 residential units and a neighborhood park.

B. The KB Home project will be subject to a comprehensive planning and environmental review process, which will include the preparation of an Initial Study and possibly an Environmental Impact Report.

C. CITY issued a Request for Qualifications for environmental review services to prepare the environmental document for the project. Proposals from two (2) environmental consulting firms were received.

D. A four-member panel interviewed both environmental consulting firms.

E. Based on these interviews, CONSULTANT was selected to serve as the third party contractor for environmental review services and preparation of the environmental document.

F. CITY determined that, based on CEQA statutes, CITY should serve as lead contracting agency for completion of the environmental document for the project.

G. The AGREEMENT set forth is for environmental review services and the completion of the environmental document for the project, as detailed in Exhibit entitled"Scope of Work". Any additional analysis may only be conducted upon agreement by all parties to this contract.

NOW THEREFORE, the parties agree as follows:

1. Consultant Reimbursement. City will contract directly with Design, Community and Development (Consultant) to provide environmental consulting services for the

Project. Developer will reimburse City for all costs associated with or arising out of the contract with the environmental consultant to the extent that they relate to the Project.

2. **Deposit**. Developer shall deposit $98,498 cash (or other equivalent security in a form approved by the City Manager) with the City within 15 days of receiving notice of the execution of a contract between the City and the Consultant. The City will hold the deposit and charge invoices received from the Consultant against the deposit. Developer shall submit the KB Home deposit within 15 days of receiving notice from the City. In the event that funds remain on deposit at the conclusion of the services contemplated by this agreement, they shall be refunded to Developer.

3. Binding Effect of Agreement. The burdens of this Agreement bind and the benefits of the Agreement inure to the successors in interest to the parties to it.

4. Relationship of Parties.
   a. It is understood that the contractual relationship between the City and Consultant is such that Consultant is an independent contractor and not the agent of the City and nothing herein shall be construed to the contrary.
   b. City and Developer agree that nothing contained herein or in any document executed in connection herewith shall be construed as making Developer and City joint venturers or partners.
   c. This Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

5. No Entitlements Granted. Nothing in this Agreement shall provide developer with any right to secure approval of any development plan or other entitlement. In addition, Developer agrees that it will have no rights to select the Consultant or direct the work, response times, recommendations, or approvals of the Consultant.

6. Notices. All notices required or provided for under this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid, return receipt requested, to the principal offices of the City and Developer and its representative and Developers' successors and assigns. Notice shall be effective on the date it is delivered in person, or the date when the postal authorities indicate the mailing was delivered to the address of the receiving party indicated below:

Notice to City:

Katherine Donovan, Associate Planner
Planning Division
P.O. Box 3068
555 Santa Clara Street
Vallejo, CA 94590

Notice to Developer:

Denise Cunningham
KB Home South Bay Inc.
6700 Koll Center Pkwy, Ste. 200
Pleasanton, CA 94566

8. Indemnification, Defense and Hold Harmless.

a. Developer agrees to and shall indemnify, defend and hold the City, its council members, officers, agents, employees and representatives harmless from liability for damage or claims of damage, for personal injury, including death, and claims for property damage which may arise from City's hiring of the Consultant and the service provided thereby.

b. Developer's obligation under this section to indemnify, defend and hold harmless the City, its council members, officers, agents employees, and representatives shall not extend to liability for damage or claims for damage arising out of the sole negligence or willful act of the City, its council members, officers, agents, employees or representatives. In addition, developer's obligation shall not extend to any award of punitive damages against the City resulting from the conduct of the City, its council members, officers, agents, employees or representatives.

c. With respect to any action challenging the validity of this Agreement or any environmental, financial or other documentation related to approval of this Agreement, Developer further agrees to defend, indemnify, hold harmless, pay all damages, costs and fees, if any incurred to either the City or plaintiff (s) filing such an action should a court award plaintiff(s) damages, costs and fees, and to provide a defense for the City in any such action.

(SIGNATURES ARE ON FOLLOWING PAGE)

IN WITNESS WHEREOF this Agreement has been executed by the parties on the day and year first above written.

KB Home:

By:______________________________
Ray Panek, KB Home

THE CITY OF VALLEJO

By:______________________________
Joseph M. Tanner, City Manager

Attest:__________________________
Mary Ellsworth, Interim City Clerk

Approved as to Form

____
Frederick G. Soley
City Attorney

K:\PUBLIC\AI\PL\KB envir. consultant contract\reimbursement agreement.doc

CONSENT B

Agenda Item No.

COUNCIL COMMUNICATION

Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING THE SALE OF 200 SURPLUS GLASS DIELECTRIC TUBES TO OZONE SYSTEMS SERVICES GROUP, INC. OF MORROW, OHIO.

BACKGROUND

The City is currently replacing the ozone generation system at the Fleming Hill Water Treatment Plant to increase efficiency and reliability of the system as a part of the previously appropriated Ozone Generator Replacement Project (WT7003). The project requires that the existing ozone generators be replaced and scrapped.

The surplus dielectrics are spare parts which were never put into service, but which might be of use at some other water treatment plant still using older style ozone generators. Given the highly specific nature of potential buyers, the City planned the project with no expectation of recovering funds from surplus equipment sales. However, further research and discussion with our ozone consultant led staff to believe that there may be potential buyers available who could still use our surplus dielectrics.

The City advertised for sealed bids to be opened May 17, 2007 with a minimum acceptable bid price of $20,000. Due to an error in delivery of the bid from Ozone Systems Services Group, Inc., the bid was not received and logged by the City Clerk. However, the bid was received and opened by Water Division staff on May 16, 2007 with a bid value of $20,000. No other bidders submitted bids by the May 17, 2007 deadline. Because no formal bids were received, staff believes it is appropriate to authorize sale to Ozone Systems Services Group, Inc. for the negotiated price of $20,000 under Vallejo Municipal Code Section 3.20.210. This price meets the minimum bid required in the unsuccessful formal bidding process.

Fiscal Impact

The Water Enterprise Fund (401) will collect $20,000 from the sale of surplus equipment.

RECOMMENDATION

Staff recommends sale of the 200 surplus glass dielectric tubes to Ozone Systems

Services Group, Inc. of Morrow, Ohio for the advertised minimum bid price of $20,000.

ALTERNATIVES CONSIDERED

The alternative to a surplus sale is uncompensated disposal.

ENVIRONMENTAL REVIEW

None required for the sale of surplus equipment.

PROPOSED ACTION

Adopt the resolution authorizing the sale of 200 surplus glass dielectric tubes for the agreed price of $20,000 to Ozone Systems Services Group, Inc. of Morrow, Ohio.

DOCUMENTS AVAILABLE FOR REVIEW

a. A resolution authorizing sale.

b. A copy of Ozone Systems Services Group, Inc.'s purchase proposal

c. A site location map

CONTACT PERSONS

Jun Malit, Associate Civil Engineer
(707) 648-4309
jmalit@ci.vallejo.ca.us

Erik Nugteren, Water Superintendent
(707) 648-4482
enugteren@ci.vallejo.ca.us

June 12, 2007
J:\PUBLIC\AI\WT\Surplus Glass Dielectric Tubes Sale.doc

RESOLUTION NO. 07-____ N.C.

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

WHEREAS, the City received (0) bids to purchase 200 surplus glass dielectric tubes; and

WHEREAS, Ozone Systems Services Group, Inc. of Morrow, Ohio attempted to submit a conforming bid of $20,000.00; and

WHEREAS, Ozone Systems Services Group, Inc.'s bid proposal was for the minimum bid price but non-conforming due to delivery error; and

WHEREAS, Staff has reviewed the non-conforming bid and then negotiated with the bidder for sale at the agreed minimum bid price of $20,000.00.

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

That the Water Superintendent is authorized to accept payment of $20,000.00 (Twenty Thousand Dollars and Zero Cents) from Ozone Systems Services Group, Inc. for the sale of 200 surplus glass dielectric tubes with said payment to be deposited into Water Enterprise Fund 401.

JUNE 12, 2007
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RECEIVED

MAY 16 2007

City of Vallejo
Utilities Dept. Water Division

OZONE SYSTEMS SERVICES GROUP, INC.

6687 State Route 132 , Morrow, Ohio 45152
Phone: 513-899-4131 , Fax: 513-899-2176
a.c.rehman@worldnet.att.net

Mary Ellsworth, City Clerk
Third Floor City Hall
Vallejo California, 94589

May 14th,007.

Subject: Sale of Surplus Material, Dielectric Tubes

Dear Madam,

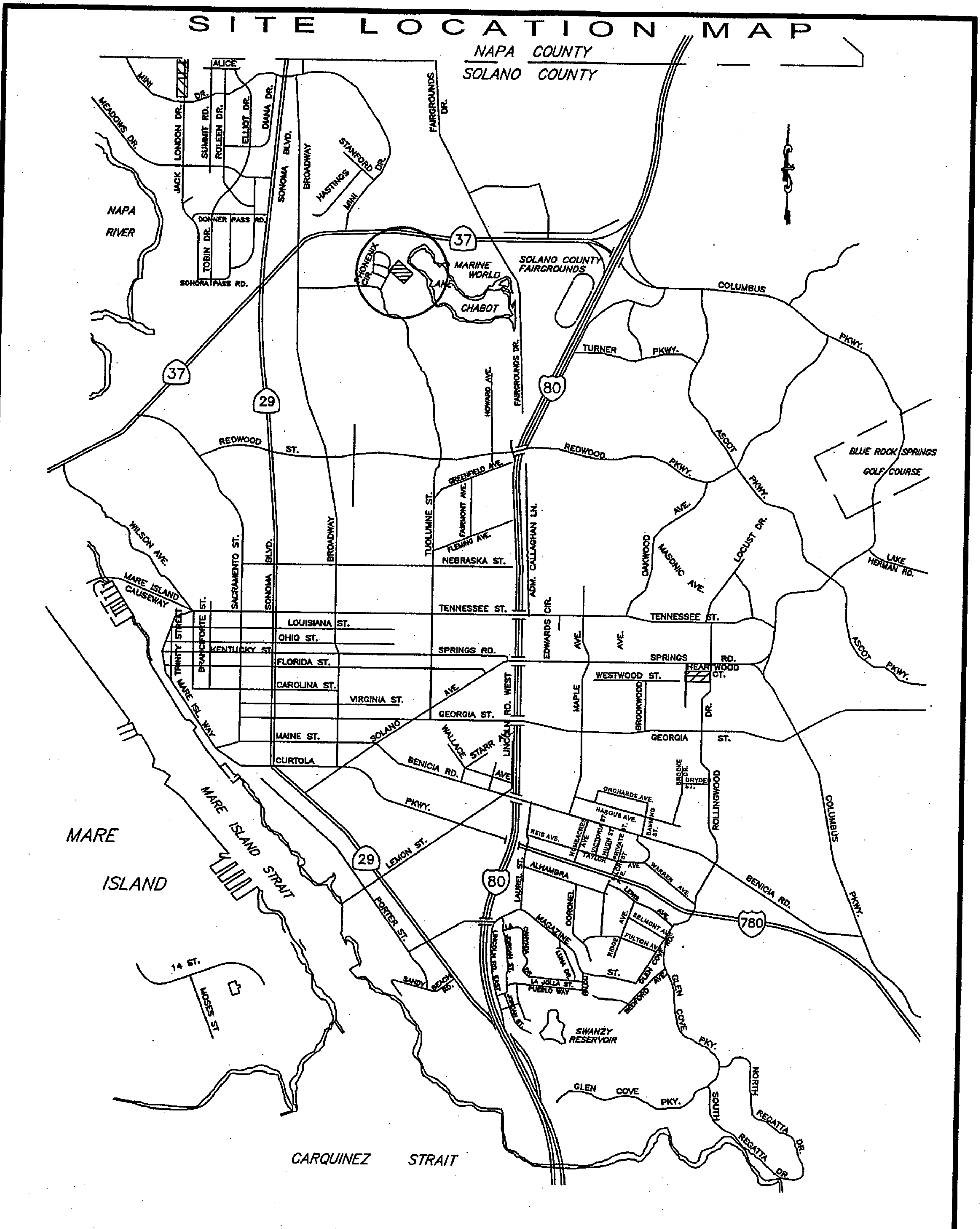
OSSG Inc. hereby proposes to buy the surplus dielectric tubes per the attached add and proposes to bid a price of $20,000.00 payable upon shipment of these tubes from 202 Fleming Hill location in Vallejo California. Shipping expenses shall be paid by OSSG Inc.

Yours Truly,

A.C.Rehman

President Ozone Systems Services Group Inc.

Attachment C.



FLEMING HILL SITE LOCATION MAP

CONSENT C

Agenda Item No.

COUNCIL COMMUNICATION

Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Mary Ellsworth, Acting City Clerk

SUBJECT: APPROVAL OF RESOLUTION CALLING AND PROVIDING FOR A GENERAL MUNICIPAL ELECTION TO BE HELD TUESDAY, NOVEMBER 6, 2007 FOR THE PURPOSE OF ELECTING MUNICIPAL OFFICERS AND REQUESTING CONSOLIDATION OF SAID ELECTION WITH THE VALLEJO CITY UNIFIED SCHOOL DISTRICT ELECTION

SUMMARY

Pursuant to City Charter Section 1000, the general municipal election for the City of Vallejo will be held on Tuesday, November 6, 2007. At that time, a Mayor and three members of the City Council are to be elected. The resolution attached to the staff report provides for calling and consolidating the election with the Vallejo City Unified School District election scheduled for the same date.

FISCAL IMPACT

$100,793.00 has been budgeted in FY2007/2008 to cover this expense.

PROPOSED ACTION:

Adopt the resolution calling and providing for a general municipal election to be held Tuesday, November 6, 2007 and requesting the consolidation of the municipal election with the Vallejo City Unified School District election.

Attachments

a. A resolution calling the General Municipal Election to be held on November 6, 2007 and requesting consolidation with the Vallejo City Unified School District election

Prepared by: Mary Ellsworth, Acting City Clerk.. (707) 648-4528

Contact: Mary Ellsworth, Acting City Clerk.. (707) 648-4528

RESOLUTION NO. 07-___ N.C.

RESOLUTION CALLING AND PROVIDING FOR A GENERAL MUNICIPAL ELECTION TO BE HELD IN THE CITY OF VALLEJO, TUESDAY, NOVEMBER 6, 2007, FOR THE PURPOSE OF ELECTING MUNICIPAL OFFICERS; AND CONSOLIDATING SAID GENERAL MUNICIPAL ELECTION WITH THE VALLEJO CITY UNIFIED SCHOOL DISTRICT ELECTION AND ANY OTHER ELECTION WITHIN THE TERRITORIAL LIMITS OF SAID CITY TO BE HELD ON TUESDAY, NOVEMBER 6, 2007

WHEREAS, the Charter of the City of Vallejo, as amended by the qualified electors of the City of Vallejo on November 7, 2000, and filed with the Secretary of State and given Charter Chapter No. 29, requires that a general municipal election be held in said City on the first Tuesday after the first Monday in November of each odd number year (City Charter Section 1000); and

WHEREAS, the first Tuesday after the first Monday in November in the year 2007 falls on November 6, 2007; and

WHEREAS, it is advisable and necessary to make provisions for the conduct and holding of said election.

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

SECTION 1

That a general municipal election in and for the City of Vallejo shall be held on Tuesday, November 6, 2007, for the object and purpose of electing the following municipal officers for the City of Vallejo as provided in the Charter of said City of Vallejo to wit:

One (1) Mayor
Three (3) Councilmembers

and shall be set forth on the ballots in substantially the following form:

CITY OF VALLEJO MUNICIPAL OFFICES	
FOR MAYOR	**VOTE FOR ONE**
FOR COUNCILMEMBER	**VOTE FOR THREE**

The one (1) candidate for Mayor and three (3) candidates for Councilmember receiving the highest number of votes and elected at said general municipal election shall serve for the regular four-year term, pursuant to City Charter Section 302.

SECTION 2

A. A general municipal election is hereby called to be held in the City of Vallejo on November 6, 2007, for the object and purpose of electing municipal officers of the City of Vallejo as set forth in Section 1 of this Resolution.

B. It is hereby requested of the Board of Supervisors of the County of Solano that said general municipal election be consolidated with the Vallejo City Unified School District election to be held in the City of Vallejo on the date of said general municipal election hereby called, and the Board of Education of the Vallejo City Unified School District is hereby requested to consent and order that the general municipal election be consolidated with the Vallejo City Unified School District election to be held on November 6, 2007, insofar as the City of Vallejo is concerned; and further, to provide that within the territory affected by said order of consolidation, to wit, the City of Vallejo, the election precincts, polling places and voting booths shall in every case be the same and there shall be only one set of election officers in each of said precincts; provided, however, that no person not a qualified elector of the City of Vallejo shall be permitted to vote for any of the candidates for all of the offices hereinabove set forth at said general municipal election hereby called. The election precincts, polling places and officers of election within the City of Vallejo for said general municipal election hereby called shall be the same as those selected and designated by the Registrar of Voters of Solano County for the Vallejo City Unified School District election.

C. The offices to be filled, as set forth in Section 1 of this Resolution, and the names of the candidates for said offices, shall be set forth in each form of ballot to be used at said consolidated election insofar as the same is held within the City of Vallejo, and the County Registrar of Voters is hereby requested to cause to be printed on all forms of ballots to be used at said consolidated election the municipal offices to be filled, as set forth in Section 1 of this Resolution and the names of the candidates for said offices. The Registrar of Voters of the County of Solano is hereby requested (i) to set forth on all sample ballots relating to said consolidated election and to be mailed to the qualified electors of the City of Vallejo the offices to be filled, as set forth in Section 1 of this Resolution, and to mail said sample ballots to the qualified electors of the City of Vallejo together with the polling place cards, and voter's pamphlet which contains the written statements of each candidate's qualification that is prepared pursuant to the Elections Code of the State of California, and (ii) to provide absent voter's ballots for said consolidated election for use by qualified electors of the City of Vallejo who may be entitled thereto, in the manner provided by law.

D. The County Registrar of Voters is hereby authorized to canvass the results of said general municipal election with respect to the votes cast for the candidates for municipal office in the City of Vallejo and to certify the results of said canvass to the City Council of the City of Vallejo.

E. Said general municipal election shall be held and conducted, and the votes thereof canvassed, and the returns thereof made, and the results thereof ascertained and determined as herein and in said order of the said Vallejo Unified School District electon requested in paragraph B of this Resolution and by said order of said Board of Education said election shall be held as provided for in the Constitution of the State of California and in all particulars not provided for therein said election shall be held in accordance with the general election laws of the State of California (City Charter Section 1002).

F. All persons qualified to vote at municipal elections in the City of Vallejo upon the date of said general municipal election herein provided for shall be qualified to vote for the candidates for municipal office at said general municipal election.

G. On the ballots to be used at said general municipal election, in addition to any other matters required by law to be printed thereon, shall appear the offices to be filled, to wit: one (1) Mayor and (3) Councilmembers and the list of candidates for said offices, as set forth in Section 1 of this Resolution. All persons qualified to vote at municipal elections in said City of Vallejo shall be qualified to vote for candidates for all of the offices hereinabove set forth.

H. After the canvass of the return of said general municipal election by the Registrar of Voters of Solano County, the City Council; shall certify the results thereof, and shall cause to be spread upon its minutes a statement of the results of said general municipal election as ascertained by said canvass.

SECTION 3

The City Clerk of the City of Vallejo is hereby directed to cause notice of said election to be published once in the Vallejo Times Herald, a daily newspaper of general circulation published in the City of Vallejo, and the official newspaper of said City, which publication shall be made not later than July 16, 2007. Such notice shall be substantially in the following form, to wit:

NOTICE OF ELECTION

Notice is hereby given that a general municipal election will be held in the City of Vallejo on Tuesday, November 6, 2007, for the following officers:

One (1) Mayor

Three (3) Councilmembers

The polls will be open between the hours of 7:00 a.m. and 8:00 p.m.

Dated:______________________

City Clerk

SECTION 4

The City Clerk is hereby directed to publish a list of the names of the nominees, in the order in which they appear on the ballot, and the respective offices for which they have been nominated, said list to be published once a week for two successive weeks in the Vallejo Times herald, a daily newspaper published in the City of Vallejo, and the official newspaper of said City. Said list shall be headed, "Nominees for Public Office," and shall be in substantially the following form:

NOMINEES FOR PUBLIC OFFICE

Notice is hereby given that the following persons have been nominated for the offices hereinafter mentioned to be filled at the General Municipal Election to be held in the City of Vallejo on Tuesday, November 7, 2007:

FOR MAYOR

List of Nominees

FOR COUNCILMEMBER

List of Nominees

Dated: ______________________________
City Clerk

SECTION 5

The City Council of the City of Vallejo does hereby consent to the consolidation of the Vallejo City Unified School District election with the General Municipal Election of the City of Vallejo.

CONSENT D

COUNCIL COMMUNICATION

Agenda Item No.

Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: APPROVAL OF A RESOLUTION AWARDING EIGHT CONTRACTS AND EXTENDING ONE EXISTING CONTRACT FOR SUPPLY OF CHEMICALS FOR APPLICATION TO AND TREATMENT OF WATER FOR FISCAL YEAR 2007/2008

BACKGROUND

Since 1995, the City of Vallejo has participated with the North Bay Agency Chemical Pool which includes the City of American Canyon, City of Benicia, City of Calistoga, City of Fairfield, City of Napa, Napa Sanitation District, Rodeo Sanitary District, City of St. Helena, Solano Irrigation District, City of Vacaville, City of West Sacramento, and Vallejo Sanitation and Flood Control District. The objective of the North Bay Agency Chemical Pool is to have the aforementioned agencies join together in order to obtain better pricing from chemical vendors.

The Chemical Pool received the following bids for the supply of chemicals for water treatment for fiscal year 2007/2008.

1. *Liquid Aluminum Sulfate*
   General Chemical, Parsippany, NJ — **$249.00 per ton**

2. *Liquid Caustic* (50% solution)
   Pioneer Americas, Inc, Walnut Creek, CA — **$349.90 per ton**
   Basic Chemical Solution, Redwood City, CA — $362.63 per ton
   Brenntag Pacific, Richmond, CA — $479.00 per ton

3. *Liquid Caustic* (25% solution)
   Pioneer Americas, Inc, Walnut Creek, CA — **$391.90 per ton**
   Basic Chemical Solution, Redwood City, CA — $414.50 per ton

4. *Hydrofluorosilicic Acid* (24% solution)
   Brenntag Pacific, Richmond, CA — **$534.00 per ton**
   Lucier Chemical Industries, Jacksonville Beach, FL — $730.43 per ton

5. *Liquid Chlorine* (4 ton or more load)
   Pioneer Americas, Inc, Walnut Creek, CA — **$393.49 per ton**

6. *Aluminum ChloroHydroxide (Full Load ≈45,000 lb)*

	CalChem, Inc., Modesto, CA	**$544.00 per ton**
	General Chemical, Parsippany, NJ	$570.00 per ton
	Kemira Water Solutions, Lawrence, Kansas	$571.00 per ton
	Summit Research Labs, Farmington, NJ	$558.00 per ton
	JenChem Inc, Walnut Creek, CA	$880.00 per ton
7.	Propac 9890	
	Jenchem Inc., Walnut Creek, CA	**$1,100.00 per ton**
8.	*Liquid Oxygen For Fleming Hill Treatment Plant*	
	Praxair Inc., San Ramon, CA	**$ 80.92 per ton**
	BOC Gases, Hayward, CA	$132.85 per ton
9.	*Liquid Oxygen For Travis Treatment Plant**	
	BOC Gases, Hayward, CA	**$0.613 per 100 SCF & $800.00/month Facility Fee**

NOTE: *This is an existing contract which has been renegotiated and extended for one year (Fiscal Year 2007/2008). The unit charge includes $0.033 per 100 standard cubic foot for fuel and power surcharges. Since BOC Gases owns the equipment, the City must pay a monthly facility fee for rental of the equipment and is required to purchase liquid oxygen solely from BOC Gases. Only when the U.S. Air Force agrees to purchase a storage tank can the liquid oxygen supplies be competively bid through the North Bay Agency Chemical Pool.

Fiscal Impact

The prices bid will result in an estimated 4% increase in total chemical expenditures for fiscal year 2007/2008. The Utilities Department has a combined proposed fiscal year 20007/2008 budget of $1,045,000 for chemical purchases in fiscal year 2007/2008 (Funds 401, 402 and 403) which will fully fund the necessary chemical supplies.

RECOMMENDATION

Staff recommends awarding contracts to the lowest bidders for each of the eight chemicals and extending the contract to BOC Gases for Liquid Oxygen at Travis Treatment Plant.

PROPOSED ACTION

Adopt a resolution awarding eight contracts and extending one existing contract for the supply of chemicals for application to and treatment of water for fiscal year 2007/2008 and authorizing the City Manager or his designee to sign the contracts.

ENVIRONMENTAL REVIEW

Contracting for purchase of chemicals for use in ongoing treatment operations is not considered a project under the California Environmental Quality Act and therefore can be considered "functionally" exempt. [CEQA Guidelines 15378(b)(2)].

DOCUMENTS AVAILABLE FOR REVIEW

a. A resolution awarding eight contracts and extending one existing contract for the supply of chemicals for application to treatment of water for fiscal year 2007/2008.

CONTACT PERSONS

GARY A. LEACH, Public Works Director
(707) 648-4315
gary@ci.vallejo.ca.us

ERIK J. NUGTEREN, Water Superintendent
(707) 648-4482
erik@ci.vallejo.ca.us

JUNE 12, 2007
J:\AI\Public\WT\CHEMICALS 2007-2008 AWARD AGENDA.doc

Attachment a.

RESOLUTION NO. 07-___ N.C.

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

THAT the following low bids for furnishing chemicals for water treatment to the City of Vallejo, Solano County, California, through the North Bay Agency Chemical Pool, are hereby accepted and contracts awarded to said low bidders at the prices bid:

1.	*Liquid Aluminum Sulfate* General Chemical, Parsippany, NJ	$249.00 per ton
2.	*Liquid Caustic* (50% solution) Basic Chemical Solution, Redwood City, CA	$349.90 per ton
3.	*Liquid Caustic* (25% solution) Basic Chemical Solution, Redwood City, CA	$391.90 per ton
4.	*Hydrofluorosilicic Acid* (24% solution) LA Chemical, Richmond, CA	$534.00 per ton
5.	*Liquid Chlorine* Pioneer America's Inc, Walnut Creek, CA	$393.49 per ton (4 ton or more load)
6.	*Liquid Oxygen* For Fleming Hill Treatment Plant Praxair Inc., San Ramon, CA	$80.92 per ton
7.	*Aluminum ChloroHydroxide* Calchem, Inc., Modesto, CA	$527.00 per ton
8.	ProPac 9890 JenChem Inc., Walnut Creek, CA	$1,300.00 per ton

BE IT RESOLVED by the Council of the City of Vallejo that the following existing contract for furnishing chemicals for water treatment to the City of Vallejo, Solano County, California, is hereby extended for one year (Fiscal Year 2007/2008):

1.	*Liquid Oxygen* For Travis Treatment Plant BOC Gases, Hayward, CA	$0.613 per 100 SCF & $800.00/month Facility Fee

BE IT RESOLVED that all other bids to wit:

Basic Chemical Solution, Redwood City, CA
Kemira Water Solutions, Lawrence, KS
Lucier Chemical Industries, Jacksonville Beach, FL
Polydyne Inc., Riceboro, GA
Summit Research Labs, Farmington, NJ

are hereby deemed rejected upon full execution of the contract documents by the successful bidders, with notice of rejection to be given thereupon by the City Clerk.

BE IT FURTHER RESOLVED that the City Manager or his designee is hereby authorized to sign agreements, with any modifications recommended by the City Attorney or Risk Manager, between the City of Vallejo and the respective chemical suppliers.

JUNE 12, 2007
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CONSENT E

COUNCIL COMMUNICATION

Agenda Item No.

Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Robert W. Nichelini, Chief of Police RWN

SUBJECT: Approval of a resolution authorizing the City Manager to enter into an amended Memorandum of Understanding (MOU) on Joint Solano Emergency Communications Activities (SECA)

BACKGROUND AND DISCUSSION

In 2003, Solano County and seven local agencies established a Memorandum of Understanding (MOU) creating a defined structure for respective responsibilities and roles in exploring the feasibility of interoperable public safety communication systems; the management and operation of equipment and systems that may be purchased; establishment of a cost sharing plan with the consensus of public safety executives and their respective City Managers/County Administrator; and, the establishment of a steering committee for oversight and administration.

Since signing the MOU, the Solano Count y Emergency Communications Activities (SECA) Steering and Implementation Committees have been diligently working toward meeting the objectives detailed in the MOU. Through the Solano County Office of Emergency Services, we have secured and/or received over $2.73 million in Homeland Security funding for the development and implementation of SECA projects. An additional $1.2 million has been applied for in FY 2006-2007 and is in the process of receiving final approval from the Federal government.

In 2004, the Steering Committee met and approved spending of up to $3 million to purchase equipment and services for the implementation of "interim gateway technology" for radio interoperability. SECA is currently in the process of installing that equipment which will bring Solano County closer to the goal of radio interoperability.

The initial term of the MOU is three years and due to expire in August 2007. In June 2006, the Steering Committee met and made a recommendation to renew the MOU for a five year term. The Police and Fire Chiefs held a joint meeting in July 2006, concurring with the recommendation. If the parties approve the recommendation for renewal of the MOU, the Steering Committee will continue to work toward the goal of achieving radio interoperability.

The parties have agreed that the majority of funding will be solicited through grants and contributions from the public and private sector. The MOU does not constitute an agreement to spend any money at this time; however, it does establish a cost sharing formula for each participant. The City of Vallejo's share is 20% based on numerous criteria such as number of public safety personnel, the City's population, the number of radios in use, etc. Should the receipt of outside revenue require a local cash match, further approval will be sought from the respective governing bodies.

RECOMMENDATION

Adopt the resolution authorizing the City Manager or his designee, to enter into a Memorandum of Understanding on Joint Solano Emergency Communications Activities.

ENVIRONMENTAL REVIEW

None required.

PROPOSED ACTION

Adopt the resolution authorizing the City Manager or his designee, to enter into a Memorandum of Understanding on Joint Solano Emergency Communications Activities.

DOCUMENTS ATTACHED

1. Resolution authorizing the City Manager to enter into an Amended Memorandum of Understanding on Joint Solano Emergency Communications Activities (SECA).
2. Memorandum of Understanding on Joint Solano Emergency Communications Activities.

CONTACT: JoAnn West, Captain of Police
(707) 648-4516

RESOLUTION NO. 07-   N.C.

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

WHEREAS, in 2003, the City of Vallejo entered into a Memorandum of Understanding for the Joint Solano Emergency Communications Activities; and

WHEREAS, the Solano Emergency Communications Activities Steering Committee has been working toward the implementation of interoperable radio systems; and

WHEREAS, the Memorandum of Understanding is due to expire in August 2007, and

WHEREAS, the Steering Committee has recommended renewing the Memorandum of Understanding through August 2012; and

WHEREAS, it is in the best interest of the City of Vallejo to continue participating in the Solano Emergency Communications Activities; now, therefore,

BE IT RESOLVED that the Memorandum of Understanding on Joint Solano Emergency Communications Activities is hereby approved, and the City Manager is hereby authorized to execute the Memorandum of Understanding.

JUNE 12, 2007
K:/CITYWIDE/PUBLIC/AI/PD/SR SECA 061207

Amended Memorandum of Understanding

On Joint Solano Emergency Communications Activities ("SECA")

This Amended Memorandum of Understanding ("Amendment") amends the MOU entered into on August 3, 2004 by and among Solano County (the "County"), the Cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vallejo, and Vacaville, and the Solano Emergency Medical Services Cooperative (collectively, the "Parties"). This Amendment extends the term of the MOU through August 3, 2012 with reference to the following:

RECITALS

A. Solano County's public safety radio and technology systems generally operate independently, with little coordination and interoperability among the two-way public safety radio systems used by the Parties (herein, "interoperability") through their various police, fire and emergency service agencies. The hardware and software communications platforms upon which the radio and data networks rest are aging and emerging Federal mandates could result in a breakdown in the County's emergency communications systems if nothing is done to transition existing systems into conformance with those mandates.

B. The objectives of the Parties to this Amendment and the MOU are to:

1. Implement the recommendations of the needs assessment submitted by RCC Corporation dated June 2003, which are consistent with the conclusions reached by those responsible for public safety in Solano County and the County Grand Jury's 2002-03 final report.
2. Conform to the requirements of existing and emerging Federal requirements with regard to radio spectrum use and frequency allocation, including, but not limited to, the narrow banding of frequencies, Federal P25 standards, the allocation of frequencies in the 700MHz band to public safety and the transition of radio equipment that will be required pursuant to laws regulating the use of radio and transmission technologies.
3. Work to identify means by which the goals of this Amendment and the MOU may be accomplished through additional cooperative efforts with State and Federal public safety agencies engaged in similar efforts to develop interoperable communications systems and technologies.
4. Identify best practices and technologies and develop a strategic plan for the purpose of implementing interoperable radio and data communications amongst public safety agencies in Solano County ("Strategic Plan"). The Strategic Plan would outline a phased approach to achieving full interoperability, including phases to:
   a. Deploy an interoperable data sharing system for police agencies and the County Sheriff's Office.
   b. Deploy a fourth-level interoperable radio system for public safety, which may be by means of "Gateway", intelligent switching technology, or through other similar means.

c. Begin the implementation of a Level Six interoperable radio system for police, fire and emergency service agencies in the County as funding allows.

5. Establish milestones consistent with the Strategic Plan to articulate the planned timing of components of the chosen interoperable system.

6. Identify and capitalize on funding sources available to offset local contributions by the Parties and contract users of the interim and long-term systems, which may include grants, direct legislation, revenue enhancements or local funds from one (1) or more of the Parties.

C. The County Administrator and the City Managers of each city within Solano County shall direct their staff to: study feasibility; select appropriate technology; plan for implementation; deploy; and operate an interoperable radio and data communications systems for use by their public safety agencies. The Parties agree that it is necessary to undertake joint efforts to obtain certain grant funding, purchase equipment and operate the system for the benefit of the Parties.

D. Accordingly, the Parties are extending this MOU in order to continue to: (i) define their respective responsibilities in exploring interoperable public safety communications systems, the integration or sharing of public safety data systems and the consolidation of Public Safety Answering Point ("PSAP") centers; and (ii) establish guidelines and a steering committee for the administration of operations under this MOU ("Steering Committee"). In addition, the Parties will work together to explore other methods of working together in the future to form an interoperable radio and data communications systems for use by their public safety agencies, but do not wish to form an organization or new public agency at this time.

NOW, THEREFORE, the Parties agree to amend the original MOU as follows:

1. Section I. is amended as follows:

I. Term

The term of this MOU shall be extended for an additional five (5) years, beginning on August 3, 2007. Upon conclusion of the term, the Parties may authorize subsequent renewals upon mutual agreement by the Parties. All Parties shall review the MOU and notify the other parties no later than six (6) months prior to its expiration as to whether they wish to continue to participate in this MOU.

2. Section II. B. deleted in its entirety and replaced with:

II. Joint Activities of the Parties; Party Withdrawals; Additional Parties

B. Each Party to this MOU shall have the authority to withdraw from future participation but shall remain financially obligated for all activities pursued under this MOU prior to the Party's termination.

Except as set forth in this Amendment, all other terms and conditions specified in the original MOU remain in full force and effect.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE EXECUTED THIS AMENDED MOU AS FOLLOWS:

Jurisdiction	
SOLANO COUNTY By: ______________________ Title: Chair, Board of Supervisors Date: June 5, 2007	**CITY OF SUISUN CITY** By: ______________________ Title: ______________________ Date: ______________________
CITY OF BENICIA By: ______________________ Title: ______________________ Date: ______________________	**CITY OF VACAVILLE** By: ______________________ Title: ______________________ Date: ______________________
CITY OF DIXON By: ______________________ Title: ______________________ Date: ______________________	**CITY OF VALLEJO** By: ______________________ Title: ______________________ Date: ______________________
CITY OF FAIRFIELD By: ______________________ Title: ______________________ Date: ______________________	**SOLANO EMERGENCY MEDICAL SERVICES COOPERATIVE** By: ______________________ Title: ______________________ Date: ______________________
CITY OF RIO VISTA By: ______________________ Title: ______________________ Date: ______________________	

CONSENT F

Agenda Item No.

COUNCIL COMMUNICATION

Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Robert V. Stout, Finance Director RVS

SUBJECT: APPROVAL OF RESOLUTIONS 1) AUTHORIZING THE CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH MUNICIPAL AUDITING SERVICES FOR BUSINESS LICENSE TAX DISCOVERY AND AUDIT SERVICES AND 2) DESIGNATING MUNICIPAL AUDITING SERVICES AS AN AUTHORIZED CITY REPRESENTATIVE TO EXAMINE SALES AND USE TAX RECORDS.

BACKGROUND & DISCUSSION

The City annually issues approximately 6,300 business licenses generating nearly $1.3 million in revenue. Experience has shown that a number of businesses operate in the City without a license. Given the current uncertain budget situation in the City, it is now more important than ever that the City take steps to discover these businesses, help bring them into compliance, and recover all revenues to which the City is entitled.

The goal of the proposed program is to increase compliance with the Vallejo Municipal Code. Many businesses are unaware of the licensing requirements for a business operating within the City's jurisdiction. This program will aid businesses in understanding the requirements for licensing and complying with those requirements.

The proposed agreement will include both discovery and audit services. Discovery services are designed to identify entities subject to taxation by the City that are not properly licensed and/or not paying fees to the City. Audit services are designed to identify entities which are not properly reporting the full amount to which they are subject. The audit program will recover revenues from businesses that may not be remitting the proper amount of tax to the City due to lack of knowledge of business license requirements, errors in tax calculation, or other reasons.

The City has similar discovery and audit programs in place for utility users and franchise fee revenues. This contract will extend audit services to the City's business license revenues.

Staff recommends that the City contract with Municipal Auditing Services ("MAS") for these services because of their specific industry expertise with municipal business license programs. MAS provides services to several other California cities. Of particular value is their call center to assist applicants with questions concerning licensing, reporting, and remittance requirements.

Consultant's Compensation

Staff proposes that fees for both the discovery and audit services be on a contingency basis related to the additional revenue realized by the City from the services performed. A contingency fee is typical for these types of services.

Based on MAS's proposal, staff proposes a three-year term for the agreement, with two option years at the discretion of the City, with the following fee payment structure.

The City will pay MAS a performance-based contingency fee of fifty percent (50%) of the actual business license tax revenue, including penalties, received by the City that is a result of the discovery and audit services performed by MAS. The fifty percent (50%) contingency fee applies to all new and additional tax revenue, including penalties, collected by the City at the time of compliance of unlicensed business entities, or examination of licensed taxpayers resulting in collection of deficient taxes. No further compensation will be paid MAS in subsequent years for revenue received by the City resulting from MAS prior years correction actions. This fee structure is more favorable than the City's comparable UUT auditor fee, which is 25% of revenue recovered for each of the first three years of new tax collections, for a comparable total of 75% for one year of new tax collections. The one year fee structure is most efficient for all parties and eliminates the need for multi-year fee tracking.

City shall have the right, at City's option, to elect not to proceed with the collection of certain license accounts, such as accounts that are uncollectible due to insolvency or dissolution of the liable entity, expiration of the statute of limitations, or any collection action in which the City determines that the estimated collection costs, including but not limited to attorney fees and staff costs, are equal to, or greater than, the amount to be collected, and City shall not be obligated to pay MAS any fee for such license accounts.

For deficiencies otherwise collectable but for which City elects not to pursue collection, City shall notify MAS of its intention not to collect said deficiencies. In such instances where MAS has provided discovery and/or audit services and the City waives collection, the City shall pay MAS the lesser of said fifty percent (50%) contingency fee or Five Thousand Dollars and 00/100 ($5,000.00).

Fiscal Impact

Implementation of this program will result in additional one-time and on-going revenues to the City. Due to the uncertainty as to the number of new or deficient license collections, it is not possible to determine the amount of additional revenues at this time.

Initial funding of $20,000 in additional revenue projections and offsetting expenditure appropriations has been included in the Fiscal Year 2007-08 proposed budget.

ENVIRONMENTAL REVIEW

This program is not a project as defined by the California Environmental Quality Act (CEQA) and is not subject to CEQA review.

PROPOSED ACTION

Staff proposes that the Council:

1. Adopt a Resolution approving the Consultant and Professional Services Agreement with Municipal Auditing Services, and authorize the City Manager to execute the agreement.

2. Adopt a Resolution Designating Municipal Auditing Services as an Authorized City Representative to Examine Sales and Use Tax Records.

DOCUMENTS ATTACHED

1. Resolution approving the Consultant and Professional Services Agreement with Municipal Auditing Services.

2. Resolution Designating Municipal Auditing Services as an Authorized City Representative to Examine Sales and Use Tax Records.

3. Consultant and Professional Services Agreement between the City of Vallejo and Municipal Auditing Services.

PREPARED BY:

Jon R. Oiler, Auditor Controller (707) 648-4593

CONTACT:

Robert V. Stout, Finance Director (707) 648-4592

ATTACHMENT 1

RESOLUTION NO. ______ N.C.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO APPROVING THE CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH MUNICIPAL AUDITING SERVICES

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

WHEREAS, City has a need for business license tax discovery and audit services; and

WHEREAS, Consultant is specially trained and experienced and competent to perform such services for City; and

WHEREAS, the City Council has considered the report and recommendations of the City Manager on the proposed agreement and has determined that the acceptance of the agreement is in the best interest of the City of Vallejo and the agreement is both fair and appropriate.

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

Section 1. The attached Consultant and Professional Services Agreement with Municipal Auditing Services for Business License Tax Discovery and Audit Services is hereby approved.

Section 2. The City Manager for the City of Vallejo is hereby authorized to execute said Agreement on behalf of the City of Vallejo.

ATTACHMENT 2

RESOLUTION NO. ______ N.C.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO DESIGNATING MUNICIPAL AUDITING SERVICES AS AN AUTHORIZED CITY REPRESENTATIVE TO EXAMINE SALES AND USE TAX RECORDS

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

WHEREAS, pursuant to California Revenue and Taxation Code Section 7200, et seq., the City of Vallejo has adopted a sales an use tax ordinance which imposes a tax and provides a measure that can be administered and collected by the State Board of Equalization along the same and existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes; and

WHEREAS, pursuant to California Revenue and Taxation Code Section 7056, the City of Vallejo, by resolution, may designate any officer, employee or any other person to examine all of the sales and use tax records of the Board pertaining to sales and use taxes collected for the City; and

WHEREAS, the City of Vallejo has entered into a non-exclusive agreement for revenue audits and information services with the firm of Municipal Auditing Services to designate Municipal Auditing Services as an authorized Consultant to examine such sales and use tax allocation records maintained by the Board of Equalization on behalf of the City of Vallejo; and

WHEREAS, all required legal prerequisites prior to the adoption of this Resolution have occurred.

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

Section 1: In all respects as set forth above, the City Council of the City of Vallejo hereby certifies to the California State Board of Equalization that Municipal Auditing Services is a designated representative of the City of Vallejo to examine all of the sales and use tax records collected by the California State Board of Equalization on behalf of the City of Vallejo.

Section 2: Pursuant to California Revenue and Taxation Code Section 7056 (b), this Council hereby certifies that Municipal Auditing Services, (hereinafter referred to as "Consultant") meets all of the following conditions:

a. Consultant has an existing contract with the City to examine sales and use tax records; and

b. Consultant is required by that contract to disclose information contained in, or derived from, those sales and use tax records only to an officer or employee of the City who is authorized by resolution to examine the information; and

c. Consultant is prohibited by the contract from performing consulting services for a retailer during the term of the contract; and

d. Consultant is prohibited by the contract from retaining the information contained in, or derived from, those sales and use tax and property tax allocation records after the contract has expired.

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

This Consultant Services Agreement ("Agreement") is made at Vallejo, California, dated for reference 12th day of June, 2007, by and between the City of Vallejo, a municipal corporation ("City"), and Municipal Auditing Services L.L.C., a California limited liability company, hereinafter referred to as "Consultant", who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Consultant shall provide the City professional services as specified in Exhibit A, entitled "Scope of Work."

2. **Payment.** City shall pay Consultant for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B, entitled "Compensation." The payments specified in Exhibit B shall be the only payments to be made to Consultant for services rendered pursuant to this Agreement.

3. **Facilities and Equipment.** Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.

4. **Indemnification.** Consultant shall indemnify, hold harmless, and defend City, its officers, officials, directors, employees, agents, volunteers and affiliates and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, consultant's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Consultant's operations, or any subcontractor's operations, to be performed under this agreement for Consultant's or subcontractor's tort negligence including active or passive, or strict negligence, including but not limited to personal injury including, but not limited to bodily injury, emotional injury, sickness or disease, or death to persons and/or damage to property of anyone, including loss of use thereof, caused or alleged to be caused by any act or omission of Consultant, or any subcontractor, or anyone directly or indirectly employed by any of them or anyone for the full period of time allowed by the law, regardless to any limitation by insurance, with the exception of the sole negligence or willful misconduct of the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

14. Personnel. Consultant agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. Consultant is aware of the requirements of the Immigration Reform and Control Act of 1986 and shall comply with those requirements, including, but not limited to, verifying the eligibility for employment of all of Consultant's officers, employees, agents and subcontractors that are included in this Agreement.

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

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

Consultant agrees to defend, indemnify and hold harmless, pursuant to the indemnification provisions of this Agreement, the City for any obligation, claim, losses, costs, fees, liabilities, suit or demand for tax, retirement contribution including any contribution to the Public Employees Retirement System (PERS), social security, salary or wages, overtime payment, or workers' compensation payment which the City may be required to make on behalf of Consultant or any employee of Consultant, or any employee of Consultant construed to be an employee of the City, for work done under this Agreement. This is a continuing obligation that survives the completion of the services, expiration or termination of this Agreement.

15. Agency. Consultant shall act as City's agent in the performance of Services as set forth in Exhibit A, but shall have no authority, express or implied to act on behalf of City in any other capacity whatsoever as an agent or to bind City to any obligation whatsoever.

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

Consultant shall have the right to terminate this Agreement by giving the City a Notice of Termination no later than April 1st of the year in which the termination is to be effective.

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

17. Products of Consulting Services. Consultant shall retain all right, title and interest in and to the processes, procedures, models, inventions, software and any and all other patentable or copyrightable material used or developed to perform the services under this Agreement. The work product delivered to City, including without limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Consultant resulting from services rendered pursuant to this Agreement, shall become the property of City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Consultant makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

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

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

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

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

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

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

21. Non-Discrimination/Fair Employment Practices.

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

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

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

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

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

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

If to City:	Robert V. Stout Finance Director 555 Santa Clara Street, 3rd Floor Vallejo, CA 94590
If to Consultant:	Kevin L. Weigant Municipal Auditing Services P.O. Box 3465 Pinedale, CA 93650-3465

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34. Counterparts. The parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be signed by all the parties; each counterpart shall be deemed an original of this Agreement as against a Party who has signed it.

35. Facsimile Signatures. This Agreement shall be binding upon the receipt of facsimile signatures; provided, however, that any person transmitting his or her signature by facsimile shall promptly send an original signature to the other party.

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

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

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

Exhibit B, entitled "Compensation," including any attachments.

Exhibit C, entitled "Insurance Requirements," including any attachments.

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

MUNICIPAL AUDITING SERVICES L.L.C, a California limited liability company

By: ______________________
Kevin Weigant
Chief Operating Officer

DATE: June 1, 2007

____
Vallejo Business License No.

(City Seal)

CITY OF VALLEJO,
a municipal corporation

By: ______________________
Joseph M. Tanner
City Manager

DATE: ______________________

ATTEST:

By: ______________________
Mary Ellsworth, Acting City Clerk

APPROVED AS TO CONTENT:

____
Robert V. Stout
Finance Director

APPROVED AS TO INSURANCE REQUIREMENTS:

____
Harry Maurer
Interim Risk Manager

APPROVED AS TO FORM:

____
Frederick G. Soley
City Attorney

EXHIBIT A

SCOPE OF WORK

1. Representatives.

The City Representative for this Agreement is:

Robert V. Stout
Finance Director
555 Santa Clara Street, 3rd Floor
Vallejo, CA 94590

Telephone number: 707-648-4343
Facsimile number: 707-649-5406

The Consultant's Representative for this Agreement is:

Kevin L. Weigant
Municipal Auditing Services
P.O. Box 3465
Pinedale, CA 93650-3465

Telephone number: 559-277-5990
Facsimile number: 559-277-5929

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

2. Services to be Provided.

Consultant shall provide the City with Consultant's Tax Compliance Services which consist of Business License Tax Discovery and Audit Services. The services provided shall be as set forth below.

A. OBJECTIVE

The objective of Consultant's service is to assist the City in realizing all of the tax revenue to which it is entitled from entities subject to taxation by City's ordinances. Consultant's services identify and recover deficiencies caused by non-reporting and under-reporting entities.

B. PROGRAM SETUP

1. Consultant will meet with City staff to review service objectives and scope, procedures, entity relations and logistical matters; establish an appropriate liaison with City management and staff and establish checkpoints for measuring progress.

2. Consultant will provide the City with a sample authorization letter, Discovery contact letters, and Deficiency contact letters. The City will be responsible for revisions and approval of the final letters used in the programs. These letters can be modified at any time in the future.

C. DISCOVERY SERVICES

Discovery Services are designed to identify entities subject to taxation by City which are not properly registered with City or otherwise not reporting taxes to City. In performing the Discovery Services, Consultant shall:

1. Establish a comprehensive inventory of the entities subject to taxation by City and the database elements needed to facilitate a comprehensive comparative analysis with City's records of those entities that are properly registered.

2. Compare Consultant's records with City records to identify potential non-reporting and non-registered entities subject to taxation.

3. For each unregistered or non-reporting entity identified and confirmed, assist the entity, as necessary, to complete City's applicable registration form(s) and determine the amount of tax due for current and prior periods (plus applicable penalties, where appropriate).

4. Ensure that all submitted registration forms are completed correctly and in their entirety.

5. Forward all completed registration forms and associated payments to the City in batches at the frequency directed by the City.

6. If the City elects to have Consultant conduct payment deposit services, applications will be forwarded with copies of the payments and payments deposited into an account designated by the City.

7. Collect the amount of identified deficiencies, together with supporting documentation, and remit payment received to City in weekly batches (Please

note: Consultant will follow the City's business rules in collecting partial payments or the tax in full at the City's direction).

8. Establish a call center open during normal business hours to assist entities regarding questions concerning application of City's taxes and entity's reporting and remittance requirements.

9. Educate entity regarding City's reporting requirements to prevent recurring deficiencies in future years.

D. AUDIT SERVICES

Audit Services are designed to identify entities subject to taxation by the City that are not properly reporting the full amount of tax to which they are subject to under the City's ordinances. Audit Services identify entities who are potentially underreporting, or not reporting all applicable taxes, and Consultant reviews the entity's records to ensure compliance with City's taxes. In performing the Audit Services, Consultant shall:

1. Establish a comprehensive inventory of the registered entities subject to taxation by City and the database elements needed to facilitate an analysis of records of those entity's current and prior years tax remittance.

2. Compare Consultant records with City records to identify potential under-reporting entities subject to taxation.

3. Meet with designated City staff to review and discuss potential audit candidates and to determine which entities will be subject to review.

4. For potential under-reporting entities identified, obtain authorization from City to conduct a review of the entities' records and determine the amount of tax due for current and prior periods (plus applicable penalties, where appropriate).

5. Consultant will contact the taxpayer by mail and notify them of their selection for account review. The taxpayer is given a number of response options including processing by mail, fax, email, or field review. The taxpayer is asked for a number of documents which have already been prepared for other government agencies.

6. Submit audit summaries to City to permit City to determine the amount of a deficiency owed, if any (Consultant will calculate as part of the summary the amount they determine that is owed, but this step allows the City discretion in pursuing the deficiencies).

7. Invoice entity for the amount of identified deficiencies, together with supporting documentation therefore, and remit payment received to City.

8. Accounts which result in a no change status are closed as such and a thank you letter is mailed to the taxpayer.

9. If the City elects to have Consultant conduct payment deposit services, applications will be forwarded with copies of the payments and payments deposited into an account designated by the City.

10. Educate entity regarding City's reporting requirements to prevent recurring deficiencies in future years.

E. TIMING AND REPORTING

1. Consultant shall commence project planning within 10 working days following Council approval of the agreement. Annually, Consultant shall provide City with a report summarizing Tax Compliance service progress to date.
2. Consultant shall deliver to City a monthly report summarizing Tax Compliance service activities for the prior month.

F. DETERMINATIONS AND APPEALS

1. Some taxpayers may want to inquire as to the basis of Consultant's findings regarding their payment of business licenses taxes. Consultant shall process these inquiries based upon a "validated" process. The taxpayer will be required to (a) make a request in writing to Consultant; and (b) submit all required documents to Consultant. Consultant will review the taxpayer's submission and shall adjust their earlier finding if warranted. Consultant will forward all information received from the taxpayer and the Consultant case file to the City so it may make a determination pursuant to Vallejo Municipal Code section 5.04.230 and upon such a determination Consultant shall notify taxpayers of any business license taxes owed to the City and provide notice of a right of appeal of such a determination in accordance with Vallejo Municipal Code section 5.04.230.

2. If a taxpayer files an appeal of the City's determination, City will process any taxpayer appeals in accordance with Vallejo Municipal Code section 5.04.235. Consultant further agrees to provide sufficient documentation to City to support such determination in order that City may submit it to a hearing officer in compliance with Vallejo Municipal Code section 5.04.235.

G. COLLECTIONS

1. When a taxpayer fails to comply, the case is returned to the City for continued collections and or legal action. The Consultant's case file will contain notes with regard to every conversation or contact with the taxpayer and mail dates of the notices. This ensures the taxpayers rights to due process are observed and documented, and positions the City Attorney or outside collections firm to accept the case without re-investigation.

3. Term.

The term of this Agreement shall effective on the complete execution of this Agreement and shall continue in full force and effect until June 30, 2010.

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

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

EXHIBIT B

COMPENSATION

1. **Consultant's Compensation.**

Services: City agrees to pay Consultant a performance-based contingency fee of fifty percent (50%) of the actual Business License tax revenue, including penalties, received by City that is the result of an audit, analysis or consultation performed by Consultant for those services set forth in Exhibit A of this Agreement.

Said fifty percent (50%) contingency fee applies to the new and additional tax revenue, including penalties, collected by the City at the time of compliance of unlicensed business entities or examination of licensed taxpayers resulting in collection of deficient taxes, that Consultant is able to reasonably substantiate has resulted from its City-specific compliance review activities. No further compensation will be due Consultant in subsequent years for revenue received by City resulting from the prior years correction actions.

City shall have the right, at City's option, to elect not to proceed with the collection of certain license accounts, such as accounts that are uncollectible due to insolvency or dissolution of the liable entity, expiration of the statute of limitations, or any collection action in which the City determines that the estimated collection costs, including but not limited to attorney fees and staff costs, are equal to, or greater than, the amount to be collected, and City shall not be obligated to pay Consultant for any fee for such license accounts.

For deficiencies otherwise collectable but for which City elects not to pursue collection, City shall notify Consultant of its intention not to collect said deficiencies. In such instances where Consultant has provided discovery and/or audit services and the City waives collection, the City shall pay Consultant the lesser of said fifty percent (50%) contingency fee or Five Thousand Dollars and 00/100 ($5,000.00).

The City shall pay the contingency fee for all work in progress at the time of contract termination when the City actually receives revenue that is a result of Consultant's services.

B. Additional Services:

Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement, which are in addition to those set forth in Exhibit A, unless such additional services are authorized in advance by the City Manager, or his or her designee. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed by the City Manager and Consultant at the time City's express written authorization signed by the City Manager is given to Consultant for the performance of said services.

2. Payments to Consultant.

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

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

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

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

D. Request for payment shall be sent to:

Robert V. Stout
Finance Director
555 Santa Clara Street, 3rd Floor
Vallejo, CA 94590

3. **Accounting Records of Consultant.**

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

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

4. **Taxes.**

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

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

EXHIBIT C

INSURANCE REQUIREMENTS

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

A. **<u>Minimum Scope of Insurance</u>**

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

2. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 any auto and endorsement CA 0025.

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

4. Professional Liability insurance appropriate to the Consultant's profession (Errors and Omission).

B. **<u>Minimum Limits of Insurance</u>**

Consultant shall maintain limits no less than:

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

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

3. Workers' Compensation and Employer's Liability: $1,000,000 per

accident for bodily injury or disease. If Consultant is not subject to California Workers' Compensation requirements, Consultant shall file a completed certificate of exemption form which may be obtained from the City prior to commencing any activity authorized hereunder.

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

C. **<u>Deductible and Self-Insured Retention</u>**

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

D. **<u>Other Insurance Provisions</u>**

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

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

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

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

4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to

the limits of the insurer's liability.

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

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

E. Acceptability of Insurers

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

F. Verification of Coverage

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

G. Subcontractors

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

H. Payment Withhold

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

CONSENT G

Agenda Item No.

COUNCIL COMMUNICATION **Date:** June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Mary Ellsworth, Acting City Clerk

SUBJECT: Appointment to Vallejo Tourism Business Improvement District's Advisory Board

BACKGROUND

On February 24, 2007, the City Council adopted an Ordinance creating the Vallejo Tourism Business Improvement District Advisory Board. Section 2.41.030, Composition, states that the Advisory Board shall consist of five members appointed by the City Council, including the Chairperson and Vice Chairperson of the Vallejo Convention and Visitors' Bureau Board of Directors; and three members who are owners or managers of businesses paying the assessment under Chapter 14.50 of the Vallejo Municipal Code.

SUMMARY

Jaylene Pegan, who was appointed in April 2006 representing the Holiday Inn, has resigned. Vijay Patel, Motel Operator of the Regency Inn, has volunteered to Ms. Pegan. The Vallejo Convention & Visitors Bureau is requesting that Vijay Patel be appointed to represent the Vallejo lodging community.

PROPOSED ACTION: Adopt the resolution appointing Vijay Patel, Motel Operator of the Regency Inn, to the Vallejo Tourism Business Improvement District Advisory Board.

FISCAL IMPACT

There is no fiscal impact

ATTACHMENTS

Proposed Resolution
Letter from Vallejo Convention & Visitors' Bureau
Application from Vijay Patel

RESOLUTION NO. N.C.

WHEREAS, on February 24, 2007, the City Council adopted an Ordinance creating the Vallejo Tourism Business Improvement District Advisory Board. Section 2.41.030, Composition, states that the Advisory Board shall consist of five members appointed by the City Council, including the Chairperson and Vice Chairperson of the Vallejo Convention and Visitors' Bureau Board of Directors; and three members who are owners or managers of businesses paying the assessment under Chapter 14.50 of the Vallejo Municipal Code; and

WHEREAS, Jaylene Pegan, who was appointed in April 2006 representing the Holiday Inn, has resigned. Vijay Patel, Motel Operator of the Regency Inn, Vallejo, CA has volunteered to serve on the Board to replace Ms. Pegan. The Vallejo Convention & Visitors Bureau is requesting that Vijay Patel be appointed to represent the Vallejo lodging community.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby appoints Vijay Patel, Motel Operator of the Regency Inn, Vallejo, CA to the Vallejo Tourism Business Improvement District Advisory Board to replace Jaylene Pegan.

ADOPTED by the Council of the City of Vallejo at a regular meeting held on June 5, 2007by the following vote:

AYES:
NOES:
ABSENT:
ABSTENTION:

ANTHONY J. INTINTOLI, JR., Mayor

ATTEST: MARY ELLSWORTH, Acting City Clerk

J:/marye/reso/VTBID advisoryboard 061207

VALLEJO
CALIFORNIA
CONVENTION & VISITORS BUREAU
& SOLANO COUNTY FILM OFFICE

Vallejo Ferry Terminal
289 Mare Island Way · Vallejo, CA 94590
707·642·3653 · 707·644·2206 FAX
800·4·VALLEJO · www.VisitVallejo.com

May 8, 2007

Office of the City Clerk
City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

Dear City Clerk:

Recently, Jaylene Pegan, Director of Sales with the Courtyard by Marriott Vallejo Napa Valley and member of the Vallejo Tourism Business Improvement District's Advisory Board, resigned from her position with the hotel and moved to Las Vegas.

By these actions, Jaylene Pegan has resigned her position as member of the Vallejo Tourism Business Improvement District's Advisory Board.

Please accept the enclosed application from Vijay Patel, Motel Operator of the Regency Inn, to replace Jaylene Pegan for the advisory position on the Vallejo Tourism Business Improvement District Board.

If you have any questions, please let me know.

Thank you.

Sincerely,

Mike Browne
Executive Director

cc: Annette Taylor, Sr. Community Development Analyst

CITY OF VALLEJO

THIS APPLICATION FOR APPOINTMENT IS A PUBLIC DOCUMENT OPEN FOR INSPECTION AND REPRODUCTION BY ANY PERSON

RECEIVED 2007 MAY -9 AM 11:16 OFFICE OF THE CITY CLERK CITY OF VALLEJO

The function of Boards and Commissions is to make decisions and/or policy recommendations in particular areas to the City Council. A list of the various Boards, Commissions and Committees with a brief description of responsibilities is available. Applications will be kept on file annually for submission to the City Council when vacancies occur. **APPLICANTS MUST RESIDE IN THE CITY OF VALLEJO AT THE TIME OF APPLICATION** unless otherwise stated by ordinance.

I wish to be considered for appointment to the following Board or Commission (PLEASE CHECK ONLY ONE):

- __ Aging
- __ Arch. Heritage & Landmarks
- __ Beautification Advisory
- __ Code Enforcement Review Board
- __ Civil Service
- __ Community Development (at large)
- __ Culture and the Arts
- __ Economic Development
- __ Housing & Redevelopment
- __ Human Relations
- __ Library
- __ Mobile Home Rent Review
- __ Planning
- X Vallejo Tourism Business District Board
- __ Sister City
- __ Marina Advisory
- __
- __
- __
- __ GVRD Board

1. (Please Print) NAME Vijay Patel DATE 5/8/07
2. HOME ADDRESS 4326 Sonoma Blvd. (PO Box Not Allowed) ZIP 94589
3. HOME PHONE (707) 643-4150 ~~WORK~~ Cell PHONE (707) 290-2292
4. LENGTH OF RESIDENCE IN VALLEJO 32 yrs. ARE YOU REGISTERED TO VOTE yes
5. OCCUPATION/EMPLOYER Motel Operator
6. LIST COMMUNITY ACTIVITIES IN WHICH YOU ARE NOW OR HAVE BEEN INVOLVED IN. (Volunteer Work, Organizations, Church Activities, etc.) Include City Commission(s) which you may now be serving on.
Tournament Softball team (mens), Soccer Coach for Indoor Soccer for my 6yr old daughter
7. EDUCATION
Associates from Heald Institute of Technology
8. REASON FOR INTEREST IN APPOINTMENT TO ABOVE BOARD OR COMMISSION
Interested in the way the City of Vallejo is promoted to the Public
9. ADDITIONAL COMMENTS/INFORMATION
I have grown up in Vallejo, Have lived in And worked in the lodging Industry for years and would like to see our city grow better

Return to: City Clerk - City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

Vijay Patel
Signature

PLEASE NOTE: **By signing this document you are attesting to the accuracy of the information provided. Providing False or inaccurate information could disqualify you from consideration or be cause for termination after appointment by the City Council.**

J:\FORMS\COMMAPP.WPD

CONSENT H

COUNCIL COMMUNICATION

Agenda Item No.
Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING THE PUBLIC WORKS DIRECTOR TO 1) ISSUE A PURCHASE ORDER TO FLOORTEC FOR THE REPLACEMENT OF CARPET ON THE 3RD FLOOR OF CITY HALL UTILIZING THE CALIFORNIA MULTIPLE AWARD SCHEDULE; AND 2) ISSUE A PURCHASE ORDER TO CHIPMAN RELOCATION SERVICE FOR THE FURNITURE RELOCATION SERVICES NECESSARY TO SUPPORT ITEM #1

BACKGROUND

The carpeting on the 3rd floor of City Hall is over 30 years old. In some areas this carpeting is creating a safety hazard due to edge raveling and zippering. Additionally, some of this carpeting has worn through to the concrete sub floor. City Staff in the Public Works Department has developed a plan to replace the carpet on this floor.

Based on typical concerns of employees during carpet replacement projects special consideration has been given to the environmental aspects of the carpet to be installed under this project such as its ability to provide an impermeable moisture barrier, a seamless barrier to the floor substrate, maintenance requirements that lend themselves to low-volatile organic compound (VOC) chemicals and nearly undetectable VOC during the installation process. Research has revealed that Collins and Aikman (C & A) carpet, which is available under the California Multiple Award Schedule (CMAS), conforms to these standards.

Vallejo Municipal Code Section 3.20.080 D authorizes purchases from the California Department of General Services. CMAS contracts are contracts that are competitively assessed, negotiated, or bid primarily by the Federal General Services Administration and then incorporated into the CMAS program by the California Department of General Services. These contracts are structured to comply with California procurement codes, guidelines and policies, and provide the highest level of contractual protection. Public Contracting Code Sections 10298 and 10299 authorizes local government agencies to use CMAS agreements. Floortec, who is authorized under CMAS Contract #4-07-00-0078B, has submitted bid to replace this City Hall 3rd Floor carpet for $77,926.81.

The previously noted submittal conforms to the requirements of the CMAS program. Therefore, Staff recommends issuance of a purchase order to Floortec to proceed with the removal and replacement of the subject carpeting.

A portion of this project will involve removal and reinstallation of all of the furniture within the work area. Action has been taken to competitively bid the furniture relocation with the following results:

Chipman Relocation Service:	$10,784.00
Farnsworth Mayflower:	$18,284.70
Broadway Moving and Storage:	$27,000.00

Based on the above information Chipman Relocation Service was found to be the low bidder for this work. Therefore, if approved, the furniture relocation aspect of this project will be accomplished through a purchase order to Chipman Relocation Service in the amount of $10,784.00.

This project will be accomplished on consecutive weekends in an effort to minimize interruption to day to day services provided by staff located in City Hall.

Fiscal Impact

The total cost of this project is $88,710.81. This work is being funded by an existing approved Fiscal Year 06/07 City Hall Building Improvement Capital Improvement Project. Due to the condition of this carpet, further delay of this project could cause undue hazard to the users of this facility.

RECOMMENDATION

Staff recommends removal and replacement of the carpet located on the 3rd floor of City Hall with Collins & Aikman carpet found on the CMAS contract that has an impermeable moisture barrier, a seamless barrier to the floor substrate and low VOC as it relates to installation and maintenance.

ENVIRONMENTAL REVIEW

This project is considered a repair to an existing facility and qualifies as a Class 1 categorical exemption pursuant to Section 15301 of Title 14 of the California Code of Regulations.

PROPOSED ACTION

Approve the resolution authorizing the Public Works Director to 1) issue a purchase order to Floortec for the replacement of carpet on the 3rd floor of City Hall utilizing the California Multiple Award Schedule; and 2) issue a purchase order to Chipman Relocation Service for furniture relocation service necessary to support item #1.

DOCUMENTS AVAILABLE FOR REVIEW

a. A resolution approving replacement of the carpet on the third floor of City Hall.

CONTACT PERSON

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

John Cerini, Maintenance Superintendent
(707) 648-4557
JCerini@ci.vallejo.ca.us

JUNE 12, 2007
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Attachment a.

RESOLUTION NO. 07-____ N.C.

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

WHEREAS, the City of Vallejo owns City Hall; and

WHEREAS, the carpeting on the 3rd floor of City Hall requires replacement (the "Work"); and

WHEREAS, Vallejo Municipal Code Section 3.20.080 D authorizes purchases from the California Department of General Services utilizing the California Multiple Award Schedule (CMAS); and

WHEREAS, staff has obtained a proposal, under the CMAS, from Floortec in the amount of $77,926.81 to replace the carpet on the 3rd floor of City Hall, and

WHEREAS, replacement of the carpet in the area of work requires removal and reinstallation furniture; and

WHEREAS, staff requested three (3) bids to remove and reinstall the referenced furniture and the lowest bid for this service was Chipman Relocation Service in the amount of $10,784.00; and

WHERE AS, the total cost for this project is $88,710.81 and is within the approved budget to upgrade City Hall.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo hereby authorizes the Public Works Director to: 1) issue a purchase order to Floortec for the Work in an amount not to exceed $77,926.81 and 2) issue a purchase order to Chipman Relocation Service in the amount of $10,784.00 for the removal and reinstallation of furniture necessary to support item #1.

JUNE 12, 2007
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CONSENT I

RECEIVED
JUN 5 2007
Mayor's Office
City of Vallejo

118 Cima Drive
Vallejo, CA 94589
June 2, 2007

Mayor Anthony J. Intintoli
City of Vallejo
Vallejo City Hall
555 Santa Clara Street
Vallejo, CA 94590

Dear Mr. Mayor,

I have served as Chair of the Beautification Advisory Commission since January 2007. During that time we have successfully worked with the Vallejo Naval and Historical Museum to present the most successful Vallejo Garden Tour ever; bringing in hundreds of regional visitors to see the beauty of our City and raising thousands of dollars. I also served as Chair, as we became a Tree City USA, and I am thankful for that. With the continued assistance of Joe Bates and the Landscape Maintenance department I believe we can look forward to continued success with landscape in our City.

At this time, however, for personal and professional reasons, I submit this letter to you as a letter of resignation from the Beautification Advisory Commission. Our vice Chair can proceed with the work of the Commission. I look forward to continued involvement in Vallejo and thank you for the opportunity I have had to serve the City.

Sincerely,

Joe Athey

Joe Athey, Chair
Beautification Advisory Commission

• IL GIARDINO BELLISSIMO •

Vallejo Beautifician Advisory Commission
C/o Joseph Athey, Chairperson
118 Cima Drive
Vallejo, CA 94589

June 2, 2007

Dear Joe,

Please accept this letter as notice of my resignation from the Vallejo Beautifician Advisory Commission. It is with great regret that I realize that my ability to serve the commission is no longer appropriate under the current circumstances.

It has been my honor to have worked with you in the past. I trust that the commission will continue to do good work.

Thank you.

Sincerely,

Sarah Nichols

Sarah Nichols

Sarah Nichols • Contractors License# 540091
521 Kentucky Street • Vallejo • California • 94590 • 707-649-0996 • Fax: 707-649-0993

CONSENT J

Agenda Item No.

Date: June 12, 2007

VALLEJO REDEVELOPMENT AGENCY COMMUNICATION
MARINE WORLD JOINT POWERS AUTHORITY COMMUNICATION
VALLEJO CITY COUNCIL COMMUNICATION

TO: Honorable Chairperson and Members of the Redevelopment Agency
Honorable Chairperson and Members of the Marine World JPA
Honorable Mayor and Members of the City Council

FROM: Robert V. Stout, Finance Director RVS
Craig Whittom, Assistant City Manager/Community Development CW

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING USE OF REVENUE-SHARING FUNDS FROM SIX FLAGS DISCOVERY KINGDOM

BACKGROUND:

Note: This action is unrelated to the recently announced decision of Six Flags Discovery Kingdom to exercise their purchase option.

The Marine World JPA Revenue Sharing Agreement authorizes a distribution of 20% of the annual net profit of Six Flags Discovery Kingdom to the Marine World JPA, and 80% of the annual net profit to Park Management Corp., the park manager. In fiscal years 1998-99 through 2001-02, this distribution was allocated to repayment of prior loans made by the City and RDA to the old Marine World Foundation. Those prior obligations have been repaid and are now satisfied. Beginning in Fiscal Year 2002-03, the Marine World JPA's portion of the annual distribution has been transferred to the City's General Fund.

For the 2006 operating season, the Marine World Joint Powers Authority (the "JPA") received a preliminary distribution payment of $800,000 on September 27, 2006, and a final distribution payment of $654,098 on May 10, 2007, from Six Flags Discovery Kingdom. This is a combined total distribution of $1,454,098 for the 2006 operating season that ended October 31, 2006.

Consistent with the 2005 Amendment No. 1 to the Revenue-Sharing Agreement with Six Flags, as well as the City's adopted Fiscal Year 2006-07 Budget, staff recommends the proceeds of $1,454,098 be allocated to the General Fund.

The JPA also requires that the City (RDA) maintain a reserve fund for the purpose of repayment towards the 1997 Certificates of Participation, should Six Flags exercise their option to purchase the park. The reserve fund currently equals the required amount.

As of June 2007, the obligation to set aside funds to reduce the outstanding COP principal amount to $52 million has been satisfied, as follows:

Outstanding Certificates principal	$55,285,000
Reserve held by bond trustee[2]	(5,198,210)
Reserve required to be held by Agency[1]	(380,553)
Agreed Upon Sales Price	($52,000,000)
City Reimbursement to Six Flags upon Sale	380,553
Upon Sale, Surplus Proceeds Available[3]	$ 1,913,210

[1] Note: Because principal payments on the Certificates are made each year, the amount of the reserves required to be held by the Agency can be reduced annually. The actual reserve held by the Agency as of the date of this staff report is $380,553; and staff is recommending to continue to reserve the $380,553 to fund the costs that Six Flags reimbursed the City in 2005, which will ultimately become a credit to the purchase price at the time of sale.

[2] Note: The reserve held by bond trustee cannot be reduced so long as there is principal outstanding on the Certificates of Participation.

[3] Note: Any surplus would be reduced by all City/Agency closing costs associated with the sale. Currently, for planning purposes, the closing costs are estimated at $500,000.

FISCAL IMPACT

The General Fund will receive $1,454,098 of revenue-sharing proceeds for Fiscal Year 2006-07. The City's adopted Fiscal Year 2006-07 Budget includes the transfer of these funds to the General Fund.

ENVIRONMENTAL REVIEW

This action is not a project as defined by the California Environmental Quality Act and is not subject to CEQA review.

PROPOSED ACTION

City Council

1. Adopt a Resolution of the City Council of the City of Vallejo Authorizing Use of Revenue-Sharing Funds From Six Flags Discovery Kingdom.

Redevelopment Agency

2. Adopt a Resolution of the Redevelopment Agency of the City of Vallejo Authorizing Use of Revenue-Sharing Funds From Six Flags Discovery Kingdom.

Marine World Joint Powers Authority

3. Adopt a Resolution of the Marine World Joint Powers Authority Authorizing Use of Revenue-Sharing Funds From Six Flags Discovery Kingdom.

DOCUMENTS ATTACHED:

City Council

1. A Resolution of the City Council of the City of Vallejo Authorizing Use of Revenue-Sharing Funds From Six Flags Discovery Kingdom.

Redevelopment Agency

2. A Resolution of the Redevelopment Agency of the City of Vallejo Authorizing Use of Revenue-Sharing Funds From Six Flags Discovery Kingdom.

Marine World Joint Powers Authority

3. A Resolution of the Marine World Joint Powers Authority Authorizing Use of Revenue-Sharing Funds From Six Flags Discovery Kingdom.

4. Marine World Joint Powers Authority Outstanding Debt Obligations as of June 12, 2007.

PREPARED BY:

Jon R. Oiler, Auditor Controller 648-4593

CONTACT:

Robert V. Stout, Finance Director 648-4592

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO AUTHORIZING USE OF REVENUE-SHARING FUNDS FROM SIX FLAGS DISCOVERY KINGDOM

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

WHEREAS, the Marine World Joint Powers Authority ("JPA") received amounts of $800,000 on September 27, 2006, and $654,098 on May 10, 2007, from Six Flags Discovery Kingdom as payment of the annual amount due to the JPA per the Revenue Sharing Agreement of November 7, 1997, and the 2005 Amendment No. 1 to the Revenue Sharing Agreement; and

WHEREAS, the City Council has considered the report and recommendations of the City Manager on the proposed revenue-sharing proceeds and has determined that the acceptance of the proceeds is in the best interest of the City of Vallejo and is both fair and appropriate.

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

Section 1. Approve the transfer of the $800,000 and $654,098 received from the Marine World JPA and apply the combined $1,454,098 proceeds to the City's General Fund.

RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AUTHORIZING USE OF REVENUE-SHARING FUNDS FROM SIX FLAGS DISCOVERY KINGDOM

BE IT RESOLVED by the Redevelopment Agency of the City of Vallejo ("RDA"), as follows:

WHEREAS, the Marine World Joint Powers Authority ("JPA") received amounts of $800,000 on September 27, 2006, and $654,098 on May 10, 2007, from Six Flags Discovery Kingdom as payment of the annual amount due to the JPA per the Revenue Sharing Agreement of November 7, 1997, and the 2005 Amendment No. 1 to the Revenue Sharing Agreement; and

WHEREAS, the Redevelopment Agency has considered the report and recommendations of the Executive Director on the proposed revenue-sharing proceeds and has determined that the acceptance of the proceeds is in the best interest of the Redevelopment Agency and is both fair and appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Agency of the City of Vallejo as follows:

Section 1. Approve the transfer of the $800,000 and $654,098 received from the Marine World JPA and apply the combined $1,454,098 proceeds to the City's General Fund.

RESOLUTION NO. _____

A RESOLUTION OF THE MARINE WORLD JOINT POWERS AUTHORITY AUTHORIZING USE OF REVENUE-SHARING FUNDS FROM SIX FLAGS DISCOVERY KINGDOM

BE IT RESOLVED by the Marine World Joint Powers Authority ("JPA"), as follows:

WHEREAS, the Marine World Joint Powers Authority ("JPA") received amounts of $800,000 on September 27, 2006, and $654,098 on May 10, 2007, from Six Flags Discovery Kingdom as payment of the annual amount due to the JPA per the Revenue Sharing Agreement of November 7, 1997, and the 2005 Amendment No. 1 to the Revenue Sharing Agreement; and

WHEREAS, the Marine World JPA has considered the report and recommendations of the Executive Director on the proposed revenue-sharing proceeds and has determined that the acceptance of the proceeds is in the best interest of the Marine World JPA and is both fair and appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Marine World Joint Powers Authority as follows:

Section 1. Approve the transfer of the $800,000 and $654,098 received from the Marine World JPA and apply the combined $1,454,098 proceeds to the City's General Fund.

MARINE WORLD JOINT POWERS AUTHORITY
OUTSTANDING DEBT OBLIGATIONS
As of June 12, 2007

ATTACHMENT 4

Marine World JPA -- Amounts Payable to City or Redevelopment Agency		Amount
None.		$0
	Total Due to City or Redevelopment Agency as of June 2007	$0

1997 Certificates of Participation

Original amount due,	January 1997	$63,465,000
Principal due:	February 1999 (paid)	(720,000)
	February 2000 (paid)	(760,000)
	February 2001 (paid)	(800,000)
	February 2002 (paid)	(845,000)
	February 2003 (paid)	(890,000)
	February 2004 (paid)	(945,000)
	February 2005 (paid)	(1,010,000)
	February 2006 (paid)	(1,070,000)
	February 2007 (paid)	(1,140,000)
	Subtotal COP Balance Due (as of June 2007)	55,285,000
	Available Funds in Reserve Account (as of June 2007):	
	Reserve Held By Bond Trustee	(5,198,210)
	Reserve Required To Be Held By Agency	(380,553)
	Total Reserve Funds	(5,578,763)
	COP Balance Due Minus Reserve Funds (as of June 2007)	49,706,237
Agreed Upon Purchase Price (unless market value is higher)		(52,000,000)
Upon Sale, City Will Reimburse Six Flags Advances of City Document Costs		380,553
Upon Sale, Surplus proceeds available, less sale closing costs (as of June 2007) (This does not include an estimated $500,000 in closing costs).		$1,913,210

Costs of Sale Advanced to the City of Vallejo From Six Flags, Inc.

Sale costs advanced from Six Flags, Inc. which City will credit Six Flags in Sale Escrow

Amount Advanced:	Costs Prior to Six Flags Rescinding Option on July 23, 2004	$160,553
	Agreed Upon Expenditure Limit to Complete Transaction	220,000
	Total Cost Advances	$380,553

MWJPA Recommended Payment Plan
As of June 12, 2007

ATTACHMENT 4

	Sources of Funds	Uses of Funds	Projected Balance as of June 2007
Amount to be provided as of October 31, 1998:			
Construction Advance from Redevelopment Agency, 1986		$1,400,000	Paid in full
Accrued Interest on above advance through September 2000		948,998	Paid in full
Seasonal operating loan shortfall from Agency, November 1996		2,386,740	Paid in full
Ground lease payments outstanding due to City, November 1996		1,693,892	Paid in full
COP amount to be provided as of June 2007		380,553	Paid in full
Subtotal amount to be provided		6,810,183	
Fiscal year 1998-1999			
Proceeds of Revenue Sharing Agreement	1,494,351		
Ground lease obligation payment		(1,494,351)	
Total Fiscal 1998-1999 Sources and Uses	1,494,351	(1,494,351)	
Remaining amount to be provided		5,315,832	
Fiscal year 1999-2000			
Proceeds of Revenue Sharing Agreement	2,343,695		
Construction Advance from Redevelopment Agency, 1986		(1,400,000)	
Accrued Interest on above advance to October 31, 1999		(744,154)	
Balance of Ground lease obligation		(199,541)	
Total Fiscal 1999-2000 Sources and Uses	2,343,695	(2,343,695)	
Subtotal amount to be provided		2,972,137	
Fiscal year 2000-2001			
Proceeds of Revenue Sharing Agreement	2,343,298		
Balance of accrued interest on construction advance through 9/00		(204,844)	
Seasonal Operating loan repayment		(2,138,454)	
Total Fiscal 2000-2001 Sources and Uses	2,343,298	(2,343,298)	
Subtotal amount to be provided		628,839	
Fiscal year 2001-2002			
Preliminary Distribution of Proceeds of Revenue Sharing Agreement	1,800,000		
Final Distribution of Proceeds of Revenue Sharing Agreement	1,111,075		
Remaining seasonal operating loan repayment		(248,286)	
Designated for COP buy-down reserve		(2,662,789)	
Total Fiscal 2001-2002 Sources and Uses	2,911,075	(2,911,075)	
Estimated available COP amount as of February 2002		($2,282,236)	
Fiscal year 2002-2003			
Preliminary Distribution of Proceeds of Revenue Sharing Agreement	1,250,000		
Preliminary Distribution of Proceeds of Revenue Sharing Agreement	423,843		
Final Distribution of Proceeds of Revenue Sharing	157,884		
Reallocation of previous year COP buy-down reserve as of 2003		(410,999)	
FY 2002-03 Revenue Sharing Distribution Available for Other Uses		(1,831,727)	
Total Fiscal 2002-2003 Sources and Uses	1,831,727	(2,242,726)	
Estimated available COP amount as of February 2004		($1,871,237)	

MWJPA Recommended Payment Plan
As of June 12, 2007

ATTACHMENT 4

	Sources of Funds	Uses of Funds	Projected Balance as of June 2007
Fiscal Year 2003-04			
Preliminary Distribution of Proceeds of Revenue Sharing Agreement	1,000,000		
Final Distribution of Proceeds of Revenue Sharing	725,338		
Reallocation of previous year COP buy-down reserve as of 2004		(945,000)	
FY 2003-04 Revenue Sharing Distribution Available for Other Uses		(1,725,338)	
Total Fiscal 2003-2004 Sources and Uses	1,725,338	(2,670,338)	
Estimated available for Other Uses as of May 2004		($926,237)	
Fiscal Year 2004-05			
Preliminary Distribution of Proceeds of Revenue Sharing Agreement	800,000		
Final Distribution of Proceeds of Revenue Sharing	867,892		
Reallocation of previous year COP buy-down reserve as of 2005		(629,447)	
FY 2004-05 Revenue Sharing Distribution Available for Other Uses		(1,667,892)	
Total Fiscal 2004-2005 Sources and Uses	1,667,892	(2,297,339)	
Estimated available for Other Uses as of May 2005		($296,790)	
Fiscal Year 2005-06			
Preliminary Distribution of Proceeds of Revenue Sharing Agreement	1,000,000		
Final Distribution of Proceeds of Revenue Sharing	1,680,628		
Reallocation of previous year COP buy-down reserve as of 2006		(296,790)	
FY 2005-06 Revenue Sharing Distribution Available for Other Uses		(2,680,628)	
Total Fiscal 2005-2006 Sources and Uses	2,680,628	(2,977,418)	
Estimated available for Other Uses as of April 2006		$0	
Fiscal Year 2006-07			
Preliminary Distribution of Proceeds of Revenue Sharing Agreement	800,000		
Final Distribution of Proceeds of Revenue Sharing	654,098		
FY 2006-07 Revenue Sharing Distribution Available for Other Uses		(1,454,098)	
Total Fiscal 2006-2007 Sources and Uses	1,454,098	(1,454,098)	
Estimated available for Other Uses as of June 2007		$0	

CONSENT K

Agenda Item No.

COUNCIL COMMUNICATION **Date:** June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: CONSIDERATION OF A RESOLUTION TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE FUNDING AGREEMENT BETWEEN THE METROPOLITAN TRANSPORTATION COMMISSION AND THE CITY OF VALLEJO FOR THE 2007 SPARE THE AIR/FREE TRANSIT CAMPAIGN

BACKGROUND

To improve air quality and enhance the Bay Area public transportation system, the Metropolitan Transportation Commission (MTC) and Bay Area Air Quality Management District (District) invited Bay Area transit operators to participate in the 2007 Spare the Air/Free Transit Campaign. This is an episodic measure that is implemented only when ground-level ozone pollution ("smog") levels are expected to be highest. This year's campaign will feature free, all-day transit on most participating transit services with the exception of BART, Caltrain, ACE and the ferries where the promotion will end at 1:00 PM. The campaign will offer free transit on four (4) Spare the Air weekdays with the exception of holidays. The ozone season starts June 1, 2007 and ends October 12, 2007.

The key objectives of this campaign are to:

1. Increase public awareness about the link between transportation choices and air quality,
2. Encourage Bay Area residents to drive less and use public transit more,
3. Build transit ridership region wide,
4. Reduce emissions to prevent federal 8-hour ozone air quality standard, and
5. Encourage longer-term behavioral changes that benefit air quality.

This campaign is aimed to raise awareness of the larger Spare the Air campaign, which is focused on educating the public and promoting changes in behavior that will help prevent poor air quality, and to increase awareness of 511.org as the regional site for transit trip planning. The campaign will also introduce messages about greenhouse gas emissions and climate protection.

How the campaign will work:

1. The Air District will issue a Spare the Air advisory by 1:15 p.m. for the following day.
2. Spare the Air advisories are issued when the Air Quality is predicted to be unhealthy for sensitive groups (children, the elderly and those with respiratory ailments).
3. The Air District and MTC will advise the media and the transit operators to announce the free transit campaign for the following day.
4. Public service announcements will be made encouraging people to leave their vehicles at home and use transit.
5. All participating transit operators will "cover" the fare boxes and offer free transit rides according to the parameters of the program.

MTC and the Air District will provide funding to transit operators (Attachment B) for fare recovery costs for four (4) weekdays, non-holiday, Spare the Air days during the summer ozone season. As a condition of receiving this funding and participating in the program, MTC and the Air District requires the City of Vallejo to be responsible for and adhere to the following:

1. A Funding Agreement and Notice to Proceed between MTC and the City of Vallejo (Attachment C and D).
2. The Transportation Superintendent or her designee, will designate a staff representative(s) who should be knowledgeable in operations, public relations and marketing and be able to make decisions related to these areas of the program.
3. The City of Vallejo will prepare an operations plan (Attachment E) that describes the various actions or steps that the operator will take to implement the Spare the Air/Free Transit Campaign.

The transit operation plan includes:

- instructions to transit employees (bus/ferry operators, dispatchers, customer service representatives, etc.) on what to do on the day the Spare the Air advisory is called and on the actual Spare the Air day;

- how to accommodate an increase in transit ridership at similar or higher levels experienced during the April 30, 2007 MacArthur Maze collapse (i.e., deployment of extra buses, additional staffing (bus operators, etc.);

- marketing and outreach activities to be undertaken by the City of Vallejo

- a communications protocol with the City of Vallejo transit service operators and transportation staff, MTC and the Air District; and

- accounting procedures to seek fare reimbursement from MTC.

- a ridership monitoring and evaluation plan that describes how the transit division will collect, analyze, and report ridership data for each Spare the Air/Free Transit day and for a baseline day for comparative purposes.

- MTC and the Air District will be identified, where appropriate, as the sponsors of the 2007 Spare the Air/Free Transit Campaign.

- AirAlerts from BAAQMD will serve as the public's call to action to receive free advanced notification of Spare the Air days.

- 511 and 511.org will serve as the call to action for transit information for the Spare the Air/Free Transit Campaign in all advertising and public relations provided by the program, including outdoor advertising (car/bus wraps, billboards, banners, in-station and in-vehicle advertising, radio and TV advertising, brochures and flyers, promotional materials and give-away items, and press releases.) Individual transit operator telephone and web addresses will not be included in these materials. The City of Vallejo will not be required to purchase any additional marketing or advertising material.

- If the homeland security threat level rises to High, or Orange, and/or the maritime security threat level rises to MARSEC Level 2, the transit operators may choose to not participate in the free transit promotion but must immediately notify MTC and the Air District of this action.

Fiscal Impact

MTC will utilize federal Congestion Mitigation and Air Quality and Transportation Fund for Clean Air funds to reimburse the City of Vallejo.

The City of Vallejo will be reimbursed $38,295 for each Spare the Air Day up to a maximum of four (4). This figure represents the estimated fare revenue collected on a typical non-holiday, weekday during the summer months (beginning June 1 through October 12, 2007) plus a contingency fund for expected or projected increases in ridership. Via the funding agreement, the City of Vallejo will obtain up to $153,180 as reimbursement for its participation in the 2007 Spare the Air/Free Transit Campaign.

Invoices will be submitted to MTC following each Spare the Air/Free Transit day and payment will be made within thirty (30) days after receipt by MTC.

RECOMMENDATION

Staff recommends that the City Council approve the resolution authorizing the City Manager or his designee to execute the funding agreement between the Metropolitan Transportation Commission and the City of Vallejo for participation in the 2007 Spare the Air/Free Transit Campaign.

ENVIRONMENTAL REVIEW

Participation in the 2007 Spare the Air/Free Transit Campaign is categorically exempt from CEQA as described in 14 California Code of Regulations, Chapter 3, Article 19 §15308.

ALTERNATIVES CONSIDERED

None considered.

Last year, the City of Vallejo was one of the few Bay Area transit operators who did not participate in the 2006 Spare the Air/Free Transit program. This year by participating in the "free program" we will take advantage of the opportunity to introduce new riders/revenue into our transportation system. (Other agencies reported as much as a 20% increase in ridership following the 2006 Spare the Air/Free Transit campaign.) We will also contribute to improved public air quality in the bay area.

PROPOSED ACTION

Adopt a resolution authorizing the City Manager to execute the funding agreement between the Metropolitan Transportation Commission and the City of Vallejo for participation in the 2007 Spare the Air/Free Transit Campaign.

DOCUMENTS AVAILABLE FOR REVIEW

a. A resolution approving the authorization for the City Manager to execute the funding agreement between the Metropolitan Transportation Commission and the City of Vallejo for participation in the 2007 Spare the Air/Free Transit Campaign.
b. MTC 2007 Spare the Air/Free Transit Participant List
c. Funding Agreement between the Metropolitan Transportation Commission and the City of Vallejo

d. Notice to Proceed from the Metropolitan Transportation Commission (email)
e. City of Vallejo's 2007 Spare the Air/Free Transit Operations Plan.

CONTACT PERSONS

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JUNE 12, 2007
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.Attachment a.

RESOLUTION NO. 07-____ N.C.

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

WHEREAS, the Metropolitan Transportation Commission administers the 2007 Spare the Air/Free Transit Program; and

WHEREAS, during most summers, the Bay Area experiences "Spare the Air" days, on which air quality and ozone levels fail to meet federal and state minimum thresholds; and

WHEREAS a successful response to Spare the Air days requires a regional transit solution; and

WHEREAS, MTC and the Bay Area Air Quality Management District (BAAQMD) have partnered with 29 Bay Area transit agencies to participate in the Spare the Air/Free Transit Program to encourage the use of public transit on the Spare the Air days; and

WHEREAS, For up to four (4) Spare the Air days during the summer months, MTC will reimburse the City of Vallejo $38,295 per Spare the Air day, the estimated fare revenue collected on a typical non-holiday, weekday; and

WHEREAS, this program gives the City of Vallejo the opportunity to participate in a highly visible regional effort to mitigate threats to air quality in a financially viable manner;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo hereby authorizes the City Manager or his designee to execute the funding agreement with the Metropolitan Transportation Commission to obtain up to $153,180 as reimbursement for the City of Vallejo's participation in the 2007 Spare the Air/Free Transit Campaign.

JUNE 12, 2007
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CONSENT

Agenda Item No. L

COUNCIL COMMUNICATION **Date:** June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: APPROVAL OF TWO RESOLUTIONS (1) AMENDING THE CAPTIAL BUDGET FISCAL YEAR 2006/07 FOR THE ADMIRAL CALLAGHAN LANE IMPROVEMENT PROJECT (ADDING TIMF FUNDS), AND (2) TO AWARD A CONTRACT TO J. A. GONSALVES & SON CONSTRUCTION INC., FOR THE ADMIRAL CALLAGHAN LANE IMPROVEMENT PROJECT [FEDERAL PROJECT NO. CML 5030 (031) FISCAL YEAR 2006/2007]

BACKGROUND AND DISCUSSION

Tonight's action is to consider adoption of two resolutions (1) amending the capital budget fiscal year 2006/07 for the Admiral Callaghan Lane Improvement Project (adding TIMF funds), and (2) to award a contract to J. A. Gonsalves & son Construction Inc., for the Admiral Callaghan Lane Improvement Project.

On June 5, 2007, Council adopted a resolution approving the proposed budget amendment to amend the FY 06/07 One-Year Capital Improvement Program budget. This is the 2nd step in the process to amend the 1-Yr CIP budget and award the project to the lowest bidder.

The existing section of Admiral Callaghan Lane between the intersections of Rotary Way and Redwood Parkway is a very high traffic conflict area with many minor traffic collisions. There is also a tremendous amount of congestion and confusion for drivers in this area. The City of Vallejo's Traffic Division often receives phone calls from citizens concerned with traffic safety, congestion, and delay at this location. As a solution, the City of Vallejo's Traffic Engineering Division and the State of California Department of Transportation (Caltrans) have worked together to design improvements to address traffic safety, relieve congestion, and reduce delay at the subject location. This project will include the widening of Admiral Callaghan Lane, traffic signal modifications, lane configuration changes, I-80 ramp improvements, raised medians, and a pavement overlay. The completion of this project will provide congestion relief and improve traffic safety at this location.

Plans and specification were prepared by SNG and Associates, Inc. and CHS Consulting. On May 10, 2007, sealed bids were opened for this project. The City received one bids for the project from J. A. Gonsalves & Son Construction Inc., Napa, CA in the amount of $911,193.60. This lowest responsive bid was $346,493, in excess of the available remaining funds for this project. Due to Caltrans additional requirements which increased the scope of work from the original plans, the bids received were higher than the original budget for this project. City staff has evaluated the bid prices and found them to be within the current industry standard.

City staff evaluated the option of re-bidding the project and pushing the construction start date to later in the summer. After careful consideration, staff is recommending that this project be completed in its entirety as soon as possible in order to preserve a $70,000 federal grant and to avoid holiday season traffic impacts due to construction activity and freeway ramp closures.

Fiscal Impact

The remaining approved budget for this project is $564,700, of which $70,000 is from a Federal Grant and an amount of $494,700 is from Transportation Impact Mitigation Fee (TIMF). Staff proposes that an additional amount of $500,000 from TIMF funds be added to the approved budget for this project in FY 2006/2007. The amended budget for construction would be $1,064,700.

RECOMMENDATION

City staff recommends adopting the two resolutions (1) amending the capital budget for fiscal year 2006/07 for the Admiral Callaghan Lane Improvement Project (adding TIMF funds), and (2) to award the construction contract to the lowest responsive bidder for the Admiral Callaghan Lane Improvement Project.

ALTERNATIVES CONSIDERED

If the City considers re-bidding the project, and delays the award of this contract to later in the summer, we will risk losing the federal grant funds and will increase the traffic impact during holiday season. Therefore, staff recommends that it is prudent to increase the budget and award this contract to the lowest bidder in order to keep the federal grant and to complete the contract work prior to holiday season traffic.

ENVIRONMENTAL REVIEW

The project has an exempt status of: Categorical Exemption (Class 1) (Section. 21080) (b) (10); 15301 (1)(c). The pavement is exempt because it involves the rehabilitation of existing street pavement within the City. There will be no scenic resource altered or removed. The Notice of Exemption will be filed with Solano County.

DOCUMENTS AVAILABLE FOR REVIEW

a. A resolution to amend the City's 1-Yr CIP budget for Fiscal Year 2006-07.

b. A resolution awarding a contract to J. A. Gonsalves & Son Construction Inc., for the Admiral Callaghan Lane Improvement Project Federal Project No.: CML 5030 (031) FY 2006/07.

CONTACT PERSON:

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Attachment a.

RESOLUTION NO. 07 - ___ N.C.

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

WHEREAS, in June 2006, the City Council did adopt a budget for the Fiscal Year 2006-2007 One-Year Capital Improvement Program (CIP); and

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

WHEREAS, on June 5, 2007, Council approved a resolution of intention to appropriate $500,000 from TIMF funds for Fiscal Year 2006-2007 1-Yr CIP budget amendments for the project; and

NOW, THEREFORE, BE IT RESOLVED that the Vallejo City Council, pursuant to Charter Section 703, does hereby amend the City's budget for the Fiscal Year 2006-2007 One-Year Capital Improvement Program in the amount of $500,000.

BE IT FURTHER RESOLVED that the City Manager or his designee, the Finance Director, is hereby authorized to revise the Fiscal Year 2006/2007 CIP Budget to increase the budget appropriation for the Admiral Callaghan Lane Improvement Project by $500,000.

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JUNE 12, 2007

Attachment b.

RESOLUTION NO. 07 - ___ N.C.

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

WHEREAS, The existing section of Admiral Callaghan Lane between the intersections of Rotary Way and Redwood Parkway is a very high traffic conflict area with many minor traffic collisions; and

WHEREAS, Caltrans issued the Authorization to Proceed Summary Form (E-76) for construction and City advertised for and publicly opened bids on May 10, 2007; and

NOW, THEREFORE, BE IT RESOLVED that the low responsive bid by J. A. Gonsalves & Son Construction Inc., Napa, CA, based upon the estimated quantities of the work for the Admiral Callaghan Lane Improvement Project Federal Project No.: CML-5030 (031) Fiscal Year 2006/07, located in the City of Vallejo, California, in the amount of Nine Hundred Eleven Thousand One Hundred Ninety three Dollars and Sixty cents ($911,193.60) be, and is hereby accepted.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized to sign an agreement, with any modifications recommended by the City Attorney or the Risk Manager, between the City of Vallejo and J. A. Gonsalves & Son Construction Inc., for the above described work and the City Clerk to attest the signing of that Agreement.

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JUNE 12, 2007

CONSENT
Agenda Item No. M

COUNCIL COMMUNICATION

Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary Leach, Public Works Director

SUBJECT: RESOLUTION AWARDING FOUR (4) CONTRACTS FOR LANDSCAPE MAINTENANCE IN FISCAL YEAR 2007/2008 AS FOLLOWS: COAST LANDSCAPE MANAGEMENT FOR REGIONS ONE AND SIX, D & H LANDSCAPING FOR REGION THREE AND NORTH BAY LANDSCAPE MANAGEMENT FOR THE SEAVIEW LANDSCAPE MAINTENANCE DISTRICT (LMD)

BACKGROUND

The current contracts will expire on June 30, 2007 for providing landscape maintenance to Regions One, Three, Six and the Seaview LMD. To continue to provide landscape maintenance services, it was necessary to call for bids in order to secure four (4) landscape contracts for the Fiscal Year 2007/2008. On May 24, 2007, the City received responsive bids from six (6) landscape contractors for the three (3) landscape Regions and one (1) Landscape Maintenance District (LMD). The bids and documentation were reviewed and found to be responsible and in order. The following is a summary of the locations and bid results:

Region 1 consists of six (6) LMD. Springtree, Cimarron Hills, College Hills and Town and Country Unit I, Carriage Oaks, and Town and Country Units II – V. Coast Landscape Management is the lowest responsible bidder for this region.

REGION	BIDDER	AMOUNT
1	**Coast Landscape Management**	**$ 51,900.00**
	D & H Landscaping	$ 52,560.00
	North Bay Landscape Management	$ 59,160.00
	TruGreen LandCare	$ 61,260.00
	Dominguez Landscape	$ 73,908.00

Region 3 consists of five (5) LMD's. These five (5) LMD's include; Hunter Ranch Units #1, 2, Woodridge Units #1-4, Monica Place, Somerset Highlands Unit #3, and Summit Unit #2. D & H Landscaping was found to be the lowest responsible bidder for this region.

REGION	BIDDER	AMOUNT
3	**D & H Landscaping**	**$ 30,180.00**
	Coast Landscape Management	$ 33,672.00
	North Bay Landscape Management	$ 35,580.00
	TruGreen LandCare	$ 36,000.00
	Dominguez Landscape	$ 43,296.00

Region 6 consists of ten (10) public right of way, park and landscape areas. All ten (10) areas are the responsibility of the General Fund and they include; the span along Curtola Parkway, Mare Island Way, and Wilson Avenue from Lemon St. to Hichborn St., Anchor Park, and the Butte Street Stairs. Also included pursuant to Agreements with Cal Trans are the Highway 80 landscaped slope overpasses and include; Magazine St., Springs Rd., Georgia St., Tennessee St., and Redwood Parkway. Coast Landscape Management is the lowest responsible bidder for this region.

REGION	BIDDER	AMOUNT
6	**Coast Landscape Management**	**$ 29,400.00**
	D & H Landscaping	$ 30,300.00
	North Bay Landscape Management	$ 34,500.00
	TruGreen LandCare	$ 42,000.00
	Dominguez Landscape	$ 48,204.00
	New Image Landscape	$125,472.00

The Seaview LMD is a 1911 Act residential subdivision overlooking San Pablo Bay in south Vallejo. Seaview is an older LMD with ornamental fescue landscape and fire prevention around the perimeter of the parcels. North Bay Landscape Management is the lowest responsible bidder for this area.

LMD	BIDDER	AMOUNT
Seaview	**North Bay Landscape Management**	**$ 14,400.00**
	D & H Landscaping	$ 14,700.00
	TruGreen LandCare	$ 16,200.00
	Coast Landscape Management	$ 16,536.00
	Dominguez Landscape	$ 19,284.00

Fiscal Impact

The FY 2006/2007 twelve (12) LMD's final annual contract cost is projected to be $120,150.00. Based on the lowest responsible bid the cost for this service for FY 2007/2008 will be $96,480.00, providing the LMD's an aggregate reduction in cost of $23,670.00 for this next fiscal year. Parcels are assessed fees in order to insure the continued operations, maintenance, servicing and administration of various landscape improvements within the public right-of-way, open spaces and landscape easements located within the LMDs. All of the costs associated with these LMD's are paid by the assessments levied upon the property owners within each individual LMD.

The FY 2006/2007 final annual contract cost to the General Fund for Region Six (6) will be $44,232.00. Based on the lowest responsible bid the cost for this service for FY 2007/2008 will be $29,400.00. This represents a 33% reduction in landscape contract cost to the General Fund. There will be no adverse impact to the General Fund as a result of awarding this contact.

The term of the four (4) landscape contracts is one (1) year beginning July 1, 2007 to June 30, 2008, inclusive. Pursuant to good performance by the contractor, the term may include up to four-one year contract extensions at the City's sole discretion. Five years is the maximum length for landscape service under these contracts, the final day for these four (4) contracts is June 30, 2012.

Maps for the location of maintenance sites and itemized bid summary cost for each LMD and the general fund public landscape areas are available for review in the Plans and Specifications for Landscape Maintenance Districts available in the Public Works Department.

RECOMMENDATION

Adopt a Resolution to award landscape service contracts to:

1. Coast Landscape Management for the maintenance of landscaping, parkways, open space and fire prevention of Landscape Maintenance Region One (1) in the amount of Fifty One Thousand Nine Hundred Dollars ($51,900.00) for Fiscal Year 2007/2008;

2. D & H Landscaping for the maintenance of landscaping, parkways, open space and fire prevention of Landscape Maintenance Region Three (3) in the amount of Thirty Thousand One Hundred Eighty Dollars ($30,180.00) for Fiscal Year 2007/2008;

3. Coast Landscape Management for the maintenance of landscaping, for the span along Curtola Parkway, Mare Island Way, and Wilson Avenue from Lemon St. to Hichborn St., Anchor Park, and Butte Street Stairs. The landscape service also includes Highway 80 overpasses which include Magazine St., Springs Rd., Georgia St., Tennessee St., and Redwood St. all areas comprise Region Six (6) in the amount of Twenty Nine Thousand Four Hundred Dollars ($29,400.00) for Fiscal Year 2007/2008;

4. North Bay Landscape Management for the maintenance of landscaping, open space and fire prevention of the Seaview LMD in the amount of Fourteen Thousand Four Hundred Dollars ($14,400.00) for Fiscal Year 2007/2008.

ENVIRONMENTAL REVIEW

These projects are categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to section 15301 of Title 14 of the California code of Regulations (Class 1 categorical exemption for maintenance of existing landscaping.

PROPOSED ACTION

Staff recommends approval of a resolution accepting the bids for landscape maintenance service in Regions One (1), Three (3), Six (6) and Seaview LMD and awarding contracts to the low bidders for each region.

DOCUMENTS AVAILABLE FOR REVIEW

a. A resolution awarding contracts for Fiscal Year 2007/2008 to Coast Landscape Management for Region One(1), D & H Landscaping for Region Three (3), Coast Landscape Management for Region Six (6), and North Bay Landscape Management for the Seaview LMD.
b. Maps attached for Regions One(1), Three (3), Six (6) and Seaview LMD
c. FY 2007-2008 Region Six (6); Plans and Specifications for Landscape Maintenance, City of Vallejo
d. FY 2007-2008 Region One, Region Three and Seaview LMD; Plans and Specifications for Landscape Maintenance District Contracts Within Two (2) landscape Regions and One (1) LMD, City of Vallejo

CONTACT PERSON

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John Cerini, Maintenance Superintendent
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JUNE 12, 2007
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Attachment a.

RESOLUTION NO. 07 - ____ N.C.

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

WHEREAS, May 24, 2007, at 2:00 p.m. was the time appointed for receiving sealed proposals by the City of Vallejo for performance of landscape maintenance services for Regions One (1), Three (3), Six (6) and the Seaview LMD, pursuant to plans and specifications for said work; and

WHEREAS, bids from the following bidders have been received and publicly opened and declared responsive to the published notice calling for the same by the Public Works Director:

REGION	BIDDER	AMOUNT
1	**Coast Landscape Management**	**$ 51,900.00**
	D & H Landscaping	$ 52,560.00
	North Bay Landscape Management	$ 59,160.00
	TruGreen LandCare	$ 61,260.00
	Dominguez Landscape	$ 73,908.00

REGION	BIDDER	AMOUNT
3	**D & H Landscaping**	**$ 30,180.00**
	Coast Landscape Management	$ 33,672.00
	North Bay Landscape Management	$ 35,580.00
	TruGreen LandCare	$ 36,000.00
	Dominguez Landscape	$ 43,296.00

REGION	BIDDER	AMOUNT
6	**Coast Landscape Management**	**$ 29,400.00**
	D & H Landscaping	$ 30,300.00
	North Bay Landscape Management	$ 34,500.00
	TruGreen LandCare	$ 42,000.00
	Dominguez Landscape	$ 48,204.00
	New Image Landscape	$125,472.00

LMD	BIDDER	AMOUNT
Seaview	**North Bay Landscape Management**	**$ 14,400.00**
	D & H Landscaping	$ 14,700.00
	TruGreen LandCare	$ 16,200.00
	Coast Landscape Management	$ 16,536.00
	Dominguez Landscape	$ 19,284.00

NOW, THEREFORE, BE IT RESOLVED that the bid by Coast Landscape Management in the amount of Fifty-one Thousand Nine Hundred Dollars ($51,900.00) for the landscape maintenance of the LMDs within Region One (1), the bid by D & H Landscaping in the amount of Thirty Thousand One Hundred Eighty Dollars ($30,180.00) for the landscape maintenance of the LMDs within Region Three (3), the bid by Coast Landscape Management in the amount of Twenty-nine Thousand Four Hundred Dollars ($29,400.00) for the landscape maintenance of the General Fund areas within Region Six (6) and the bid by North Bay Landscape Management in the amount of Fourteen Thousand Four Hundred Dollars ($14,400.00) for the landscape maintenance for the Seaview LMD for Fiscal Year 2007/2008 be and is hereby accepted and a contract awarded to said low bidders at the price bid.

BE IT FURTHER RESOLVED that all other bids received, to-wit:

Dominguez Landscape Services Inc.
TruGreen LandCare
New Image Landscape

Are hereby deemed rejected upon the full execution of the contract documents by the successful bidder, with notice of rejection to be given thereupon by the City Clerk.

BE IT FURTHER RESOLVED that the City Manager or his designee is hereby authorized to sign and the City Clerk to attest to the following agreements by and between: the City of Vallejo and Coast Landscape Management for Region One (1); the City of Vallejo and D & H Landscaping for Region Three (3); the City of Vallejo and Coast Landscape Management for Region Six (6) and the City of Vallejo and North Bay Landscape Management for Seaview LMD for the above described work.

JUNE 12, 2007
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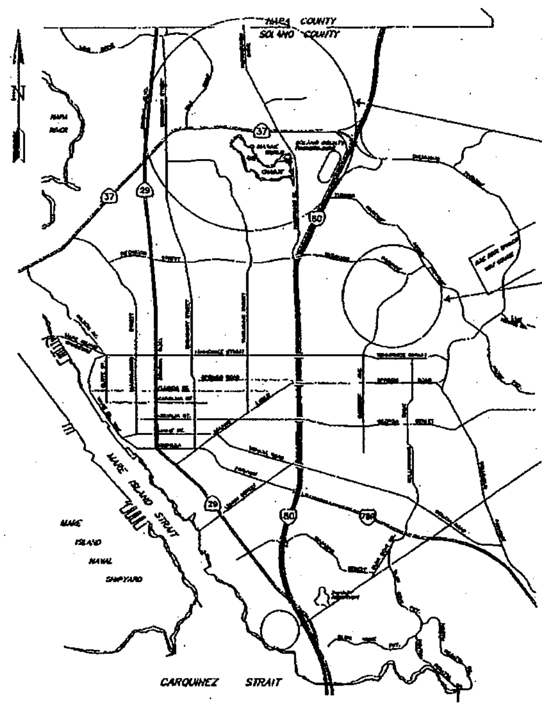
Attachment b.

PROJECT LOCATION MAP



CITY OF VALLEJO, CALIFORNIA

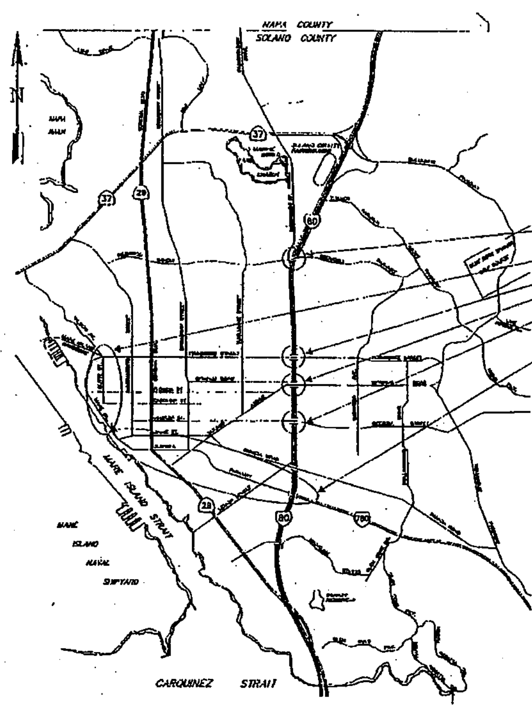
PLANS AND SPECIFICATIONS FOR LANDSCAP
MAINTAINANCE DISTRICTS
2007-2008

REGION ONE
REGION THREE
SEAVIEW (COSTA DEL ORO) LMD

Attachment b.

CITY OF VALLEJO, CALIFORNIA

PROJECT LOCATION MAP



PLANS AND SPECIFICATIONS FOR LANDSCAPI MAINTAINANCE DISTRICTS

2007-2008

REGION 6

CONSENT
N

Agenda Item No.

COUNCIL COMMUNICATION

Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING THE PURCHASE OF EIGHT (8) VEHICLES FROM CORNELIUS FORD OF VALLEJO, CALIFORNIA FOR $208,884.40 AND ONE (1) VEHICLE FROM WONDRIES FLEET GROUP OF ALHABMRA, CALIFORNIA FOR $30,576.11

BACKGROUND

The City of Vallejo has a comprehensive Vehicle and Equipment Replacement Program designed to manage our fleet. The responsibility for this program falls under the Public Works Department, Maintenance Division. A combination of nine (9) vehicles required replacement during Fiscal Year (FY) 05/06 and FY 06/07 under this program and as a result of vehicle accidents. Therefore, funding for the purchase of these vehicles will be provided from approved budgets as well as insurance proceeds. The total cost for these vehicles is $239,460.51 including tax, license, warranty, options and delivery.

Formal bid packets were published on the internet and sent out to eleven (11) prospective bidders. Cornelius Ford, a local vendor, responded to all but one item and Wondries Fleet Group responded to one item. Staff has completed the review of these bid responses and based on our analysis, it is recommended that a purchase order be issued to Cornelius Ford of Vallejo, California in the amount of $208,884.40 for items 502-2902-16, 17-(1), 17-(2), 18-(1), 18-(2), 21, 22, 23 and a purchase order be issued to Wondries Fleet Group of Alhambra, California in the amount of $30,576.11 for item 502-2902-17-(3). The recommended vendor's quotations meet the requirements of the specifications and were found to be the low bidder. The following is a tabulation of the bids received and the Department/Division each vehicle is assigned to:

RFQ# 502-2902-16 1 ea. Ford F-750 Series Truck (Public Works/Streets)

Cornelius Ford	
$64,324.90	No Other Bid

RFQ# 502-2902-17- (1) 1 ea. Ford - Crown Victoria (Police Patrol Car)

Cornelius Ford	Wondries Fleet Group
$27,230.30	$28,085.38

RFQ# 502-2902-17- (2) 1 ea. Ford - Crown Victoria (Police Administration)

Cornelius Ford	Wondries Fleet Group
$25,262.12	$25,597.45

RFQ# 502-2902-17- (3) 1 ea. Ford - Expedition (Police)

Wondries Fleet Group
$30,576.11 No Other Bid

RFQ# 502-2902-18- (1) 1 ea. Ford F-350 Series Cab & Bed (Public Works/Grounds)

Cornelius Ford
$20,277.77 No Other Bids

RFQ# 502-2902-18-(2) 1 ea. Ford F-350 Series Cab & Chassis (Public Works/Grounds)

Cornelius Ford
$22,898.80 No Other Bids

RFQ# 502-2902-21 1 ea. Ford Fusion (Water/Administration)

Cornelius Ford
$18,628.48 No Other Bids

RFQ# 502-2902-22 1 ea. Ford Ranger 4X4 (Public Works/Engineering)

Cornelius Ford
$17,035.43 No Other Bids

RFQ# 502-2902-23 1 ea. Ford Ranger 4X2 (Fire Prevention)

Cornelius Ford
$13,228.60 No Other Bids

As reflected by the above listing, while the bid packages were advertised on the internet and also sent out to eleven (11) prospective bidders we received few responses. Our previous experience has indicated that most suppliers are reluctant to bid on City of Vallejo vehicle bid packages as they feel that they cannot compete with our 5% local vendor preference clause. Although, it should be noted that the local vendor was the low bidder on all but one item without applying the 5% local preference.

Fiscal Impact

The purchase of these vehicles will nominally impact the associated funds as a result applying the current vehicle cost to their respective vehicle replacement charges beginning FY 2008/2009.

RECOMMENDATION

Staff recommends that authorization be given to proceed with purchase of the listed vehicles from the suggested vendors.

ENVIRONMENTAL IMPACT

There is no environmental impact related to the purchase of these vehicles.

PROPOSED ACTION

Adopt a resolution authorizing the purchase of eight (8) vehicles as specified in RFQ #502-2902-16, 17-(1), 17-(2), 18-(1), 18-(2), 21, 22, 23 from Cornelius Ford of Vallejo, California for $208,884.40, and one (1) vehicle as specified in RFQ #502-2902-17-(3) from Wondries Fleet Group of Alhambra, California for $30,576.11.

DOCUMENTS AVAILABLE FOR REVIEW

A. A resolution authorizing the purchase of eight (8) vehicles as specified in RFQ #502-2902-16, 17-(1), 17-(2), 18-(1), 18-(2), 21, 22, 23 from Cornelius Ford of Vallejo, California for total amount of $208,884.40, and one (1) vehicle as specified in RFQ #502-2902-17-(3) from Wondries Fleet Group of Alhambra, California for $30,576.11.

CONTACT:

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(707) 648-4316
GARYL@ci.vallejo.ca.us

John Cerini, Maintenance Superintendent
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JCerini@ci.vallejo.ca.us

JUNE 12, 2007
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RESOLUTION NO. 07 -________N.C.

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

WHEREAS, it has been determined that the vehicles under the City of Vallejo Vehicle and Equipment Replacement Program and vehicles involved in vehicle accidents require replacement; and

WHEREAS, the Maintenance Division published a Request for Quotation (RFQ) for replacement of these vehicles on the internet and sent out RFQ's to eleven (11) qualified suppliers; and

WHEREAS, the Maintenance Division received and reviewed responses to the RFQ's; and

WHEREAS, based on their review, the Maintenance Division has made a recommendation to purchase eight (8) vehicles from Cornelius Ford of Vallejo, California and one (1) vehicle from Wondries Fleet Group of Alhambra, California in accordance with the City's bid requirements;

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Vallejo authorizes the City Manager or his designated representative to issue a purchase order to Cornelius Ford of Vallejo, California in the amount of $208,884.40 for the purchase of eight (8) vehicles as specified in RFQ #502-2902-16, 17-(1), 17-(2), 18-(1), 18-(2), 21, 22, 23;

BE IT FURTHER RESOLVED that the Council of the City of Vallejo authorizes the City Manager or his designated representative to issue a purchase order to Wondries Fleet Group of Alhambra, California in the amount of $30,576.11 for the purchase of one (1) vehicle as specified in RFQ #502-2902-17-(3);

BE IT FURTHER RESOLVED, that all other offers submitted in response to RFQ #502-2902-16, 17, 18, 20, 21 22 and 23 are hereby deemed rejected upon execution of purchase orders with the aforementioned suppliers.

JUNE 12, 2007
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PUB HRG
A

Agenda No.

COUNCIL COMMUNICATION

Date: June 12, 2007

TO: Honorable Mayor and Members of the City Council

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

SUBJECT: Approval of a resolution amending the Downtown Specific Plan, and holding on first reading an ordinance amending the Downtown Master Plan (Ord. No. 1533 N.C., 2d) incorporating temporary land use regulations for specified non-retail uses occupying the ground floor along the Georgia Street Corridor in the Downtown Vallejo Specific Plan area with a reevaluation after twelve months.

BACKGROUND AND DISCUSSION:

On September 20, 2005, the City Council approved Ordinance No. 1553 N.C. (2d) and Resolution No. 05-321, which rezoned properties in the downtown to Mixed-Use Planned Development, and established the Downtown Vallejo Specific Plan as the Planned Development Master Plan for Downtown.

Included in the Specific Plan are land use regulations intended to maintain and enhance Georgia Street as the "primary retail corridor" of downtown. Consequently, the list of permitted uses on the ground floor for Georgia Street are retail-oriented. However, the plan also acknowledged the need to "identify appropriate interim uses in retail spaces until such time as there is a market for retail uses" (pg. 4.3).

In response to concerns expressed by downtown merchants and property owners that the current restrictions on uses for the ground floor were too prohibitive in this current real estate market, staff began extensive discussions with the various downtown groups in order to craft interim land use policies consistent with the intent of the Specific Plan. On April 17, 2007, the City Council passed Resolution no. 07-88 N.C., a resolution of intention directing staff to prepare an amendment adopting interim land use policies for the Georgia Street Corridor.

Staff has prepared amendments to the Downtown Specific Plan which serves as the Master Plan for Downtown. The temporary uses are described in Exhibit A and incorporated as an amendment to the Downtown Specific Plan. These amendments, which would allow certain temporary uses, are summarized below.

- Permit certain specified non-retail uses to be temporarily established on the ground floor during a two (2) year period following final City Council approval.

- Twelve (12) months into that two-year year period, reevaluate the retail market and determine whether a longer time period for allowing new non-retail uses should be granted.

- After the two-year period expires (unless modified), those existing uses will be permitted to remain in business for an additional six (6) year period. All new uses established after the two-year period ends would have to comply with the original Specific Plan requirement for ground-floor uses.

Proposed Interim Non-Retail Uses

The following list of land uses are recommended to be permitted on a temporary basis during the term of the interim land use regulations. The list was originally proposed by a consensus of the various downtown groups and this is also the same list that the City Council reviewed as a part of their consideration of the resolution of intention. These uses are already permitted on the upper level of the Georgia Street Corridor, with the exception of the "Participant sports and recreation, indoor studios". As with all other uses specified in the Downtown Plan, the land use categories are further defined and referenced in Section 16.06 of the Zoning Ordinance.

Administrative & Professional (Sec. 16.06.240)
Business Support Service (Sec. 16.06.300)
Communication Services (Sec. 16.06.310)
Financial Insurance and Real Estate Services (16.06.360)
Medical Offices (Sec. 16.06.405)
Medical Services (Sec. 16.06.410)
Participant Sports and Recreation,
Indoor (e.g. fitness clubs, yoga, martial art
Studios, dance, etc. Sec. 16.06.420)

Staff supports these uses on an interim basis, because while they are not strictly defined as retail, they can help provide economic benefits in the form of employee/customer-generated retail sales in the surrounding area, and will help reduce the overall vacancy rate.

Note: Current legal non-conforming, non-retail uses would not be affected by the above regulations.

Consistency with General Plan and Downtown Specific Plan

The Downtown Specific Plan was found to be consistent with the General Plan when it was approved by the City Council in 2005. The proposed amendment to the Downtown Specific Plan to provide interim land uses during this transition period is consistent with the Downtown Vallejo Specific Plan goals and policies which include encouraging an active pedestrian corridor and identifying measures intended to implement the Plan's goals and policies. Goal 4.2 and Policy 4.2.2 of the Specific Plan include "Identifying appropriate interim uses in retail spaces until such time as there is a market for retail uses", and "Encouraging flexibility in land use regulations to promote as much development and redevelopment with a mix of uses, by not having separated land uses identified on a land use map" (SP pg. 4.3).

FISCAL IMPACT

The temporary land use regulations will help reduce the vacancy rate of ground floor retail space which will help maintain property values, and there will likely be economic benefits to the City in the form of additional sales tax.

RECOMMENDATION

Staff recommends that the City Council approve the proposed amendments to the Master Plan/Downtown Specific Plan with the findings outlined in the attached ordinance and resolution. The proposed ordinance is consistent with the Resolution of Intention passed by the Council on April 17, 2007.

The Planning Commission is scheduled to review this proposal and forward a recommendation on June 4, 2007. At the time of this writing, the meeting has not yet occurred, but a copy of the draft Minutes will be included as a separate memorandum to City Council.

ALTERNATIVES CONSIDERED

During the previous City Council discussions on the related Resolution of Intention, several alternative approaches were considered. Those alternatives ranged from allowing permanent occupancy for the non-retail tenants, to longer and shorter timeframes for temporary occupancy. Ultimately, a majority of the City Council voted to pursue the matter in the way that is being recommended in this report: Two-year period for establishing occupancy; reevaluation after one year; and unless modified, continue occupancy for six years after the end of the two year period.

ENVIRONMENTAL REVIEW

This proposal qualifies for a Class 1 categorical exemption from the requirements of CEQA per section 15301 of Title 14 of the California Code of Regulations, as it involves permitting a negligible or no expansion of the uses beyond those existing at the time of the City's consideration and determination on the Downtown Vallejo Specific Plan Environmental Impact Report.

PROPOSED ACTION

Approve a resolution amending the Downtown Specific Plan, and holding on first reading an ordinance amending the Downtown Master Plan (Ord. No. 1533 N.C., 2d) incorporating temporary land use regulations for specified non-retail uses occupying the ground floor along the Georgia Street Corridor in the Downtown Vallejo Specific Plan area with a reevaluation after twelve months.

DOCUMENTS ATTACHED

Attachment A.	Resolution amending the Downtown Specific Plan and Holding on First Reading an Ordinance amending Ordinance. No. 1533 N.C., 2d adopting the amended Downtown Specific Plan as the Downtown Master Plan and incorporating Exhibit A "Temporary Land Use Regulations, Georgia Street Corridor (ground floor)".
Attachment B.	Draft Ordinance amending Ordinance. No. 1533 N.C., 2d adopting the amended Downtown Specific Plan as the Downtown Master Plan.
Attachment C.	Redline version of Draft Ordinance amending Ordinance No. 1533 N.C., 2d, adopting the amended Downtown Specific Plan as the Downtown Master Plan.
Attachment D.	Staff agenda packet to Planning Commission, June 4, 2007 meeting.

CONTACT:

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

Attachment A

RESOLUTION NO______

RESOLUTION OF THE CITY COUNCIL AMENDING THE DOWNTOWN VALLEJO SPECIFIC PLAN TO INCLUDE TEMPORARY USE REGULATIONS WITHIN THE GEORGIA STREET CORRIDOR AND HOLDING ON FIRST READING AN ORDINANCE AMENDING ORDINANCE NO. 1553 N.C. (2D), ADOPTINGTHE MASTER PLAN FOR DOWNTOWN VALLEJO

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

WHEREAS, the Downtown Vallejo Specific Plan was adopted by the Vallejo City Council on September 20, 2005, with the stated vision that "Downtown will become the focus of community pride as the revitalized "heart" of Vallejo; and

WHEREAS, the Downtown Specific Plan Land Use Goal 4.2c strives to enrich the mix of Downtown uses by "identifying appropriate interim uses in retail spaces until such time as there is a market for retail uses and prohibiting boarded up storefronts even during transition periods"; and

WHEREAS, it is necessary to allow a broader range of temporary uses on the ground floors of buildings along the Georgia Street Corridor as depicted on page 4.8 of the Downtown Vallejo Specific Plan, in order to provide a transition of land uses until the retail market improves; and

WHEREAS, allowing certain temporary uses would be consistent with the Downtown Vallejo Specific Plan, and the City of Vallejo General Plan; and

WHEREAS, the provision of permitting temporary uses shall be reevaluated by the City Council with a recommendation from the Planning Commission, no later than twelve (12) months from the final adoption of this Resolution; and

WHEREAS, the amendment to provide temporary use regulations is categorically exempt pursuant to CEQA Guidelines 15301. The amendment to the Downtown Specific Plan involves permitting a negligible or no expansion of the use beyond those existing at the time of the City's consideration and determination on the Downtown Vallejo Specific Plan Environmental Impact Report; and

WHEREAS, amendments to the Downtown Specific Plan must be done by resolution pursuant to Vallejo Municipal Code section 17.04.020; and

WHEREAS the Downtown Specific Plan was adopted as the Master Plan for Downtown Vallejo, having been adopted by ordinance No. 1553 N.C. (2d) September 27, 2005, and amendments to an ordinance need to be made by re-enactment of the applicable section(s) of the original ordinance pursuant to Vallejo City Charter Section 313.

NOW THEREFORE BE IT RESOLVED, that the City Council hereby approves an amendment to the Vallejo Downtown Specific Plan by permitting certain temporary uses as described in Exhibit A to this resolution, which attachment is incorporated herein by reference. Staff is directed to return in one year's time to update the City Council on the feasibility and desirability of continuing or discontinuing the temporary uses.

BE IT FURTHER RESOLVED NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Vallejo hereby holds on first reading an Ordinance amending Ordinance No. 1533 N.C., 2d, adopting the amended Downtown Specific Plan as the Master Plan for Downtown Vallejo.

Exhibit A

TEMPORARY LAND USE REGULATIONS, GEORGIA STREET CORRIDOR (GROUND FLOOR)

For a period of time beginning on ____________________, 2007 and ending on ______________________________, 2009, the following land use types may be permitted to establish occupancy on the ground floor of the Georgia Street Corridor with approval of an Administrative Permit from the Planning Department, and subject to any conditions applied with such permit, including but not limited to a recorded land use agreement between the City, property owner and tenant. Once such occupancy has been legally established, the use may be permitted to continue occupancy until ______________________, 2015, at which time the use must cease in accordance with the terms of the land use agreement. All other requirements shall otherwise be subject to the applicable regulations of the Downtown Vallejo Specific Plan.

Land Use Types

Administrative & Professional Services (VMC Sec. 16.06.240)
Business Support Services (VMC 16.06.300)
Communications Services (VMC Sec. 16.06. 310)
Financial Insurance and Real Estate Services (VMC Sec. 16.06.360)
Medical Offices (VMC Sec. 16.06.405)
Medical Services (VMC Sec. 16.06.410)
Participant Sports and Recreation, Indoor (VMC Sec. 16.06.420)
(e.g. fitness clubs, yoga, martial art studios, dance, etc.)

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Attachment B

DRAFT
ORDINANCE NO. 1553 N.C. (2d)

AN ORDINANCE OF THE CITY OF VALLEJO REZONING PROPERTIES IN THE DOWNTOWN VALLEJO AREA TO 'MIXED-USE PLANNED DEVELOPMENT DISTRICT' AND ADOPTING THE DOWNTOWN VALLEJO SPECIFIC PLAN (#SPL04-0001) AS THE MASTER PLAN FOR THE DOWN TOWN AREA

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

SECTION 1. Findings and Determination.

The City Council hereby finds and determines that:

A. Pursuant to Ordinance No. 900 N.C. (2d), codified in Chapter 16.112 of the Vallejo Municipal Code, the City of Vallejo may, after notice, public hearing, and enactment of an enabling ordinance, approve an amendment from the basic zoning district to a Mixed-Use Planned Development (MUPD) District and the adopted Master Plan established for such district.

B. Specific Plan #SPL04-0001 proposes the City adoption of the Downtown Vallejo Specific Plan and the accompanying Downtown Vallejo Design Guidelines. This Specific Plan would serve as the Master Plan for the Downtown area under the proposed Mixed-Use Planned Development District. The Downtown Vallejo Specific Plan includes urban design, land use and circulation policies; land use provisions; development standards and an implementation program. The accompanying Downtown Vallejo Design Guidelines set forth guidelines for the design of public and private improvements. The Downtown Vallejo Specific Plan and accompanying Downtown Vallejo Design Guidelines have been adopted by the resolution of the City Council.

C. By separate resolution, the City Council has certified the Draft Downtown Vallejo Specific Plan and Virginia Street Development Final Environmental Impact Report, dated August 2005 and approved the Mitigation Monitoring and Reporting Program, dated August 2005.

D. As disclosed in the FEIR, the City Council finds that the approval of this rezoning and Master Plan, in conjunction with the approval of the Downtown Vallejo Specific Plan, will result in significant environmental effects. The City Council acknowledges that approval of the rezoning to MUPD District and Master Plan is linked to the approval of Specific Plan SPL#04-0001. This action will adopt new land use regulations and development standards for the 98-acre Downtown area, which will permit, among others, increased development intensity (floor area ratios of up to 4.0/5.0), varying maximum building height limits (45-85 feet), special and reduced off-street parking standards based on the unique urban setting, reduced road widths and increased on-street parking to promote better pedestrian circulation. The Council finds that implementation of the draft Specific Plan and the accompanying Draft Design Guidelines could result in a number of significant adverse impacts on the environment. Most of the significant impacts can be mitigated to a less-than-significant level. For impacts that can be mitigated to a less-than-significant level, the City Council finds that mitigation measures presented in the FEIR and the MMRP are adequate and, where appropriate, have been incorporated into conditions of approval for this action (listed below). Nonetheless, build-out envisioned in the Draft Specific Plan, in conjunction with community build-out envisioned in the Vallejo General Plan, could result in five (5) significant, unavoidable impacts related to bicycle transportation, long-term water supply, which cannot be mitigated to a less-than-significant level. The City Council finds that that the benefits of the MUPD District rezoning and Master Plan, coupled with the approval of the Downtown Vallejo Specific Plan outweigh these unavoidable adverse impacts in that:

1. The implementation of the streetscape improvements and reconfiguration of on-street parking recommended in the Draft Downtown Vallejo Specific Plan will result in the removal of an existing, Class II bicycle route on Marin Street (Impact TRAF-9), which cannot be replaced. While Mitigation Measure TRAF-9a recommends the installation of signs along Marin Street, which is to inform and encourage vehicles and bicyclists to share the roadway, these signs will not reduce this impact to a less-than-significant level. However, these streetscape and parking improvements will create a narrower street condition, which will reduce traffic speeds along Marin Street, making it safer for bicyclists to share this street with vehicle traffic. The traffic calming benefits of a narrower street condition, in conjunction with the implementation of Mitigation Measure TRAF-9b (installation of directional signs directing bicyclists to major transit hubs, activity centers and the Class 1 bicycle route

along the waterfront) would outweigh the loss of the bicycle route, which is: 1) consistent with Draft Specific Plan Goal 6.1 (Establish a well designed, interconnected and pedestrian-friendly circulation system) and Program 6.1.e. (Initiate streetscape improvements to incorporate elements of traffic calming); and 2) would not be in conflict with Draft Specific Plan Program 6.11 (Identify appropriate bicycle connections between Downtown, residential neighborhoods and the Waterfront).

2. The City's water supply under a third year drought condition is not sufficient to serve cumulative development projected in the Draft Downtown Vallejo Specific Plan and in the Vallejo community at large (Impact UTIL-1). This impact cannot be mitigated to a less-than-significant level unless and until water from Lake Curry is available for use. While this water source is not available for use at this time (no infrastructure in-place to convey the water from the source to the City's supply system), the benefits of the proposed project would outweigh this unavoidable impact in that: 1) it will take many years for build-out to occur in Downtown and citywide before this additional water source will be needed; 2) the impact is realized under third year drought conditions, which can be partially mitigated through the implementation of mandatory water conservation measures; and 3) the City already retains the rights to the use of Lake Curry water and when the infrastructure is in-place to use this water source, Impact UTIL-1 will be mitigated.

3. In areas where new development within the Specific Plan area is anticipated to include vibration-generating activities, such as pile-driving, that is in close proximity to the existing residences, businesses and historic structures, such uses may be exposed to construction-related vibration and noise (Impact NOISE-4). Although Mitigation Measures NOISE-4a and NOISE-4b are recommended to reduce construction-related vibration and noise, this impact may not be mitigated to a less-than-significant level during some construction within the project area. The benefits of the project, which will permit mixed use and new construction in a close, urban setting, would outweigh this impact in that: 1) such impacts would be temporary; 2) the occurrence of such impacts would be sporadic and are not likely to occur with every construction project that is developed in the Downtown area; 3) Downtown Vallejo is an urbanized area that presently experiences higher noise and ground-borne vibration

conditions, where it is not logical or practical to assume that new construction will not result in some temporary disruption or increase in noise or ground-borne vibration.

4. Build-out of the Draft Specific Plan would result in vehicle emissions of reactive organic gases, nitrogen oxides and particulate matter that would exceed the air quality thresholds established by the Bay Area Air Quality Management District (Impact AIR-3). Although Mitigation Measures AQ-3a and AG-3b are recommended' to reduce potential vehicle emissions, this impact may not be mitigated to a less-than-significant level. This cumulative, air quality impact is outweighed by the benefits of the project, which include the following smart-growth and new urbanism elements: 1) the promotion of mixed-use development in an urban, Downtown setting, which facilitates increased pedestrian use and circulation; 2) the project area is accessible to and served by public transit modes that are alternatives to the use of personal vehicles; 3) implementing measures such as streetscape improvements that would incorporate traffic calming and landscaping, which will lower or filter emissions, respectively.

5. The build-out projections for the proposed project would conflict with the currently-adopted Bay Area Clean Air Plan, in that the Clean Air Plan is based on the build-out projections presented in the 1999 Vallejo General Plan (Impact AIR-4). As the project includes an amendment to the Vallejo General Plan, this impact is significant and unavoidable. This cumulative, air quality impact is outweighed by the benefits of the project, which includes those smart-growth and new urbanism elements cited in 2.d. above. Further, the Bay Area Air Quality Management District is presently updating the Bay Area Clean Air Plan, which will incorporate the projections of this project.

E. The Mixed-Use Planned Development (MUPD) District zoning and Downtown Master Plan as addressed in Specific Plan #SPL04-0001, as proposed and as conditioned, is consistent with the Downtown Mixed-Use land use designation, as well as all of the pertinent goals, objectives, and policies of the Vallejo General Plan.

F. The MUPD District zoning and Downtown Master Plan as addressed in Specific Plan #SPL04-0001 will serve to introduce a broader mix of permitted land uses to be developed and established in the Downtown Vallejo area, which will enhance the desirability of the area, while maintaining compatibility with the existing, developed land uses in the Plan area and the adjacent neighborhoods.

G. The MUPD District zoning and Downtown Master Plan addressed in Specific Plan SPL04-0001, as proposed and as conditioned, is in conformity with public convenience, and the general welfare and good land use practice.

H. The MUPD District zoning and Downtown Master Plan addressed in Specific Plan SPL04-0001, as conditioned, will not be detrimental to health, safety and general welfare. As noted in Finding D above, potential project impacts related to health, safety and general welfare were identified in the Draft Downtown Vallejo Specific Plan and Virginia Street Development Final Environmental Impact Report, which was prepared to evaluate the environmental impacts. Measures to mitigate most of the potentially significant impacts have been made conditions of the project and are included in the Mitigation Monitoring and Reporting Program.

I. On September 20, 2005, Ordinance No. 1553 N.C. (2d) was approved and established the Downtown Vallejo Specific Plan and accompanying Downtown Vallejo Design Guidelines as the Master Plan for the downtown.

J. On September 20, 2005, the City Council certified the Draft Downtown Vallejo Specific Plan and Virginia Street Development Final Environmental Impact Report, dated August 2005 and approved the Mitigation Monitoring and Reporting Program, dated August 2005.

K. On September 20, 2005, Resolution No. 05-321 was approved by the City Council, approving the Downtown Vallejo Specific Plan and accompanying Downtown Vallejo Design Guidelines and finding that such documents were consistent with the City's General Plan.

L. On April 17, 2007, Resolution No. 07-88 N.C. was approved by the City Council, finding that it was necessary to allow a broader range of temporary uses on the ground floors of buildings along the downtown Georgia Street Corridor in order to provide a transition of land uses until the retail market improves, and directing staff to prepare an amended Downtown Vallejo Specific Plan and expressing its intent to revise Ordinance No. 1553 N.C. (2d).

M. On June 4, 2007, the Vallejo Planning Commission conducted a duly noticed public hearing on the proposed amendment of Ordinance No. 1553 N.C. (2d) to incorporate temporary land use regulations into the

Downtown Vallejo Specific Plan, and after considering all verbal and written testimony, passed a resolution recommending approval.

N. On June 12, 2007, the City Council conducted a duly noticed public hearing on the proposed temporary land use regulations for the downtown Georgia Street Corridor and considered all verbal and written testimony on record.

O. The addition of temporary land use regulations into the Downtown Vallejo Specific Plan is consistent with the City General Plan and the Downtown Vallejo Specific Plan Land Use Goal 4.2c, which strives to enrich the mix of Downtown uses by "identifying appropriate interim uses in retail spaces until such time there is a market for retail uses and prohibiting boarded up storefronts even during transition periods."

P. The proposed amendments regarding temporary land use regulations are categorically exempt from the requirements of CEQA per section 15301 of Title 14 of the California Code of Regulations as they involve permitting a negligible or no expansion of the uses beyond those existing at the time of the City's consideration and determination on the Downtown Vallejo Specific Plan.

SECTION 2. Approval of Rezoning to Mixed-Use Planned Development (MUPD) District and approval of Master Plan.

Based on the findings herein above, the City Council hereby: a) approves the rezoning of properties within the boundaries of the Downtown Vallejo Specific Plan from High Density Residential (HDR), Medium Density Residential (MDR), Low Density Residential (LDR), Intensive Use (IU), Linear Commercial (CL), Pedestrian, Shopping & Service (CP), Public Facilities (PF) and Waterfront Shopping & Service (CW) Districts to Mixed-Use Planned Development (MUPD) District, as presented in attached Exhibit A; and b) approves the Downtown Master Plan as addressed in Specific Plan #SPL04-0001, subject to the mitigation measures and conditions of approval set forth in the resolution adopted by the City Council on Tuesday, September 20, 2005, and incorporated by this reference.

SECTION 3. Temporary Uses.

The Downtown Master Plan is hereby amended to adopt and incorporate the amended Downtown Specific Plan as described in Resolution No.____and Exhibit A to that Resolution, allowing certain temporary land uses on the ground floor of the Georgia Street Corridor with approval of an Administrative Permit from the Planning Department, and subject to any conditions applied with such permit, including but not limited to a recorded land use agreement between the City, property owner and tenant .

SECTION 4. <u>Effective Date</u>.

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

Attachment C

Redline version of DRAFT
ORDINANCE NO. 1553 N.C. (2d)

[Deleted sections are in ~~strikethrough.~~
Added sections are in **bold.**]

~~AN ORDINANCE OF THE CITY OF VALLEJO REZONING PROPERTIES IN THE DOWNTOWN VALLEJO AREA TO MIXED-USE PLANNED DEVELOPMENT DISTRICT AND APPROVING THE MASTER PLAN FOR THE DOWNTOWN VALLEJO SPECIFIC PLAN, ADDRESSING SPECIFIC PLAN #SPL04-0001~~

AN ORDINANCE OF THE CITY OF VALLEJO REZONING PROPERTIES IN THE DOWNTOWN VALLEJO AREA TO 'MIXED-USE PLANNED DEVELOPMENT DISTRICT' AND ADOPTING THE DOWNTOWN VALLEJO SPECIFIC PLAN (#SPL04-0001) AS THE MASTER PLAN FOR THE DOWN TOWN AREA

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

SECTION 1. Findings and Determination.

The City Council hereby finds and determines that:

A. Pursuant to Ordinance No. 900 N.C. (2d), codified in Chapter 16.112 of the Vallejo Municipal Code, the City of Vallejo may, after notice, public hearing, and enactment of an enabling ordinance, approve an amendment from the basic zoning district to a Mixed-Use Planned Development (MUPD) District and the adopted Master Plan established for such district.

B. Specific Plan #SPL04-0001 proposes the City adoption of the Downtown Vallejo Specific Plan and the accompanying Downtown Vallejo Design Guidelines. This Specific Plan would serve as the Master Plan for the Downtown area under the proposed Mixed-Use Planned Development District. The Downtown Vallejo Specific Plan includes urban design, land use and circulation policies; land use provisions; development standards and an implementation program. The accompanying Downtown Vallejo Design Guidelines set forth guidelines for the design of public and private improvements. The Downtown Vallejo Specific Plan and accompanying Downtown Vallejo Design Guidelines have been adopted by the resolution of the City Council.

C. By separate resolution, the City Council has certified the Draft Downtown Vallejo Specific Plan and Virginia Street Development Final Environmental Impact Report, dated August 2005 and approved the Mitigation Monitoring and Reporting Program, dated August 2005.

D. As disclosed in the FEIR, the City Council finds that the approval of this rezoning and Master Plan, in conjunction with the approval of the Downtown Vallejo Specific Plan, will result in significant environmental effects. The City Council acknowledges that approval of the rezoning to MUPD District and Master Plan is linked to the approval of Specific Plan SPL#04-0001. This action will adopt new land use regulations and development standards for the 98-acre Downtown area, which will permit, among others, increased development intensity (floor area ratios of up to 4.0/5.0), varying maximum building height limits (45-85 feet), special and reduced off-street parking standards based on the unique urban setting, reduced road widths and increased on-street parking to promote better pedestrian circulation. The Council finds that implementation of the draft Specific Plan and the accompanying Draft Design Guidelines could result in a number of significant adverse impacts on the environment. Most of the significant impacts can be mitigated to a less-than-significant level. For impacts that can be mitigated to a less-than-significant level, the City Council finds that mitigation measures presented in the FEIR and the MMRP are adequate and, where appropriate, have been incorporated into conditions of approval for this action (listed below). Nonetheless, build-out envisioned in the Draft Specific Plan, in conjunction with community build-out envisioned in the Vallejo General Plan, could result in five (5) significant, unavoidable impacts related to bicycle transportation, long-term water supply, which cannot be mitigated to a less-than-significant level. The City Council finds that that the benefits of the MUPD District rezoning and Master Plan, coupled with the approval of the Downtown Vallejo Specific Plan outweigh these unavoidable adverse impacts in that:

1. The implementation of the streetscape improvements and reconfiguration of on-street parking recommended in the Draft Downtown Vallejo Specific Plan will result in the removal of an existing, Class II bicycle route on Marin Street (Impact TRAF-9), which cannot be replaced. While Mitigation Measure TRAF-9a recommends the installation of signs

along Marin Street, which is to inform and encourage vehicles and bicyclists to share the roadway, these signs will not reduce this impact to a less-than-significant level. However, these streetscape and parking improvements will create a narrower street condition, which will reduce traffic speeds along Marin Street, making it safer for bicyclists to share this street with vehicle traffic. The traffic calming benefits of a narrower street condition, in conjunction with the implementation of Mitigation Measure TRAF-9b (installation of directional signs directing bicyclists to major transit hubs, activity centers and the Class 1 bicycle route along the waterfront) would outweigh the loss of the bicycle route, which is: 1) consistent with Draft Specific Plan Goal 6.1 (Establish a well designed, interconnected and pedestrian-friendly circulation system) and Program 6.1.e. (Initiate streetscape improvements to incorporate elements of traffic calming); and 2) would not be in conflict with Draft Specific Plan Program 6.11 (Identify appropriate bicycle connections between Downtown, residential neighborhoods and the Waterfront).

2. The City's water supply under a third year drought condition is not sufficient to serve cumulative development projected in the Draft Downtown Vallejo Specific Plan and in the Vallejo community at large (Impact UTIL-1). This impact cannot be mitigated to a less-than-significant level unless and until water from Lake Curry is available for use. While this water source is not available for use at this time (no infrastructure in-place to convey the water from the source to the City's supply system), the benefits of the proposed project would outweigh this unavoidable impact in that: 1) it will take many years for build-out to occur in Downtown and citywide before this additional water source will be needed; 2) the impact is realized under third year drought conditions, which can be partially mitigated through the implementation of mandatory water conservation measures; and 3) the City already retains the rights to the use of Lake Curry water and when the infrastructure is in-place to use this water source, Impact UTIL-1 will be mitigated.

3. In areas where new development within the Specific Plan area is anticipated to include vibration-generating activities, such as pile-driving, that is in close proximity to the existing residences, businesses and historic structures, such uses may be exposed to construction-related vibration and noise (Impact NOISE-4). Although Mitigation Measures NOISE-4a

and NOISE-4b are recommended to reduce construction-related vibration and noise, this impact may not be mitigated to a less-than-significant level during some construction within the project area. The benefits of the project, which will permit mixed use and new construction in a close, urban setting, would outweigh this impact in that: 1) such impacts would be temporary; 2) the occurrence of such impacts would be sporadic and are not likely to occur with every construction project that is developed in the Downtown area; 3) Downtown Vallejo is an urbanized area that presently experiences higher noise and ground-borne vibration conditions, where it is not logical or practical to assume that new construction will not result in some temporary disruption or increase in noise or ground-borne vibration.

4. Build-out of the Draft Specific Plan would result in vehicle emissions of reactive organic gases, nitrogen oxides and particulate matter that would exceed the air quality thresholds established by the Bay Area Air Quality Management District (Impact AIR-3). Although Mitigation Measures AQ-3a and AG-3b are recommended' to reduce potential vehicle emissions, this impact may not be mitigated to a less-than-significant level. This cumulative, air quality impact is outweighed by the benefits of the project, which include the following smart-growth and new urbanism elements: 1) the promotion of mixed-use development in an urban, Downtown setting, which facilitates increased pedestrian use and circulation; 2) the project area is accessible to and served by public transit modes that are alternatives to the use of personal vehicles; 3) implementing measures such as streetscape improvements that would incorporate traffic calming and landscaping, which will lower or filter emissions, respectively.

5. The build-out projections for the proposed project would conflict with the currently-adopted Bay Area Clean Air Plan, in that the Clean Air Plan is based on the build-out projections presented in the 1999 Vallejo General Plan (Impact AIR-4). As the project includes an amendment to the Vallejo General Plan, this impact is significant and unavoidable. This cumulative, air quality impact is outweighed by the benefits of the project, which includes those smart-growth and new urbanism elements cited in 2.d. above. Further, the Bay Area Air Quality Management District is presently updating the Bay Area Clean Air Plan, which will incorporate the projections of this project.

E. The Mixed-Use Planned Development (MUPD) District zoning and Downtown Master Plan as addressed in Specific Plan #SPL04-0001, as proposed and as conditioned, is consistent with the Downtown Mixed-Use land use designation, as well as all of the pertinent goals, objectives, and policies of the Vallejo General Plan.

F. The MUPD District zoning and Downtown Master Plan as addressed in Specific Plan #SPL04-0001 will serve to introduce a broader mix of permitted land uses to be developed and established in the Downtown Vallejo area, which will enhance the desirability of the area, while maintaining compatibility with the existing, developed land uses in the Plan area and the adjacent neighborhoods.

G. The MUPD District zoning and Downtown Master Plan addressed in Specific Plan SPL04-0001, as proposed and as conditioned, is in conformity with public convenience, and the general welfare and good land use practice.

H. The MUPD District zoning and Downtown Master Plan addressed in Specific Plan SPL04-0001, as conditioned, will not be detrimental to health, safety and general welfare. As noted in Finding D above, potential project impacts related to health, safety and general welfare were identified in the Draft Downtown Vallejo Specific Plan and Virginia Street Development Final Environmental Impact Report, which was prepared to evaluate the environmental impacts. Measures to mitigate most of the potentially significant impacts have been made conditions of the project and are included in the Mitigation Monitoring and Reporting Program.

I. On September 20, 2005, Ordinance No. 1553 N.C. (2d) was approved and established the Downtown Vallejo Specific Plan and accompanying Downtown Vallejo Design Guidelines as the Master Plan for the downtown.

J. On September 20, 2005, the City Council certified the Draft Downtown Vallejo Specific Plan and Virginia Street Development Final Environmental Impact Report, dated August 2005 and approved the Mitigation Monitoring and Reporting Program, dated August 2005.

K. On September 20, 2005, Resolution No. 05-321 was approved by the City Council, approving the Downtown Vallejo Specific Plan and accompanying Downtown Vallejo Design Guidelines and finding that such documents were consistent with the City's General Plan.

L. **On April 17, 2007, Resolution No. 07-88 N.C. was approved by the City Council, finding that it was necessary to allow a broader range of temporary uses on the ground floors of buildings along the downtown Georgia Street Corridor in order to provide a transition of land uses until the retail market improves, and directing staff to prepare an amended Downtown Vallejo Specific Plan and expressing its intent to revise Ordinance No. 1553 N.C. (2d).**

M. **On June 4, 2007, the Vallejo Planning Commission conducted a duly noticed public hearing on the proposed amendment of Ordinance No. 1553 N.C. (2d) to incorporate temporary land use regulations into the Downtown Vallejo Specific Plan, and after considering all verbal and written testimony, passed a resolution recommending approval.**

N. **On June 12, 2007, the City Council conducted a duly noticed public hearing on the proposed temporary land use regulations for the downtown Georgia Street Corridor and considered all verbal and written testimony on record.**

O. **The addition of temporary land use regulations into the Downtown Vallejo Specific Plan is consistent with the City General Plan and the Downtown Vallejo Specific Plan Land Use Goal 4.2c, which strives to enrich the mix of Downtown uses by "identifying appropriate interim uses in retail spaces until such time there is a market for retail uses and prohibiting boarded up storefronts even during transition periods."**

P. **The proposed amendments regarding temporary land use regulations are categorically exempt from the requirements of CEQA per section 15301 of Title 14 of the California Code of Regulations as they involve permitting a negligible or no expansion of the uses beyond those existing at the time of the City's consideration and determination on the Downtown Vallejo Specific Plan.**

SECTION 2. Approval of Rezoning to Mixed-Use Planned Development (MUPD) District and approval of Master Plan.

Based on the findings herein above, the City Council hereby: a) approves the rezoning of properties within the boundaries of the Downtown Vallejo Specific Plan from High Density Residential (HDR), Medium Density Residential (MDR), Low Density Residential (LDR), Intensive Use (IU), Linear Commercial (CL), Pedestrian, Shopping & Service (CP), Public Facilities (PF) and Waterfront Shopping & Service (CW) Districts to Mixed-Use Planned Development (MUPD) District, as presented in attached Exhibit A; and b) approves the Downtown Master Plan as addressed in Specific Plan #SPL04-0001, subject to the mitigation measures and conditions of approval set forth in the resolution adopted by the City Council on Tuesday, September 20, 2005, and incorporated by this reference.

SECTION 3. ~~Effective Date.~~ Temporary Uses.

~~The effective date of this shall be thirty (30) days after the final passage.~~
The Downtown Master Plan is hereby amended to adopt and incorporate the amended Downtown Specific Plan as described in Resolution No.____and Exhibit A to that Resolution, allowing certain temporary land uses on the ground floor of the Georgia Street Corridor with approval of an Administrative Permit from the Planning Department, and subject to any conditions applied with such permit, including but not limited to a recorded land use agreement between the City, property owner and tenant.

SECTION 4. Effective Date.

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

Attachment D

STAFF REPORT – PLANNING
CITY OF VALLEJO
PLANNING COMMISSION

DATE OF MEETING:	June 4, 2007
PREPARED BY:	Don Hazen, Planning Manager
PROJECT DESCRIPTION:	City-initiated amendment to the Downtown Vallejo Specific Plan and Downtown Master Plan (Ordinance No. 1533 N.C., 2d) to permit specified temporary non-retail uses on the ground floor along the Georgia Street Corridor; generally extending along Georgia Street between Santa Clara Street and 50 feet west of Sutter Street.
RECOMMENDATION:	Recommend City Council approval
CEQA:	Categorically Exempt (Sec. 15301 – Negligible or no expansion of uses)

BACKGROUND SUMMARY

On September 20, 2005, the City Council approved Ordinance No. 1553 N.C. (2d) and Resolution No. 05-321, which rezoned properties in the downtown to Mixed-Use Planned Development, and established the Downtown Vallejo Specific Plan as the Master Plan for Downtown.

Included in the Specific Plan are land use regulations intended to maintain and enhance Georgia Street as the "primary retail corridor" of downtown. Consequently, the list of permitted uses on the ground floor for Georgia Street are retail-oriented. However, the plan also acknowledged the need to "identify appropriate interim uses in retail spaces until such time as there is a market for retail uses" (pg. 4.3). This is the basis for the proposal being considered by the Planning Commission.

In response to concerns expressed by downtown merchants and property owners that the current restrictions on uses for the ground floor were too prohibitive in this current real estate market, staff began extensive discussions with the various downtown groups in order to craft interim land use policies consistent with the intent of the Specific Plan. On April 17, 2007, the City Council passed Resolution no. 07-88 N.C., a resolution of intention directing staff to prepare an amendment adopting interim land use policies as described and analyzed below.

ANALYSIS

The key points of the proposed amendment as recommended in the City Council resolution of intent are as follows:

- Permit certain specified non-retail uses to be temporarily established on the ground floor during a two (2) year period following final City Council approval.
- Twelve (12) months into that two-year year period, reevaluate the retail market and determine whether a longer time period for allowing new non-retail uses should be granted.
- After the two-year period expires (or as modified during the reevaluation), those existing uses will be permitted to remain in business for an additional six (6) year period. All new uses established after the two-year period ends would have to comply with the current Specific Plan requirement for ground-floor uses.

Note: Current legal non-conforming, non-retail uses would not be affected by the above regulations.

Proposed Interim Non-Retail Uses

The following list of land uses are recommended to be permitted on a temporary basis during the term of the interim land use regulations. The list was originally proposed by a consensus of the various downtown groups and staff concurs. This is also the same list that the City Council reviewed as a part of their consideration of the resolution of intention. These uses are already permitted on the upper level of the Georgia Street Corridor, with the exception of the "Participant sports and recreation, indoor studios". As with all other uses specified in the Downtown Plan, the land use categories are further defined and referenced in Section 16.06 of the Zoning Ordinance.

Administrative & Professional (Sec. 16.06.240)
Business Support Service (Sec. 16.06.300)
Communication Services (Sec. 16.06.310)
Financial Insurance and Real Estate Services (16.06.360)
Medical Offices (Sec. 16.06.405)
Medical Services (Sec. 16.06.410)
Participant Sports and Recreation,
Indoor (e.g. fitness clubs, yoga, martial art
Studios, dance, etc. Sec. 16.06.420)

Staff supports these uses on an interim basis, because while they are not strictly defined as retail, they can help provide economic benefits in the form of employee/customer-generated retail sales in the surrounding area, plus they will help reduce the overall vacancy rate.

Interim Time Periods

The time period for which temporary non-retail land uses would be permitted on the ground floor was widely debated during two City Council hearings. The two main points of discussion centered on whether the new uses established during the interim period should be grandfathered as permanent or remain temporary; and how long the time frame should be for allowing non-retail uses, regardless of whether they were considered permanent or temporary.

Ultimately, the City Council voted 4-2 to consider the uses temporary and to permit them to be established during a two year period (reevaluated prior to that expiration); and to allow those uses to continue operating for an additional six years after the two years expired. The reevaluation will assess the strength of the retail market, consider the number of non-retail tenants leasing on the ground floor, and ultimately, the Planning Commission and City Council would decide whether to extend any of the time frames.

Implementation

Staff recommends that applicants proposing to occupy the ground floor be required to file an Administrative Permit application with the Planning Department (2-3 weeks to process). This is the same process that is specified for the upper level uses. Upon the advice of the City Attorney, uses established under these interim regulations will also be required to have a three-way land use agreement recorded and signed by the property owner, business owner, and City, acknowledging the temporary nature of the use and the need to cease business at the prescribed expiration date of the interim regulations (see attached draft).

Consistency with General Plan and Downtown Specific Plan

The Downtown Specific Plan was found to be consistent with the General Plan when it was approved by the City Council in 2005. The proposed amendment to the Downtown Specific Plan to provide interim land uses during this transition period is consistent with the Downtown Vallejo Specific Plan goals and policies which include encouraging an active pedestrian corridor and identifying measures intended to implement the Plan's goals and policies. Goal 4.2 and Policy 4.2.2 of the Specific Plan include "Identifying appropriate interim uses in retail spaces until such time as there is a market for retail uses, and "Encouraging flexibility in land use regulations to promote as much development and redevelopment with a mix of uses, by not having separated land uses identified on a land use map" (SP pg. 4.3).

ENVIRONMENTAL DETERMINATION

This proposal is categorically exempt pursuant to CEQA Guidelines 15301. The amendment to the Downtown Specific Plan and the Downtown Master Plan involves permitting a negligible or no expansion of the uses beyond those existing at the time of the City's consideration and determination on the Downtown Vallejo Specific Plan Environmental Impact Report.

CONCLUSION/RECOMMENDATION

The proposed temporary land use regulations are consistent with the Downtown Specific Plan's objectives to identify interim uses that will help reduce the vacancy rate while the retail market strengthens over time. The proposed regulations appear to have widespread support of the downtown stakeholders and majority of the City Council. Staff recommends that the Planning Commission recommend City Council of the proposed amendments to the Master Plan/Downtown Specific Plan with the findings outlined in the attached resolution.

ATTACHMENTS

1. Planning Commission Resolution recommending City Council approval of an ordinance holding on first reading, an amendment of the Downtown Master Plan, and resolution amending the Downtown Specific Plan.

2. Draft land use agreement

Exhibit 1

CITY OF VALLEJO PLANNING COMMISSION

RESOLUTION NO. PC-07-15

RESOLUTION APPROVING THE AMENDMENTS TO THE DOWNTOWN VALLEJO SPECIFIC PLAN, AND RECOMMENDING CITY COUNCIL ADOPTION OF SUCH AMENDMENTS; AND RECOMMENDING APPROVAL OF THE AMENDMENTS TO THE MASTER PLAN (ORD. NO. 1553 N.C. 2d) REGARDING INTERIM TEMPORARY LAND USE REGULATIONS FOR THE GEORGIA STREET

****

I. GENERAL FINDINGS

WHEREAS, Ordinance No. 1553 N.C. (2d) was approved by the Vallejo City Council on September 20, 2005 and intended that the Downtown Vallejo Specific Plan serve as the Master Plan of development for the downtown area; and

WHEREAS, the Downtown Vallejo Specific Plan was adopted by the Vallejo City Council on September 20, 2005, with the stated vision that "Downtown will become the focus of community pride as the revitalized "heart" of Vallejo; and

WHEREAS, the Downtown Specific Plan Land Use Goal 4.2c strives to enrich the mix of Downtown uses by "identifying appropriate interim uses in retail spaces until such time as there is a market for retail uses and prohibiting boarded up storefronts even during transition periods"; and

WHEREAS, it is necessary to allow a broader range of temporary uses on the ground floors of buildings along the Georgia Street corridor as depicted in the attached Exhibit 'A", in order to provide a transition of land uses until the retail market improves; and

WHEREAS , On April 17, 2007, the City Council passed Resolution no. 07-88 N.C., a resolution of intention directing staff to prepare an amendment adopting interim land use policies as described and analyzed in the staff report,

WHEREAS, The Planning Commission held a duly-noticed public hearing on June 4, 2007 and has heard and considered testimony from interested persons and based on evidence received at the public hearing, and all of the evidence before it, the Planning Commission makes the following factual findings:

II. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS

The project qualifies for a Class 1 categorical exemption from the requirements of CEQA per Section 15301 of Title 14 of the California Code of Regulations as it involves permitting a negligible or no expansion of the uses beyond those existing at the time of the City's consideration and determination on the Downtown Vallejo Specific Plan Environmental Impact Report.

III. FINDINGS RELEVANT FOR PROJECT APPROVAL AND FOR DETERMINATION OF PROJECT CONSISTENCY WITH APPLICABLE GENERAL PLAN

Section 1. The Planning Commission finds that the Downtown Specific Plan was found to be consistent with the General Plan when it was approved by the City Council in 2005. The proposed amendments would not change this consistency. The Downtown Specific Plan, as amended, would continue to promote the goals of the General Plan, including Urban Design Goal 3, "To have attractive, exciting shopping areas", and the policies contained therein.

Section 2. The proposed amendments to the Downtown Specific Plan to provide interim land uses during this transition period is consistent with the Downtown Vallejo Specific Plan goals and policies which include encouraging an active pedestrian corridor and identifying measures intended to implement the Plan's goals and policies. Goal 4.2 and Policy 4.2.2 of the Specific Plan include "Identifying appropriate interim uses in retail spaces until such time as there is a market for retail uses", and "Encouraging flexibility in land use regulations to promote as much development and redevelopment with a mix of uses, by not having separated land uses identified on a land use map" (SP pg. 4.3).

Section 3. The proposed amendments to the Downtown Specific Plan are deemed to be in the public interest, as they would meet the goals and policies described in Section 2, above, and thus the amended Downtown Specific Plan is consistent with the general plan.

IV. RESOLUTION APPROVING THE AMENDMENTS TO THE DOWNTOWN VALLEJO SPECIFIC PLAN, AND RECOMMENDING CITY COUNCIL ADOPTION OF SUCH AMENDMENTS; AND RECOMMENDING APPROVAL OF THE AMENDMENTS TO THE MASTER PLAN (ORD. NO. 1553 N.C. 2d) REGARDING INTERIM TEMPORARY LAND USE REGULATIONS FOR THE GEORGIA STREET CORRIDOR

NOW, THEREFORE, The City of Vallejo Planning Commission hereby resolves as follows:

1. Amendments to the Downtown Vallejo Specific Plan as set forth in Attachment A to this resolution are APPROVED.

2. It is RECOMMENDED that City Council Adopt the Amendments to the Downtown Vallejo Specific Plan as set forth in Attachment A to this resolution.

3. Since the Downtown Specific Plan is also the Downtown Master Plan, It is RECOMMENDED that City Council incorporate the Amendments as set forth in Attachment A to this resolution into the Downtown Master Plan (Ordinance No. 1553 N.C. (2d)).

V. VOTE

PASSED AND APPROVED at a regular meeting of the Planning Commission of the City of Vallejo, State of California, on the _______ day of __________, 2007, by the following vote to-wit:

AYES:
NOES:
ABSENT:

____

CHARLES LEGALOS, CHAIRPERSON
City of Vallejo PLANNING COMMISSION

Attest:

____

Don Hazen
Planning Commission Secretary

Attachment A

TEMPORARY LAND USE REGULATIONS, GEORGIA STREET CORRIDOR (GROUND FLOOR)

For a period of time beginning on ___________________, 2007 and ending on ________________, 2009, the following land use types may be permitted to establish occupancy on the ground floor of the Georgia Street Corridor with approval of an Administrative Permit from the Planning Department, and subject to any conditions applied with such permit, including but not limited to a recorded land use agreement between the City, property owner and tenant. Once such occupancy has been legally established, the use may be permitted to continue occupancy until ____________, 2015, at which time the use must cease in accordance with the terms of the land use agreement. All other requirements shall otherwise be subject to the applicable regulations of the Downtown Vallejo Specific Plan.

Land Use Types

Administrative & Professional Services (V.M.C. Sec. 16.06.240)
Business Support Services (V.M.C. Sec. 16.06.300)
Communications Services (V.M.C. Sec. 16.06.310)
Financial Insurance and Real Estate Services (V.M.C. Sec. 16.06.360)
Medical Offices (V.M.C. Sec. 16.06.405)
Medical Services (V.M.C. Sec 16.06.410)
Participant Sports and Recreation, Indoor (V.M.C. Sec. 16.06.420)
(e.g. fitness clubs, yoga, martial art studios, dance, etc.)

Attachment B

(DRAFT) LAND USE AGREEMENT AS CONDITION OF OCCUPANCY

[DRAFT]
REGULATORY AGREEMENT AND
DECLARATION OF RESTRICTIONS

THIS REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIONS ("Declaration"), is made as of the _______ day of _______________, 200__, by and between the City of Vallejo, a municipal corporation ("City"), ______________________ (Owner/Lessor), AND ______________________ (Tenant/Lessee), hereinafter jointly referred to as "Declarants".

RECITALS

1. This Agreement is intended to control the use of that certain property ("Property") located at [address], legally described in Exhibit A, incorporated herein by this reference.

2. Owner and or Tenant intend(s) to establish on the Property, the following Temporary Use: ____

3. Owner and or Tenant intend(s) this Temporary Use to exist for a limited, temporary period of time [Temporary Use Period], after which period, the Temporary Use on the Property will terminate as more particularly described in Section 3 below.

4. The Temporary Use may be established on this Property through the grant of a discretionary Administrative Permit which must satisfy the requirements of and be consistent with the City of Vallejo's Downtown Specific Plan, Master Plan, General Plan and all applicable ordinances. If the use is not consistent with those land use controls, the Temporary Use may not be established on the Property, or must be conditioned so that the controls are satisfied.

5. Pursuant to the City of Vallejo's Amendment to the Downtown Specific Plan and Master Plan (Resolution No. 07-___and Ordinance No.___, esp. Attachment A "Temporary Land Use Regulations, Georgia Street Corridor (Ground Floor)") the above use may be allowed after obtaining an Administrative Permit and satisfying all conditions attached to it. (Exhibit B.)

NOW THEREFORE, in consideration of the mutual agreements, obligations, and representations, the Owner/Lessor, the Tenant/Lessee and the City hereby agree as follows:

SECTION 1. PURPOSE.

The agreement authorizes the temporary use on the premises during the Temporary Use Period in accordance with the Administrative Permit (Exhibit B). Upon conclusion of the Temporary Use Period, the Temporary Use shall permanently cease. Under no circumstances shall the Temporary Use be continued on the Property if the Administrative Permit has expired except that expiration of the Temporary Use Permit does not preclude, nullify or otherwise affect any independent legislation which may separately authorize a current Temporary Use at a future time.

SECTION 2. TERM.

This agreement becomes effective on the date ("Effective Date") that the Agreement is recorded in the official records of the County Recorder for the County of Solano. Such date shall occur after the Administrative Permit is approved. The Agreement shall terminate on __________2015 (Expiration Date.)

SECTION 3. TEMPORARY USE PERIOD.

a) The Temporary Use Period shall be a period commencing on the Effective Date and expiring on Expiration Date. This expiration date may be amended by further action of the City Council of the City of Vallejo authorizing an amendment to this agreement to reflect such a change.

b) Owner acknowledges that initially, this Temporary Use will promote occupancy of certain properties along the downtown Georgia Street Corridor and thus promote Downtown development. However, Owner acknowledges that continued use of the premises beyond the Temporary Use Period would not promote the purposes of the Downtown Specific Plan because:
   i. The Temporary Use is not consistent with Program 4.2.b: "Develop an overall retail strategy to attract desired retailers to downtown both in the near and long term."
   ii. The Temporary Use is not consistent with Policy 4.2.2: "Promote a variety of retail uses that serve the local community and contribute to an active pedestrian environment."

SECTION 4. OPERATING AND MAINTENANCE STANDARDS.

During the Limited Operating Period, the Owner and/or Tenant shall maintain and operate the Facility and Property in accordance with the terms and conditions of this Agreement and the terms of all applicable laws, regulations, licenses, permits, rules, orders and ordinances including but not limited to the Conditions of Approval attached to the Administrative Permit. (Exhibit B).

SECTION 5. OCCUPANCY, INSPECTIONS AND TESTING.

Prior to occupancy and use of the property pursuant to the Temporary Use, Owner shall assure that all improvements and conditions within the Property satisfy the terms of this Agreement, the Conditions and the Operating and Maintenance Standards. At any time during the term of this Agreement, the City or its designee may, with reasonable advance notice, enter and inspect the physical premises and inspect all records pertaining to the construction development or operation involving the Temporary Use.

SECTION 6. ACKNOWLEDGEMENT.

Owner and Tenant acknowledge that they have voluntarily chosen to proceed with their efforts to use the premises, construct and/ or operate pursuant to the Administrative Permit on the Property with full knowledge that such use and operation must conclude upon termination of the Temporary Use Period. Owner and Tenant promise to disclose this agreement to any successors in interest and to seek and obtain the successors' concurrence and signature, in a recorded instrument that is identical to this instrument, from any successors in interest so that any successors in interest are bound by these terms to the same extent as Owner and Tenant, and to the benefit of the City. Owner and Tenant hereby waive and release any claim, right, or objection they may have had to challenge the application and enforcement of the limitations imposed by this Agreement in general, and Section 1 in particular.

SECTION 7. INDEMNIFICATION.

To the maximum extent permitted by law, Owner and Tenant shall indemnify, defend and hold harmless the City and its agents, officers and employees as set forth herein regardless of the existence or degree of fault or negligence whether active or passive primary or secondary on the part of the City, the Owner, the Tenant, or their respective agents, officers, employees, contractors or subcontractors; provided, however that Owner's duty and Tenant's duty to indemnify and hold harmless hereunder shall not extend to liability arising from the sole negligence or wilful misconduct of the City. Owner's duty to indemnify the City shall survive the term of this Agreement.

SECTION 8. INJUNCTIVE RELIEF.

In the event of any violation or threatened violation by any owner, lessee, or occupant of any portion of the Property of any of the terms, covenants, restrictions and conditions contained herein, and after written notice of any violations from the City of Vallejo to the current Owners or Tenants if the Owners are unable to correct the violation to the satisfaction of the City of Vallejo City Attorney within a reasonable period of time, in addition to the other remedies herein provided, shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction.

SECTION 9. LEGAL COSTS.

Owners must pay the City of Vallejo for the reasonable costs and expenses incurred by the City, including the costs of investigation and attorney=s fees, necessary to enforce this Agreement. Each owner shall be liable to pay these costs if and when a breach of this Agreement occurs or continues to occur contingent upon a finding by the Court that an expired, prohibited or illegal use was permitted on the premises, whether or not any owner had actual knowledge of such use.

SECTION 10. DEFAULT.

In the event of default or threatened default, the City and the owners of the Property shall be entitled to institute proceedings for full and adequate relief from the consequences of said default.

a. Remedies for Default. If the owner of the property, during the term of this Declaration, shall default in the full, faithful and punctual performance of any obligation required hereunder and if upon the expiration of thirty (30) days after written notice from the City stating with particularity the nature and extent of such default, the defaulting owner has failed to cure such default, and if a diligent effort is not then being made to cure such default, then the violation shall constitute a Default, and the City may take any and all actions authorized by law or equity to remedy the violation, including, without limitation, the following 1) seeking the specific performance by Owner of the terms and conditions of this Agreement, and/or 2) enjoining, abating, or preventing any violation of said terms and conditions, and/or (3) seeking declaratory relief.

SECTION 11. MISCELLANEOUS.

a. Recordation. This agreement shall be acknowledged and recorded by each of the parties in the official records of Solano County.

b. Covenants to Run with the Land. Each restriction and covenant contained herein shall be appurtenant to and for the benefit of all portions of the Property and shall be a burden thereon for the benefit of all portions of the Property, pursuant to the common plan, and shall run with the land. This Agreement, and the restrictions, covenants, benefits and obligations created hereby shall inure to the benefit of and be binding upon the City, Owner, Tenant and all their successors, transferees and assigns; provided, however, that on the expiration or cancellation of this Agreement said covenants and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless the City expressly releases such conveyed portion of the Property from the requirements of this Agreement.

c. <u>No Charges</u>. Owner shall not charge City any fee for preparing, providing, duplicating, or complying with any obligation imposed on it by this Agreement.

d. <u>Amendment</u>. This Agreement shall not be altered or amended except in writing executed between or among all the parties.

e. <u>Severability</u>. If any clause, sentence or other portion of this Declaration shall become illegal, null or void for any reason, or shall be held by any court of competent jurisdiction to be so, the remaining portions thereof shall remain in full force and effect.

f. <u>Governing Law and Venue</u>. This Agreement shall be construed in accordance with and governed by the laws of the State of California. All code references herein refer to the California Codes, unless specifically indicated otherwise. All lawsuits and legal actions involving this agreement shall be brought in either the Superior Court of the County of Solano, or the United States District Court, Eastern District of California.

g. <u>Notices</u>. All notices or other communications required or permitted under this Agreement shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested to:

City of Vallejo:	Planning Manager City of Vallejo 555 Santa Clara Street Vallejo, CA 94590
Owner/Lessor:	Name Address ln 1 Address ln2
Tenant/Lessee:	Name Address ln1 Address ln2

SECTION 12. EXHIBITS.

The following exhibits are attached hereto, incorporated herein and made a part of this Agreement:

Exhibit A	Legal Description of the Property
Exhibit B	Administrative Permit and Conditions of Approval

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(*SIGNATURES ON FOLLOWING PAGE*)

IN WITNESS WHEREOF, City, Owner and Tenant have caused this Agreement to be executed by their duly authorized representatives as of the day and year first herein above set forth.

City:	Owner:
CITY OF VALLEJO, A Municipal Corporation.	NAME OF OWNER, a ____________________ (business entity)
By: ______________________________ JOSEPH M. TANNER City Manager	By: ______________________________ NAME Title
ATTEST: By: ______________________________ MARY ELLSWORTH Acting City Clerk	
APPROVED AS TO FORM: ______________________________ FREDERICK G. SOLEY City Attorney	Tenant: NAME OF TENANT, a ____________________ (business entity)
RISK MANAGEMENT REVIEW: ______________________________ HARRY MAURER Interim Risk Manager	By: ______________________________ NAME Title

(*SIGNATURES MUST BE NOTARIZED*)

J:\DON HAZEN\downtown pc new attachments1.doc

(To Be Notarially Acknowledged)

STATE OF CALIFORNIA)
) ss.
COUNTY OF ____________________)

On this ____ day of __________, 200__, before me, ______________________________, a Notary Public in and for said State and County, personally appeared ______________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal

____
Notary Public in and for said State and County

(To Be Notarially Acknowledged)

STATE OF CALIFORNIA)
) ss.
COUNTY OF ____________________)

On this ____ day of __________, 200__, before me, __________________________, a Notary Public in and for said State and County, personally appeared ______________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal

____
Notary Public in and for said State and County

(To Be Notarially Acknowledged)

STATE OF CALIFORNIA)
) ss.
COUNTY OF ____________________)

On this ____ day of __________, 200__, before me, ____________________________, a Notary Public in and for said State and County, personally appeared ____________________________, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal

____

Notary Public in and for said State and County

EXHIBIT A
TO
DECLARATION OF RESTRICTIONS

LEGAL DESCRIPTION OF PROPERTY

Property Description

The land referred to herein is situated in the City of Vallejo, State of California and is described as follows:

Commencing at ….

PUB HRG
B

Agenda Item No.

COUNCIL COMMUNICATION **Date:** June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: CONSIDERATION OF A RESOLUTION APPROVING THE ENGINEERS REPORT AND ORDERING THE LEVY AND COLLECTION OF ASSESSMENTS WITHIN FOURTEEN (14) IMPROVEMENT ACT OF 1911 LANDSCAPE MAINTENANCE DISTRICTS

BACKGROUND

The City of Vallejo currently has twenty-six (26) Landscape Maintenance Districts (LMD), twelve (12) of these districts were created under the Landscape and Lighting Act of 1972 and will be addressed under a separate action. The remaining fourteen (14) districts were created in accordance with the Improvement Act of 1911. These ad valorem Landscape Maintenance Districts are as follows: Cimarron Hills/Madigan; College Hills; Costa Del Rio (Seaview); Somerset Highlands I/II; Hunter Ranch I/II; Monica Place; Ridgecrest; Somerset Highlands III; Greenmont/Seaport Hills; Springtree/Fleming Hill; Summit II; Town & Country I; Woodridge; and Glen Cove I/II. The Improvement Act of 1911 requires the City Council to hold a public hearing to take public comments regarding assessments within these districts. This act also requires annual determination of each district's costs, and allocation of those costs by means of annual assessments to the dwelling units within each district. Assessments for the 1911 Act districts are determined by applying the established assessment rate to each one hundred dollars ($100.00) of assessed value of each parcel.

Previous City Council actions formed the 1911 Act Landscape Maintenance Districts and set a maximum annual assessment rate as determined by the City and approved by a majority of the parcel owners at the time of each District's formation. The City has not exceeded the authorized maximum assessment rate for any district. Until such time that the maximum rate is exceeded, the 1911 Act districts are exempt from the procedures and approval process required by Proposition 218.

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

Staff is recommending an increase to the rates in ten (10) of the fourteen (14) Districts. The proposed increases will not exceed the authorized maximum tax for these districts. The FY 2006/2007 and the proposed FY 2007/2008 assessments are shown below:

DISTRICT	MAX RATE	FY 2006/07	PROPOSED FY2007/2008
Cimarron Hills-Madigan	1.50/100	$.113	$.153
College Hills	1.50/100	$.084	$.124
Costa Del Rio (Seaview)	4.00/100	$.373	$.373
Somerset I/II	1.25/100	$.081	$.081
Greenmont/Seaport Hills	1.25/100	$.063	$.103
Monica Place	1.25/100	$.147	$.187
Ridgecrest	1.50/100	$.060	$.060
Somerset III	1.50/100	$.099	$.139
Springtree-Fleming	1.50/100	$.170	$.21
Summit II	1.50/100	$.063	$.103
Town & Country I	1.50/100	$.094	$.134
Woodridge	1.50/100	$.117	$.117
Glen Cove I/II	1.50/100	$.100	$.14
Hunter Ranch I/II	1.50/100	$.063	$.103

Although the proposed increase in the levy rates for the ten (10) Districts are in some cases significant (27% - 63%), as compared to the existing rates, it should be noted that the rates within these ten (10) Districts have remained unchanged for the last twenty years. Additionally, given these increases, the overall combined rates will only be at approximately 11% of the allowable maximum tax. These rate increases are needed at this time to fund additional expenses due to increased costs in landscape service, water, and city wide allocations. In addition it is desirable to have a reserve within each LMD to fund work such as:

- ✓ Initiate public street tree maintenance.
- ✓ A majority of the ornamental landscape requires extensive rehabilitation and plant replacement.
- ✓ Several districts require extension of the grass cutting providing a wider fire-defensive perimeter away from the residential structures.

All of the costs associated with the above Landscape Maintenance Districts are paid by the assessments levied upon the parcels within those districts. The total assessment for all fourteen (14) Districts for FY 2006/2007 is approximately Nine Hundred Eighty-Four

Thousand Dollars ($984,000). The total FY 2007/2008 assessment will be approximately One Million Three Hundred Forty-Three Thousand Five Hundred and Ninety-Five Dollars ($1,343,595.00).

The preliminary engineer's reports for the above districts are available in the City Clerk's Office and in the Public Works Department for review.

Fiscal Impact

The recommended increases in the ten (10) districts will replenish reserve funds seriously depleted due to historical inflationary costs for landscape maintenance service, administrative services, and water costs. While the LMD assessment increases for these ten (10) districts, in some cases, are significant as compared to the existing rates when considered independently, it is estimated that the average total property tax bill will only increase between 0.029% to 0.036% per assessed valuation of each parcel. There will also be a minor increase in district homeowner's assessment levy paid to Solano County. The proposed rate changes will have a positive impact on the General Fund as a small portion of this increase will cover the increased City wide allocation charges due to the city's recent cost allocation study.

RECOMMENDATION

Staff recommends conducting a public hearing for establishing ad valorem assessments for fourteen (14) Landscape Maintenance Districts for FY 2007/2008. This will comply with the legal requirements of the 1911 Act and the provisions of the California Constitution Article XIIID (Proposition 218).

ENVIRONMENTAL REVIEW

The levy and collection of these assessments is exempt from the California Environmental Quality Act under Section 15273 of Title 14 of the California Code of Regulations as they will be used for operations and maintenance and will not fund capital projects or expansion of any Districts.

PROPOSED ACTION

Hold a public hearing for setting the ad valorem assessments for fourteen (14) Landscape Maintenance Districts for FY 2007/2008. Adopt a resolution ordering the levy and collection of the assessments within the fourteen (14) Landscape Maintenance Districts for FY 2007/2008.

DOCUMENTS AVAILABLE FOR REVIEW

a. A resolution ad valorem, ordering the levy and collection of assessments within fourteen (14) Improvement Act of 1911 Landscape Maintenance Districts for FY 2007/2008.

b. Location Map

CONTACT PERSON

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

John Cerini, Maintenance Superintendent
(707) 648-4557
JCerini@ci.vallejo.ca.us

JUNE 12, 2007
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RESOLUTION NO. 07-____ N.C.

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

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

WHEREAS, the fourteen (14) Districts are Cimarron Hills/Madigan, College Hills, Costa Del Rio (Seaview), Somerset Highlands I/II, Hunter Ranch I/II, Monica Place, Ridgecrest, Somerset Highlands III, Springtree/Fleming Hill, Summit II, Town & Country I, Woodridge, Greenmont/Seaport Hills and Glen Cove I/II (hereinafter referred to as the "Districts"); and,

WHEREAS, the City Council has by previous Resolutions preliminarily approved the Engineer's Reports (hereafter referred to as the "Reports") that describe the assessments against parcels of land within the Districts for the Fiscal Year (FY) commencing July 1, 2007 and ending June 30, 2008; and

WHEREAS, the provisions of the Improvement Act of 1911 (California Streets and Highways Code Section 5000 et seq.) (hereafter referred to as the "Act") provides the levy and collection of assessments by the County of Solano for the City of Vallejo to pay the costs and expenses of operating, maintaining and servicing of landscaping and all appurtenant facilities and operations related thereto located within the Districts; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the Districts for the Fiscal Year commencing July 1, 2007 and ending June 30, 2008, to pay the costs and expenses of operating, maintaining and servicing the landscaping and all appurtenant facilities and operations related thereto located within the Districts; and

WHEREAS, the City Council and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Article XIII D of the California State Constitution.

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

Section 1. Following notice duly given, the City Council has held a full and fair Public Hearing regarding the Districts, the levy and collection of assessments, the Reports prepared in connection therewith, and considered all oral and written statements, protests and communications made or filed by interested persons regarding these matters.

Section 2. Based upon its review of the Reports, the City Council hereby approves the Reports estimating the cost to maintain and operate the Districts for FY 2007/2008 and finds and determines that the net amount to be assessed upon the lands within the Districts for the FY commencing July 1, 2007 and ending June 30, 2008 is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated special benefits to be received by each parcel from the improvements and services.

Section 3. The City Council hereby levies against and upon all of the real property within the Districts a special assessment upon each one hundred dollars ($100.00) of assessed value thereof, for the maintenance and operating costs of the Districts for the FY commencing July 1, 2007 and ending June 30, 2008, as follows:

DISTRICT	
Cimarron Hills-Madigan	$0.153/$100.00
College Hills	$0.124/$100.00
Costa Del Rio (Seaview)	$0.373/$100.00
Somerset I/II	$0.081/$100.00
Hunter Ranch I/II	$0.103/$100.00
Monica Place	$0.187/$100.00
Ridgecrest	$0.060/$100.00
Somerset III	$0.139/$100.00
Springtree-Fleming	$0.210/$100.00
Summit II	$0.103/$100.00
Town & Country I	$0.134/$100.00
Woodridge	$0.117/$100.00
Glen Cove I/II	$0.140/$100.00
Greenmont/Seaport Hills	$0.103/$100.00

Section 4. The County Auditor of the County of Solano shall enter on the County Assessment Roll opposite each eligible parcel of land the amount of levy so apportioned by the formula and method outlined in the Reports, and such levies shall be collected at the same time and in the same manner as the County taxes are collected. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

Section 5. The Finance Director shall deposit all money representing assessments collected by the County for the Districts to the credit of a fund for each of the fourteen Landscape Maintenance Districts and such money shall be expended only for the maintenance, operation and servicing of each of the landscape maintenance districts.

Section 6. The City Clerk, or their designate, is hereby authorized and directed to file the levy with the County Auditor upon adoption of this Resolution.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the City Council hereby approves the Engineers Report for FY 2007/2008 that provides for the levy and collection of assessments by the County of Solano for the City of Vallejo to pay the costs and expenses of operating, maintaining and servicing the landscaping, and all appurtenant facilities and operations related thereto located within the Districts.

JUNE 12, 2007
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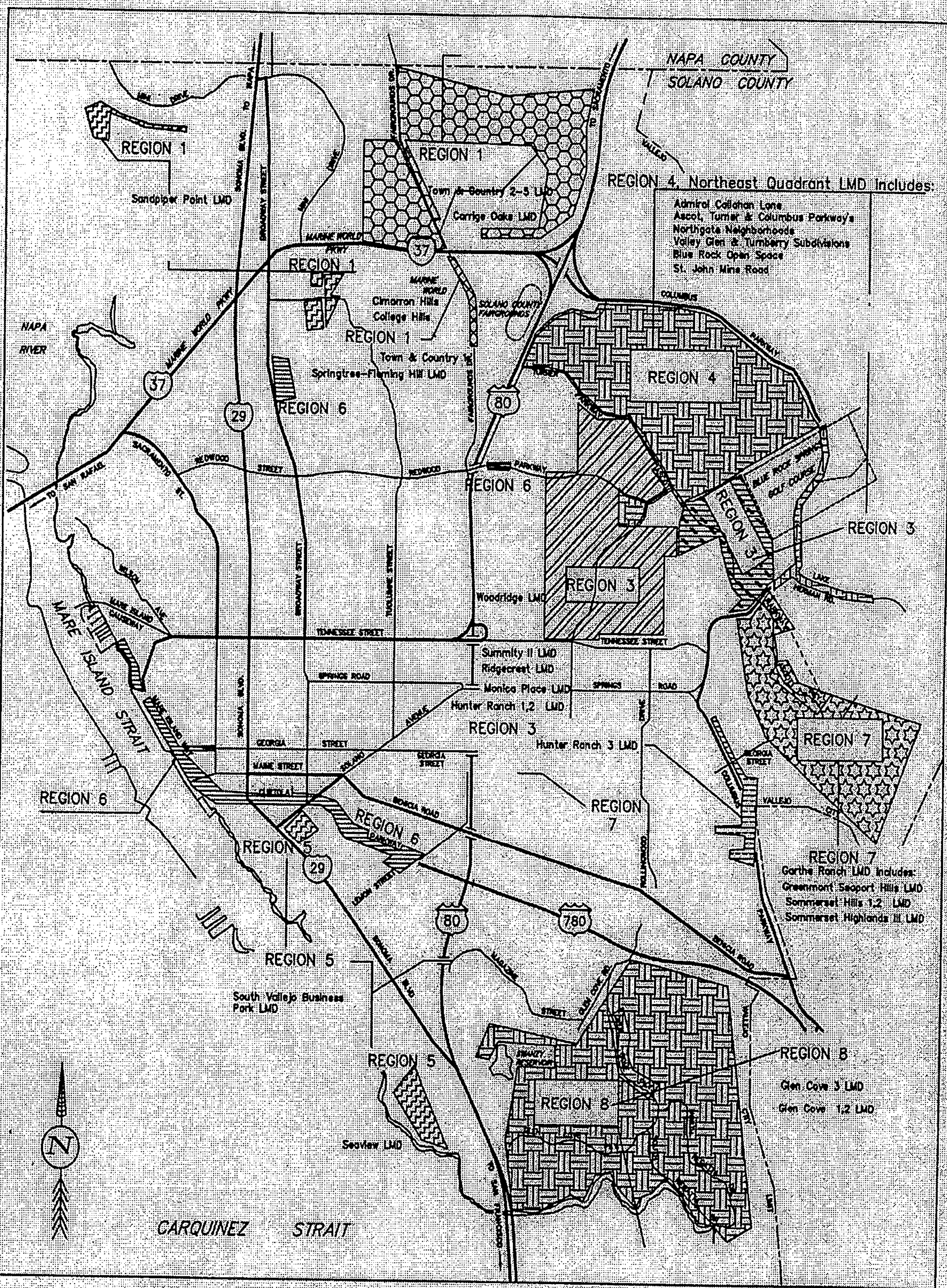
Attachment b.



CITY OF VALLEJO

DEPARTMENT OF PUBLIC WORKS
LANDSCAPE DIVISION

DWG. NO. Regions	SHEET 1 OF 1	DISTRICT KEY MAP by REGION
DRAWN BY ssg	FILE NO. REGION	
DATE Rev.03/27/06	REF.	
CHECKED ssg	SCALE NONE	PREPARED BY: LANDSCAPE MAINTENANCE MANAGER DATE

PUB HRG
C

Agenda Item No.

COUNCIL COMMUNICATION **Date:** June 12, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: CONSIDERATION OF A RESOLUTION APPROVING THE ENGINEER'S ANNUAL LEVY REPORT AND A RESOLUTION ORDERING THE LEVY AND COLLECTION OF FISCAL YEAR 2007/2008 ASSESSMENTS WITHIN TEN LANDSCAPE MAINTENANCE DISTRICTS

BACKGROUND

The City of Vallejo has 26 (twenty-six) Landscape Maintenance Districts (LMD), twelve (12) of which were created under the Landscape and Lighting Act of 1972 (1972 Act), and fourteen (14) created under the Improvement Act of 1911. This item will be dealing with ten (10) of the 1972 Act LMD's as the Garthe Ranch Estates LMD was formed for Fiscal Year (FY) 2007/2008 earlier this year and the Hiddenbrooke District will be brought to City Council under a separate action due to timing issues working with the Hiddenbrooke Maintenance District (HMD) Committee.

Annually, Engineer's Reports (hereafter referred to as "Reports") are prepared for these 1972 Act districts, which analyzes the district based on "equivalent benefit units" (EBU). The proposed assessment for each parcel is based on the special benefit received by the parcels within each District.

The City Council previously appointed MuniFinancial as the "Engineer of Work" and they were, therefore, directed to prepare the Engineer's Reports for the ten (10) 1972 Act districts for FY 2007/2008. One single Engineer's Report for these districts has been developed and contains a description of the districts and the unique features found within each. The Report shows the FY 2007/2008 budget and a five-year financial projection for each district to assist in their long-term financial management. This document provides relevant information to the public about the districts, as well as documenting City policies, procedures, and their annual budgets.

The preliminary Reports are on file in the Department of Public Works and in the City Clerk's office, located at 555 Santa Clara Street, Vallejo, California. The Landscape Maintenance Districts under consideration within this report were formed and annual assessments have been levied pursuant to the Landscape and Lighting Act of 1972, Part 2, Division 15 of the Streets and Highways Code and Proposition 218. The assessment for each district, with the exception of the Northeast Quadrant, is proposed at the same rate as was assessed during FY 2006/2007. The annual assessment for the Northeast Quadrant and the Northeast Quadrant Zone A (hereafter referred to as "Zone A") includes an inflationary adjustment and has been increased by this amount. Therefore, except for these inflationary adjustments, there are no proposed increases for the period of July 1, 2007 through June 30, 2008 for the ten (10) assessment districts being considered by this action.

The FY 2007/2008 assessments, per equivalent benefit unit, for parcels in the ten (10) 1972 Act Districts are listed below:

DISTRICT	EXISTING FY 06/07 ASSESSMENT	PROPOSED FY 07/08 ASSESSMENT	PERCENT CHANGE
Carriage Oaks	$ 58.52	$ 58.52	0%
Garthe Ranch	$ 128.46	$ 128.46	0%
Glen Cove III	$ 155.14	$ 155.14	0%
Hunter Ranch III	$ 72.04	$ 72.04	0%
Marine World/Fairgrounds	$ 58.38	$ 58.38	0%
Marinview	$ 636.00	$ 636.00	0%
Sandpiper Point	$ 141.76	$ 141.76	0%
South Vallejo Business Park	$1,678.00	$1,678.00	0%
Town & Country II-V	$ 70.48	$ 70.48	0%
Northeast Quadrant	$ 226.46	$ 233.71	3.2%
Northeast Quadrant /Zone A	$ 123.76	$ 127.72	3.2%

Pursuant to the Landscape and Lighting Act of 1972, the Engineer's Reports identify all assessable parcels in the LMD's. The annual costs and expenses to provide and maintain the improvements in each district are assessed proportionately to those parcels within each district that receive special benefits from the improvements. With the exception of two (2) districts (Marine World/Fairgrounds and South Vallejo Business Park), single-family residences make up a majority of the parcels within the LMD's discussed in this report. The assessments described above are based on one equivalent benefit unit (one EBU is applied to a single-family residence). The total amount of funds to be assessed for all 1972 Act Landscape Maintenance Districts for FY 2007/08 is $1,364,045 (One Million, Three Hundred Sixty Four Thousand Forty-Five

Dollars). This compares with the total assessment for FY 2006/2007 of $1,347,791 (One Million Three Hundred Forty Seven Thousand Seven Hundred Ninety One Dollars) for an overall increase of $16,254.

The following nine (9) LMD's do not have a "built in" rate adjustment for the Current Price Index (CPI) which would allow the City to increase their assessments for inflation. Accordingly, these Districts have been spending and will continue to spend reserve funds to pay for their respective annual operating costs unless the City is able to get the property owners to vote in favor of an increase to their annual assessments. While there is not adequate time to go through the Proposition 218 voting process to increase the assessments on these districts prior to approving the FY 2007/2008 assessments staff is recommending this action be taken prior to the FY 2008/2009 budget cycle. During this process it will be recommended that an annual CPI rate adjustment be included in the proposed new rate structure.

YEAR FORMED - DISTRICT	07/08 BENEFIT UNIT ASSESSMENT	RECOMMENDATION
1990 - Carriage Oaks ***	$ 58.52	Property Owners Vote Assessment Increase
1987 - Garthe Ranch **	$ 128.46	" "
1987 - Glen Cove III **	$ 155.14	" "
1986 - Hunter Ranch III *	$ 72.04	" "
1989 - Marine World***	$ 58.38	" "
1999 - (re-formed) Marinview *	$ 636.00	" "
1981 - Sandpiper Point ***	$ 141.76	" "
1981 - So. Vallejo Bus. Park ***	$1,678.00	" "
1986 - Town & Country II-V **	$ 70.48	" "

* Projected to have a negative fund balance at the end of FY 06/07
** Projected to have a negative fund balance at the end of FY 07/08.
*** Projected to have a negative fund balance at the end of FY 08/09.

Given these projected deficits the City will utilize operating reserves within the LMD Fund for those districts falling short during FY 2006/2007 and FY 2007/2008 and will significantly reduce future landscape maintenance services in any districts which fail to approve next year's proposed rate increase pursuant to Proposition 218. These reductions of service will include work activities such as:

1. Suspending any planning and work associated with landscape rehabilitation projects.
2. Discontinuing repairs related to vandalism, natural damage or graffiti removal.
3. Suspending LMD contracts for landscape service for ornamental tree and shrub care.

4. Reduce landscape maintenance services to only those services necessary for fire prevention, weed control and litter abatement, within available funding in each LMD.

Pursuant to Proposition 218 majority protest vote, all parcel owners within their respective LMD's shall be afforded the opportunity to increase their assessments in order to continue the level of service that has historically been provided since the formation of their LMD. Staff will be recommending the City Council authorize all nine (9) LMD's be afforded the opportunity to ballot themselves pursuant to Proposition 218 during this upcoming fiscal year. The above majority protest balloting action will be brought back to the City Council at a later date.

This Public Hearing will complete the procedures by the City Council for the acceptance of the Engineer's Reports required to levy assessments for the following LMD's: Carriage Oaks, Garthe Ranch, Glen Cove III, Hunter Ranch III, Marine World/Fairgrounds, Marinview, Sandpiper Point, South Vallejo Business Park, Town and Country II-V, Northeast Quadrant and Zone A.

Fiscal Impact

The financial health of the previously identified districts is described in the Engineer's Report. For FY 2007/2008, five (5) Districts are projected to operate at a negative fund balance. Four (4) other Districts will progress to the same poor health financially by the end of fiscal year 2008/2009. The level of landscape maintenance care performed in each District over this next year will be governed by the availability of reserve funds. Landscape services should be expected to significantly decrease and in some cases be discontinued should parcel owners vote not to increase their assessments over this next year.

RECOMMENDATION

Hold the Public Hearing to obtain public input regarding the Annual Financial Report and Engineer's Report for the Landscape Maintenance Districts formed under the Landscaping and Lighting Act of 1972. This action will comply with the provisions of California Constitution Article XIII D (Proposition 218).

ENVIRONMENTAL REVIEW

The levy and collection of these assessments is exempt from the California Environmental Quality Act under section 15273 of Title 14 of the California Code of Regulations.

PROPOSED ACTION

Staff recommends holding the Public Hearing and obtaining Public input regarding the ten (10) Landscape Maintenance Districts and adopting two resolutions: 1) approving the Engineer's Annual Levy Report for the districts and ordering the levy and collection of assessments within the ten (10) referenced Landscape Maintenance Districts for Fiscal Year 2007/2008.

DOCUMENTS AVAILABLE FOR REVIEW

a. A resolution approving the Engineer's Annual Levy Report for the following ten (10) Landscape Maintenance Districts: Carriage Oaks; Garthe Ranch; Glen Cove III; Hunter Ranch III; Marine World/Fairgrounds; Marinview; Sandpiper Point; South Vallejo Business Park; Town & Country II-V; Northeast Quadrant and Northeast Quadrant Zone A

b. A resolution ordering the levy and collection of assessments within the ten (10) Landscape Maintenance Districts referenced above for Fiscal Year 2007/2008.

c. Copy of Engineer report (provided under separate cover)

d. Location map

CONTACT PERSONS

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John Cerini, Maintenance Superintendent
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JUNE 12, 2007
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Attachment a.

RESOLUTION NO. 07 - ______ N.C.

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

WHEREAS, the City Council has, by previous Resolutions, ordered the preparation of the Engineer's Annual Levy Reports (hereafter referred to as the Reports) for said districts known and designated as the Carriage Oaks; Garthe Ranch; Glen Cove III; Hunter Ranch III; Marine World/Fairgrounds; Marinview; Sandpiper Point; South Vallejo Business Park; Town and Country II-V; Northeast Quadrant and Northeast Quadrant Zone A, Landscape Maintenance Districts (hereafter referred to as the Districts) pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the Streets and Highways Code of California, beginning with Section 22500* (hereafter referred to as the Act) that provides for the levy and collection of assessments by the County of Solano for the City of Vallejo to pay the costs and expenses of operating, maintaining and servicing the landscaping, and all appurtenant facilities and operations related thereto located within the Districts; and

WHEREAS, there has now been presented to this City Council the "Engineer's Reports" as required by *Chapter 3, Section 22623* of said Act, and as previously directed by Resolution; and

WHEREAS, this City Council has carefully examined and reviewed the Reports as presented and is satisfied with each and all of the items and documents as set forth therein, and is satisfied that the levy has been spread in accordance with the benefits received from the improvements, operation, maintenance and services to be performed, as set forth in said Reports.

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

Section 1 That the above recitals are all true and correct.

Section 2 That the revised Reports as presented, are hereby approved and are ordered to be filed in the Office of the City Clerk as a permanent record and to remain open for public inspection.

Section 3 That the City Clerk shall certify to the passage and adoption of this Resolution, and the minutes of this meeting shall so reflect the presentation of and final approval of the Report.

BE IT FURTHER RESOLVED, that the City Council hereby approves the Engineers Report for FY 2007/2008 that provides for the levy and collection of assessments by the County of Solano for the City of Vallejo to pay the costs and expenses of operating, maintaining and servicing the landscaping, and all appurtenant facilities and operations related thereto located within the Districts.

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Attachment b.

RESOLUTION NO. 07 - ____ N.C.

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

WHEREAS, the City Council has by previous Resolutions initiated proceedings, declared its intention to levy assessments on the Districts, and approved the Engineer's Reports (hereafter referred to as the Reports) that describes the assessments against parcels of land within the Carriage Oaks; Garthe Ranch; Glen Cove III; Hunter Ranch III; Marine World/Fairgrounds; Marinview; Sandpiper Point; South Vallejo Business Park; Town and Country II-V; Northeast Quadrant and Northeast Quadrant Zone A Landscape Maintenance Districts (hereafter referred to as Districts) for the Fiscal Year commencing July 1, 2007 and ending June 30, 2008 pursuant to the provisions of the *Landscaping and Lighting Act of 1972, Part 2 of Division 15 of the California Streets and Highways Code, commencing with Section 22500* (hereafter referred to as the Act) that provides the levy and collection of assessments by the County of Solano for the City of Vallejo to pay the costs and expenses of operating, maintaining and servicing the landscaping and all appurtenant facilities and operations related thereto located within the Districts; and

WHEREAS, the Engineer selected by the Council has prepared and filed with the City Clerk, and the City Clerk has presented to the Council, Reports in connection with the levy and collection of assessments upon eligible parcels of land within the Districts, and the Council did by previous Resolution approve such Reports; and

WHEREAS, the City Council desires to levy and collect assessments against parcels of land within the Districts for the Fiscal Year commencing July 1, 2007 and ending June 30, 2008, to pay the costs and expenses of operating, maintaining and servicing the landscaping and all appurtenant facilities and operations related thereto located within the Districts; and

WHEREAS, the City Council and its legal counsel have reviewed Proposition 218 and found that these assessments comply with applicable provisions of Article XIII D of the California State Constitution.

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

Section 1 Following notice duly given, the City Council has held a full and fair Public Hearing regarding the Districts, the levy and collection of assessments, the Reports prepared in connection therewith, and considered all oral and written statements, protests and communications made or filed by interested persons regarding these matters.

Section 2 Based upon its review of the Reports, a copy of which has been presented to the City Council and which has been filed with the City Clerk, the City Council hereby finds and determines that:

i) the land within the Districts receive special benefit from the operation, maintenance and servicing of improvements, located in public places within the boundaries of the Districts; and,

ii) the Districts include all of the lands receiving such special benefit; and,

iii) the net amount to be assessed upon the lands within the Districts in accordance with the fee for the Fiscal Year commencing July 1, 2007 and ending June 30, 2008 is apportioned by a formula and method which fairly distributes the net amount among all eligible parcels in proportion to the estimated special benefits to be received by each parcel from the improvements and services.

Section 3 The Reports as presented to the City Council and on file in the Office of the City Clerk are hereby confirmed as filed. The City Council hereby levies against and upon all of the real property within the Districts a special assessment per equivalent benefit unit for the Fiscal Year commencing on July 1, 2007 and ending June 30, 2008, as follows:

DISTRICT	
Carriage Oaks	$ 58.52
Garthe Ranch	$ 128.46
Glen Cove III	$ 155.14
Hunter Ranch III	$ 72.04
Marine World/Fairgrounds	$ 58.38
Marinview	$ 636.00
Sandpiper Point	$ 141.76
So. Vallejo Bus. Park	$1,678.00
Town & Country II-V	$ 70.48
Northeast Quadrant	$ 233.71
Northeast Quadrant Zone A	$ 127.72

Section 4 The maintenance, operation and servicing of the improvements and appurtenant facilities shall be performed pursuant to the Act. The City Council hereby orders the following proposed improvements to be made: the maintenance and operation of, and the furnishing of services and materials for: turf, ground cover, shrubs and trees, irrigation systems, drainage systems, open space areas, public pedestrian paths, entry monuments, fencing, lighting systems and all appurtenant facilities related thereto.

Section 5 The County Auditor of the County of Solano shall enter on the County Assessment Roll opposite each eligible parcel of land the amount of levy so apportioned by the formula and method outlined in the Reports, and such levies shall be collected at the same time and in the same manner as the County taxes are collected, pursuant to *Chapter 4, Article 2, Section 22646* of the Act. After collection by the County, the net amount of the levy shall be paid to the City Treasurer.

Section 6 The Finance Director shall deposit all money representing assessments collected by the County for the Districts to the credit of a fund for each of the ten Landscape Maintenance Districts and such money sha+ll be expended only for the maintenance, operation and servicing of each of the landscaping, lighting and appurtenant facilities as described in Section 4.

Section 7 The adoption of this Resolution constitutes the Districts levy for the Fiscal Year commencing July 1, 2007 and ending June 30, 2008.

Section 8 The City Clerk, or their designate, is hereby authorized and directed to file the levy with the County Auditor upon adoption of this Resolution, pursuant to *Chapter 4, Article 1, Section 22641* of the Act.

JUNE 12, 2007
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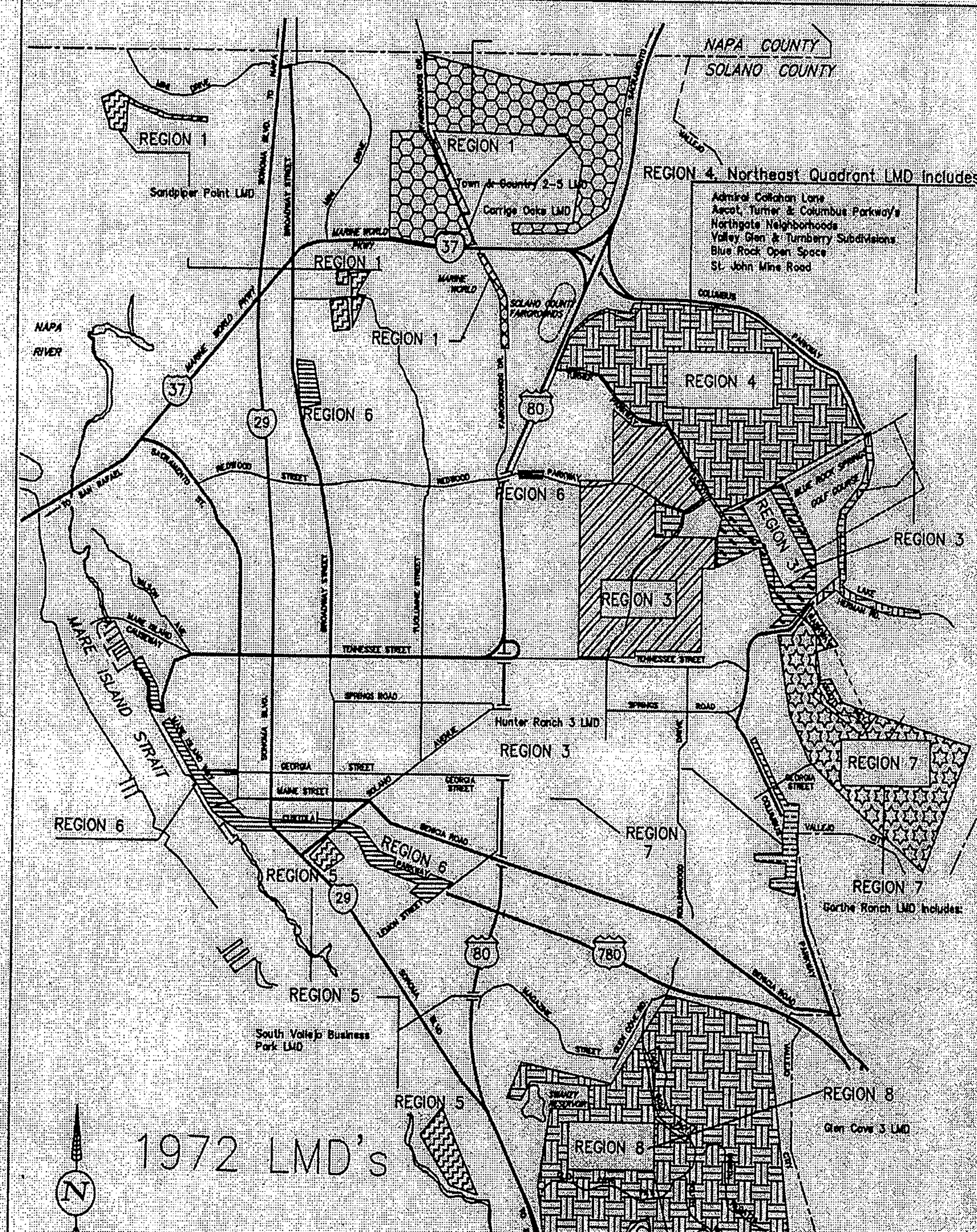
Attachment d.



CITY OF VALLEJO

DEPARTMENT OF PUBLIC WORKS
LANDSCAPE DIVISION

DWG. NO. Regions	SHEET 1 OF 1	DISTRICT KEY MAP by REGION
DRAWN BY ssg	FILE NO. REGION	LANDSCAPE CONTRACTORS AREAS
DATE Rev.9/22/04	REF.	
CHECKED ssg	SCALE NONE	PREPARED BY: ______ LANDSCAPE MAINTENANCE MANAGER ______ DATE

CC/RDA
ADMIN A

CITY OF VALLEJO

Agenda Item No.

CITY COUNCIL COMMUNICATION **Date:** June 12, 2007
REDEVELOPMENT AGENCY BOARD COMMUNICATION

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

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

SUBJECT: CONSIDERATION OF A SECOND AMENDMENT TO THE OWNER PARTICIPATION AGREEMENT BETWEEN THE CITY OF VALLEJO AND EMPRESS THEATRE ASSOCIATES, LLC AND CONSIDERATION OF AN AGREEMENT TO TERMINATE OPTION AGREEMENT BETWEEN THE CITY AND EMPRESS THEATRE ASSOCIATES

BACKGROUND & DISCUSSION

On August 21, 2001 Allan Jacobs of Cityworks presented to the City Council and the community an analysis of the Waterfront-Downtown Master Plan and suggestions for downtown revitalization. One of Mr. Jacob's suggestions was to reuse existing buildings in the downtown suitable for civic uses. On August 28, 2001, the City Council asked staff to address the reuse of the Empress Theatre as a performing arts center in the downtown. A completed feasibility study was presented to and accepted by the City Council and Redevelopment Agency (Agency) on July 29, 2003. Major findings of the feasibility study concluded that the Empress Theatre is suitable as a performing arts center, will help fill an existing deficit in currently available performance and mixed-use community space, and will serve as a stimulus for downtown revitalization.

Over the last several years the Redevelopment Agency and the City have entered into agreements regarding the renovation of the historic Empress Theatre and subsequent operation and management of the Empress Theatre by the nonprofit Vallejo Community Arts Foundation (VCAF). The Owner Participation Agreement between the City of Vallejo and Empress Theatre Associates was entered into on March 22, 2004, and amended by a First amendment to the Owner Participation Agreement, dated May 11, 2006 (collectively referred to herein as the "OPA"). It provides for the rehabilitation and reconstruction by Empress Theatre Associates LLC (the "Participant") of the Empress Theatre, an historic structure, and certain adjacent property (the "Adjacent Property"). Pursuant to an executed Option Agreement, the City has an option to acquire the Site and the leasehold interest in the Adjacent Property for One Dollar ($1.00) ("City Option"). If the City exercises the City Option, the City is to execute a lease with VCAF, the designated non-profit organization, for a minimum term of 30 years, at rent of One Dollar ($1.00) per year. If the City does not exercise its option, Participant is to convey fee title (and the leasehold interest in the Adjacent Property) to the non-profit for $1.00.

Pursuant to the OPA, the Agency initially loaned the Participant $2.828 million, evidenced by a promissory note and secured by a deed of trust on the Site. Subsequently, under the First

Amendment to the OPA, the Agency borrowed an additional $968,000 from the City's Arts and Convention Center Fund, and $500,000 from a Triad letter of credit held by City for the Empress Theatre. Of that amount, VCAF is responsible for repaying $172,000, for a total VCAF repayment obligation to the City of Three Million Dollars ($3,000,000.00). The remaining $1.296 million of the loaned funds is to be repaid by the Agency to City out of future tax increments. The total funding to be repaid to the City is $4.296 million. In June 2005, the City Council and Redevelopment Agency approved a revised project budget of $4.696 million which included $400,000 in fundraising dollars to be contributed by VCAF. Additional details of the Project budget and final Project costs are provided below.

Empress Theatre Renovation and Project Costs

The renovation of the Empress Theatre is nearing completion and the Participant's obligations under the OPA along with additional improvements committed by the Participant to VCAF should be completed by the end of the month. Finishing touches to the Theatre are currently being completed by Hearn Construction, the contractor who recently completed the renovation of the Lincoln Theatre in Yountville. VCAF is completing additional improvements beyond the scope of the approved project and is scheduled to complete their initial improvements before opening the Theatre in late summer.

Over the last three years, the Participant has managed the renovation in three phases including demolition, seismic upgrades and theatre finishes. A thorough review of the original cost estimate indicates that the seismic phase was under budgeted as a result of rising material prices and required structural engineering work not known at the time of the original bid. Work by the general contractor was put on hold while structural engineers reviewed the cost estimates for the seismic retrofit of the Theatre. Costs to date over the budget approved by the City Council in June 2005 have been borne by the Participant.

The third phase of the project involves theatre finishes. Further refinements of the theatre finishes have also been analyzed and modified as necessary to provide a fully operational and historically sensitive theatre. Several items not included in the original budget were added as necessary functions for theatre operation including a ticket and point of sale system, a concession stand food preparation area and finishes to the green room including a restroom. Costs to date over the budget approved by the City Council in June 2005 have been borne by the Participant.

The maximum financial obligation of the Agency and City under section 206 of the OPA is clearly established regarding the existing scope and budget. The Participant agrees that neither the Agency nor the City shall be responsible for funding or financing any additional Improvement Costs for work to be performed on the site beyond those identified and approved in June 2005. However, the Scope of Development of the OPA, Section 302, clarifies that the Participant is not obligated to make any changes requested by the City or Agency that increases the scope and total cost of the Improvements, unless the Agency agrees to pay such additional costs.

To date, the Participant has funded approximately $1.65 million in project renovation costs beyond the approved June 2005 OPA budget. This amount includes funding a shortfall (approximately $500,000) between the OPA's direct construction budget approved in June 2005 and the Hearn Construction Contract executed some months later between the Participant and Hearn Construction for the same scope of work. A number of changes were required by the City planning and building divisions to adhere to current codes and building standards and to ensure a fully safe and accessible theatre. These costs were under $200,000 and covered by the Project contingency. Additionally, the Participant has borne approximately $366,000 in administrative costs including insurance and financing that were not included in the original project scope, for a total of $2 million invested in the project beyond the Agency's approved 2005 OPA budget. These costs are further detailed on the budget chart below.

Empress Theatre Project Budget and Final Project Costs

Empress Theatre Budget and Final Project Costs

BUDGET BREAKDOWN	OPA ORIGINAL BUDGET Feb. 2004	OPA REVISED BUDGET June 2005	Participant FINAL PROJECT COSTS
Architectural	$210,000	$228,000	$435,965
Engineering, Environmental consulting, misc. consulting	$10,000	$27,349	$237,982
Legal	$65,500	$65,500	$98,393
Building Permit/Impact Fees/Testing	$10,000	$65,553	$53,454
Marketing/Public Relations	$15,000	$13,024	$3,604
Pre-opening Operations/Expenses	$100,000	$100,000	$100,000
Direct Construction	$2,069,500	$3,574,947	$4,950,405
Historical Survey	$20,000	$14,627	$15,806
Furniture, Fixture and Equipment	$0	$79,000	$129,000
TOTAL RENOVATION COSTS:	**$2,500,000**	**$4,168,000**	**6,024,609**
Lien Removal Costs	$328,000	$328,000	$328,000
Project Admin., taxes, insurance and financing (borne solely by Developer)			$366,187
Contingency (contingency remaining)	$0	$200,000	($0)
TOTAL PROJECT BUDGET/COSTS	**$2,828,000**	**$4,696,000**	**$6,718,796**

While the Participant has not requested reimbursement from the City or Agency for any of these additional costs, they have presented the City with a proposal to utilize two federal tax credit programs that will provide additional funds to complete the renovation work on the Project, provide certain community benefits, as well as reimburse a portion of the Participant's investment to date on the Project.

New Markets Tax Credit Program

The New Markets Tax Credit ("NMTC") program was enacted by Congress as part of the Community Renewal Tax Credit Tax Relief Act of 2000. Its purpose is to attract investment in commercial, industrial and retail projects within certain designated low-income census tract areas by offering tax credits to equity investors.

The NMTC is a credit that is taken over a seven-year period.[1] The Agency and the Participant have been working with the National Development Council ("NDC"), a nationwide non-profit community and economic development organization that has received an allocation of tax credits from the federal government and evaluates projects to determine if they qualify for such credits. The Empress Theatre Project qualifies for the New Markets Tax Credit program.

The structure and documentation for a project utilizing NMTCs is quite complex. It requires the formation of separate legal entities and numerous agreements. For this project, all of the Agency's assistance to the project must be characterized as a loan to the Participant. This requires some minor changes to the existing agreements that will be described more fully below.

Benefits Offered through Participation in the New Markets Tax Credit Program

The Agency's loans, plus a loan from Triad in the amount of $299,000 will generate approximately $2 million in NMTC proceeds. A portion of this new funding will reimburse the Participant for funds invested in the renovation of the Empress Theatre beyond the amended budget approved by the City Council in June 2005. In addition, the Agency will be provided $250,000 for loans to small start-up and expanding businesses ("the Grow Vallejo Program") within the community through a nationally recognized program administered by NDC. These loans will be targeted in the downtown for the first two years. These funds will be leveraged by NDC to provide up to $1 million in SBA-guaranteed financing for small business development and expansion in Vallejo. A service agreement between the Redevelopment Agency and NDC to administer this program as well as provide other economic development services will be discussed later this evening. The cost for the Grow Vallejo Program and the service agreement with NDC will be fully funded through proceeds generated by NMTC program.

Under the existing agreement between the City and VCAF, VCAF is required to make an annual payment to the Agency of $50,000. However, VCAF is not considered in default under the lease and Agency Note unless they have failed to make a $50,000 payment to the City annually for three consecutive years. As a result, under the existing lease agreement and Note, VCAF could make a minimum payment of $50,000 every third year and still remain in good standing. Through participation in NMTC, Triad will guarantee that the City will receive at least $50,000 per year in interest payments during the seven-year tax credit period. This would ensure that the City will receive a total of $350,000 in interest payments during the seven-year tax credit period.

[1] The proposal is also to use the Historic Tax credit program, which will generate some additional, but less significant, funds for the project.

Through proceeds generated by the NMTC program, the Participant has committed to providing additional lighting equipment and power to the building requested by VCAF beyond the approved scope and budget.

Finally, the proposed transactions will not result in any additional financial obligations for the Agency, City or VCAF than exists today. The City's and Agency's costs for preparing the additional documentation will be paid for out of the NMTC funds.

Changes to Existing Documents including the proposed Second Amendment to the OPA

The most significant change required by the NMTC program is that neither the City nor the Agency can own the Empress Theatre during the minimum seven-year tax credit period. Therefore, the Participant would remain the owner of the Site during this time. There will be a series of leases and subleases, culminating in an Operating Sublease between a Triad entity and VCAF. In addition, that Triad entity will enter into an operating agreement with the City of Vallejo which will provide that the City will have all oversight responsibilities over VCAF's operation of the Empress, which is important to VCAF. VCAF's rent obligations under the Operating Sublease will be the same -- $1.00 per year, plus 100% of its Net Annual Revenue, up to a maximum of $50,000. Under the existing documents, as described earlier, if VCAF failed to make a payment of $50,000 per year on the promissory note for three consecutive years, it would be in default of the lease. Under the proposed NMTC arrangement, if VCAF cannot make a minimum payment of $50,000, the difference will be made up by a Triad entity, so that a full payment of $50,000 will be made to the City each year. (These payments would be treated as interest payments on loans to the project.)

At the end of the seven-year tax credit period, the City would obtain the Site through a Put/Call Option Agreement with US Bancorp Community Development Corporation. At that point, the City would either lease or sell the property directly to VCAF, upon the assumption by VCAF of a promissory note for Three Million Dollars, under substantially the same terms and conditions as exist today.

The primary document changes that affect the City and Agency are as follows:

- A Second Amendment to the OPA describing the NMTC transaction;
- Termination of the existing Option Agreement between the City and Participant;
- New Put/Call Option Agreement between City and US Bancorp Community Development Corporation (to be presented to the City Council at a later date);
- New Operating Sublease, between VCAF and the Triad entity, including an operating agreement between the City and Triad entity (operating agreement will be presented to the City Council at a later date);
- Revised Agreement to Lease and Option to Purchase between City and VCAF for lease of the Empress Theatre after the seven-year tax credit period, with Agency Note and Deed of Trust

Of the document changes that affect the City and Agency, only the Second Amendment to the OPA and Termination of the existing Option Agreement between the City and Participant are before the City Council and Agency Board for consideration this evening. Agency staff has met with VCAF representatives, and the VCAF board has generally expressed support for the amendment to the existing Lease, subject to confirmation of the essential terms described above and a resolution of certain remaining items of work at the Empress. The Revised Agreement to Lease and Option to Purchase between the City and VCAF for lease of the Empress Theatre will be brought forward for City Council and Agency Board consideration later next month along with the remaining agreements required in the Second Amendment to the OPA.

FISCAL IMPACT

The proposed transactions will not result in any additional financial obligations for the Agency, City or VCAF than exists today. The City's and Agency's costs for preparing the additional documentation will be paid for out of the NMTC funds.

As currently provided in the existing Agreements, funds previously loaned to the Agency by the City for the Project will be repaid by the Agency to the City and the City's Arts and Convention Center Fund according to the terms specified above and the subsequent loan agreement to be prepared between the City of Vallejo and the Agency. As an added fiscal benefit to the Project, the City will be guaranteed $50,000 annual loan repayments on the outstanding debt during the seven year tax credit period, and the Agency will not be obligated to fund changes imposed on the project by the City beyond the amended scope and budget approved by the City Council in June 2005.

NEXT STEPS

Pending approval of tonight's resolutions, staff will move forward with participation in the NMTC program and the Participant will finalize the outstanding improvements on the Theatre. In order to receive the tax credits, the transaction must close within the next couple weeks.

The Empress Theatre will be open for several fundraising events over the summer, and will officially open in the late summer or early fall with a limited program focusing mainly on film, with a full mixed-use performing arts schedule beginning in early 2008.

RECOMMENDATION

Staff recommends that the City Council and Agency approve the attached resolutions authorizing the City Manager/Executive Director or his designee to execute the attached Second Amendment and terminate the existing Option Agreement and to take such actions and execute such documents as may be necessary to carry out the obligations of the Agency under the Second Amendment to the OPA.

ALTERNATIVES CONSIDERED

Participation in the New Markets Tax Credit program provides measurable benefits to the City, Empress Theatre Associates, and to the Vallejo Community Arts Foundation as more fully described earlier. As participation in the New Markets Tax Credit program provides new revenue to the project effectively completing the project without any additional cost to the Agency, City or Developer, a decision to not approve the Second Amendment to the Owner Participation Agreement and the Amendment to the Agreement to Lease and Option to Purchase would likely result in additional delays to final project completion as the parties meet and confer regarding the few outstanding project deliverables outside the original scope and budget.

ENVIRONMENTAL REVIEW

The proposed project qualifies for a Class 32 Exemption from the California Environmental Quality Act (CEQA) as it can be characterized as an infill development consistent with the requirements of CEQA Guidelines Section 15332.

PROPOSED ACTION

Adopt the following attached resolutions:

1) A Resolution of the Redevelopment Agency of the City of Vallejo approving and authorizing the execution of a Second Amendment to the Owner Participation Agreement between the Redevelopment Agency and Empress Theatre Associates, LLC; and

2) A Resolution of the City of Vallejo approving and authorizing the execution of a Second Amendment to the Owner Participation Agreement between the Redevelopment Agency and Empress Theatre Associates, LLC , and authorizing the execution of an Agreement to Terminate Option Agreement between the City and Empress Theatre Associates.

DOCUMENTS ATTACHED

Attachment A: Agency Resolution
Attachment B: City Council Resolution
Attachment C: Second Amendment to the OPA
Attachment D: Agreement to Terminate Option Agreement

PREPARED BY: Bonnie Robinson Lipscomb, Senior Community Development Analyst
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CONTACT: Bonnie Robinson Lipscomb, Senior Community Development Analyst
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Susan McCue, Economic Development Program Manager
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Craig Whittom, Assistant City Manager/Community Development
648-4579, cwhittom@ci.vallejo.ca.us

Attachment A

AGENCY RESOLUTION NO. ________

RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO APPROVING AND AUTHORIZING THE EXECUTION OF A SECOND AMENDMENT TO OWNER PARTICIPATION AGREEMENT BETWEEN THE AGENCY AND EMPRESS THEATRE ASSOCIATES, LLC, AND OTHER RELATED ACTIONS

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Vallejo (the "Agency") is carrying out the Redevelopment Plan (the "Redevelopment Plan") for the Vallejo Central Redevelopment Project (the "Redevelopment Project"); and

WHEREAS, the Agency and Empress Theatre Associates, LLC, a California limited liability company (the "Participant") entered into an Owner Participation Agreement, dated as of March 22, 2004, which was previously amended by a First Amendment to Owner Participation Agreement, dated as of May 11, 2006 (collectively, the "OPA"), which OPA was consented to by the City of Vallejo ("City"), providing for the renovation of certain real property, located within the Redevelopment Project Area (the "Site"), including the theatre improvements existing thereon, commonly known as the Empress Theatre (the "Theatre"), together with certain improvements located adjacent to the Site (the "Adjacent Property"), to serve as a mixed-use performing arts center; and

WHEREAS, in implementation of the OPA, and as consideration for the Agency's agreement to perform its obligations under the OPA, the Participant (as the Developer) and City entered into an Option Agreement providing to City the option to purchase the Site and the Participant's interest in the Adjacent Property (collectively, the "Option Property"); and

WHEREAS, because the costs of renovating the Empress Theatre have been greater than the parties anticipated, Participant has proposed that additional financing for the work may be available through participation in the New Markets Tax Credit Program ("NMTC"), enacted by Congress as part of the Community Renewal Tax Relief Act of 2000, and the Historic Tax Credit program (collectively referred to as the "Tax Credit Programs"); and

WHEREAS, utilization of the Tax Credit Programs requires the creation of new entities involving Triad Communities, L.P. ("Triad") and the sole member of Participant; a Master Lease of the Site by Participant to one of the new Triad entities (as "Master Tenant"); a Master Sublease of the Site from Master Tenant to another new Triad entity ("Operating Landlord"), further sublease of the Site by Operating Landlord to Vallejo Community Arts Foundation ("VCAF") pursuant to an Operating Lease; and an operating agreement between the Operating Landlord and the City, which will provide the City with all primary oversight responsibilities over VCAF's operation of the Theatre; with the terms of the Master Sublease and Operating Lease to be no less than seven (7) and no more than eight (8) years (the "NMTC Period"); and

WHEREAS, upon conclusion of the NMTC Period and City's exercise of its rights under a Put/Call Agreement with US Bancorp Community Development Corporation ("US Bancorp"), City shall obtain Site control; and

WHEREAS, in addition to generating additional funds for the renovation work on the Empress Theatre, participation in the Tax Credit Programs will provide certain funds to assist small start-up businesses within the community and assure that City will receive certain payments for a minimum of seven (7) years; and

WHEREAS, in light of these changed conditions and pursuant to the requirements of the Tax Credit Programs, the Agency and Participant have prepared a Second Amendment to Owner Participation Agreement (the "Second Amendment") to acknowledge the current understanding of the parties with respect to implementation of the OPA, including that the Second Amendment and/or the utilization of the Tax Credit Programs shall not increase the financial obligations of the City, the Agency and/or VCAF from those that existed prior to the Second Amendment; and

WHEREAS, the Second Amendment provides, among other things, that as part of the NMTC transaction, (a) the Original Agency Note (as defined in the OPA), in the amount of $2,828,000, will be repaid and the equivalent amount immediately loaned to Empress Investment Fund, LLC (the "Empress Loan I"); (b) the VACCF Note (as defined in the Second Amendment), in the amount of $968,000, will be repaid and the equivalent amount immediately loaned to Empress Investment Fund ("Empress Loan II"); (c) in consideration of the Agency providing the Empress Loan I and Empress Loan II, US Bancorp will enter into a Put/Call option agreement (the "Put/Call Agreement") with the City pursuant to which the City will acquire Site control immediately following the end of the NMTC Period; and (d) the City and Participant will terminate the Option Agreement; and

WHEREAS, Agency and City staff have determined that the Amendment, and renovation of the Site and the Adjacent Property pursuant to the provisions of the OPA, as amended by the Amendment, will not have a significant effect on the environment and are categorically exempt from the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 et seq. ("CEQA") and the State CEQA Guidelines (Title 14, California Code of Regulations, Section 15000 et seq.), pursuant to Section 15332 of the State CEQA Guidelines;

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

Section 1. The Agency hereby finds and determines that the utilization of the Tax Credit Programs, including early repayment of the Original Agency Note and VACCF Note and provision of the Empress Loan I and Empress Loan II, as part of the Tax Credit Programs, as provided for under the Second Amendment, is necessary to effectuate the purposes of the Redevelopment Plan. The Agency further finds and determines that the renovation of the Site and the Adjacent Property, and the utilization of the Tax Credit Programs, including early repayment of the Original Agency Note and VACCF Note and provision of the Empress Loan I and Empress Loan II, as provided for under the Second Amendment, are of benefit to the Redevelopment Project Area; that no other reasonable means of financing the additional costs of the renovation work are available to the community or the Participant; and that the utilization of the Tax Credit Programs, including early repayment of the Original Agency Note and VACCF Note and provision of the Empress Loan I and Empress Loan II, will further the renovation of the Theatre and assist in the elimination of one or more blighting conditions inside the Redevelopment Project Area and is consistent with the Five Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490. These findings are based upon the information contained in the Board Communication to the Mayor and Members of the City Council and Chairman and Members of the Redevelopment Agency, from Joseph M. Tanner, City Manager and Agency Executive Director, and Craig Whittom, Assistant City Manager/Community Development, dated June 12, 2007 (the "Agency Staff Report").

Section 2. The Agency hereby approves the Second Amendment, in substantially the form on file with the Agency Secretary, which Second Amendment is incorporated herein by reference, including without limitation the replacement of the Original Agency Loan and VACCF Loan with the Empress Loan I and Empress Loan II by the Agency, all as further set forth in the Second Amendment. The Executive Director and Secretary of the Agency are hereby authorized and directed to execute the Second Amendment on behalf of the Agency, subject to any clarifying, conforming, non-substantive and/or technical changes as may be approved by Agency Counsel. The Executive Director is further authorized and directed to take such actions and execute such documents as may be necessary to implement the OPA, as amended by the Second Amendment, including without limitation (a) repayment and cancellation of the Original Agency Note and the VACCF Note, (b) preparation and execution of all documents necessary to utilize the Tax Credit Programs, as contemplated under the Second Amendment, including without limitation the leases, subleases and operating and management agreements required under the Tax Credit Programs, and a loan agreement and related documents between the Agency and Empress Investment Fund, LLC, providing for the Empress Loan I and Empress Loan II, containing such terms and conditions as are acceptable to Agency Counsel, and (c) taking all actions and executing all documents necessary to complete the renovation of the Empress Theatre and commence operation and management of the Empress Theatre, all pursuant to the terms and conditions of, and as set forth in, the OPA as amended by the Second Amendment.

Section 3. The Agency authorizes and directs the Agency's Executive Director to take all actions necessary and work closely with the Participant, VCAF and City staff to negotiate the final terms and prepare the documents necessary to utilize the Tax Credit Programs, as contemplated under the Second Amendment, and as approved under Section 2, above. The Agency further authorizes and directs the Agency's Executive Director to take all actions necessary and work closely with VCAF and City staff to negotiate the final terms and prepare a proposed Lease Agreement and Option to Purchase, and other pertinent documents (collectively, the "Lease Agreement"), between the City and VCAF for the lease of and option to purchase the Empress Theatre following the NMTC Period, with an Agency note and deed of trust, which Lease Agreement and documents shall be presented to the Agency Board and City Council for final approval at a later date.

Section 4. The Agency finds and determines that the Second Amendment, and the renovation of the Site and the Adjacent Property pursuant to the provisions of the OPA, as amended by the Second Amendment, will not have a significant effect on the environment and are categorically exempt from the provisions of the California Environmental Quality Act

(CEQA) pursuant to Section 15332 of the State CEQA Guidelines. The Executive Director, in cooperation with the City Manager, is authorized and directed to prepare and file a Notice of Exemption pursuant to Section 15062 of the State CEQA Guidelines with respect to the Second Amendment.

PASSED AND ADOPTED this _________ day of _________________, 2007, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Chairman

ATTEST:

____
Secretary

Attachment B

COUNCIL RESOLUTION NO. ________

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VALLEJO APPROVING AND AUTHORIZING THE EXECUTION OF A SECOND AMENDMENT TO OWNER PARTICIPATION AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND EMPRESS THEATRE ASSOCIATES, LLC, AN AGREEMENT TO TERMINATE OPTION AGREEMENT BETWEEN THE CITY THE EMPRESS THEATRE ASSOCIATES, LLC, AND OTHER RELATED ACTIONS

WHEREAS, pursuant to the California Community Redevelopment Law (Health and Safety Code Section 33000 et seq.), the Redevelopment Agency of the City of Vallejo (the "Agency") is carrying out the Redevelopment Plan (the "Redevelopment Plan") for the Vallejo Central Redevelopment Project (the "Redevelopment Project"); and

WHEREAS, the Agency and Empress Theatre Associates, LLC, a California limited liability company (the "Participant") entered into an Owner Participation Agreement, dated as of March 22, 2004, which was previously amended by a First Amendment to Owner Participation Agreement, dated as of May 11, 2006 (collectively, the "OPA"), which OPA was consented to by the City of Vallejo ("City"), providing for the renovation of certain real property, located within the Redevelopment Project Area (the "Site"), including the theatre improvements existing thereon, commonly known as the Empress Theatre (the "Theatre"), together with certain improvements located adjacent to the Site (the "Adjacent Property"), to serve as a mixed-use performing arts center; and

WHEREAS, in implementation of the OPA, and as consideration for the Agency's agreement to perform its obligations under the OPA, the Participant (as the Developer) and City entered into an Option Agreement providing to City the option to purchase the Site and the Participant's interest in the Adjacent Property (collectively, the "Option Property"); and

WHEREAS, because the costs of renovating the Empress Theatre have been greater than the parties anticipated, Participant has proposed that additional financing for the work may be available through participation in the New Markets Tax Credit Program ("NMTC"), enacted by Congress as part of the Community Renewal Tax Relief Act of 2000, and the Historic Tax Credit program (collectively referred to as the "Tax Credit Programs"); and

WHEREAS, utilization of the Tax Credit Programs requires the creation of new entities involving Triad Communities, L.P. ("Triad") and the sole member of Participant; a Master Lease of the Site by Participant to one of the new Triad entities (as "Master Tenant"); a Master Sublease of the Site from Master Tenant to another new Triad entity ("Operating Landlord"), further sublease of the Site by Operating Landlord to Vallejo Community Arts Foundation ("VCAF") pursuant to an Operating Lease; and an operating agreement between the Operating Landlord and the City, which will provide the City with all primary oversight responsibilities over VCAF's operation of the Theatre; with the terms of the Master Sublease and Operating Lease to be no less than seven (7) and no more than eight (8) years (the "NMTC Period"); and

WHEREAS, upon conclusion of the NMTC Period and City's exercise of its rights under a Put/Call Agreement with US Bancorp Community Development Corporation ("US Bancorp"), City shall obtain Site control; and

WHEREAS, in addition to generating additional funds for the renovation work on the Empress Theatre, participation in the Tax Credit Programs will provide certain funds to assist small start-up businesses within the community and assure that City will receive certain payments for a minimum of seven (7) years; and

WHEREAS, in light of these changed conditions and pursuant to the requirements of the Tax Credit Programs, the Agency and Participant have prepared a Second Amendment to Owner Participation Agreement (the "Second Amendment") to acknowledge the current understanding of the parties with respect to implementation of the OPA, including that the Second Amendment and/or the utilization of the Tax Credit Programs shall not increase the financial obligations of the City, the Agency and/or VCAF from those that existed prior to the Second Amendment; and

WHEREAS, the Second Amendment provides, among other things, that as part of the NMTC transaction, (a) the Original Agency Note (as defined in the OPA), in the amount of $2,828,000, will be repaid and the equivalent amount immediately loaned to Empress Investment Fund, LLC (the "Empress Loan I"); (b) the VACCF Note (as defined in the Second Amendment), in the amount of $968,000, will be repaid and the equivalent amount immediately loaned to Empress Investment Fund ("Empress Loan II"); (c) in consideration of the Agency providing the Empress Loan I and Empress Loan II, US Bancorp will enter into a Put/Call option agreement (the "Put/Call Agreement") with the City pursuant to which the City will acquire Site control immediately following the end of the NMTC Period; and (d) the City and Participant will terminate the Option Agreement; and

WHEREAS, Agency and City staff have determined that the Amendment, and renovation of the Site and the Adjacent Property pursuant to the provisions of the OPA, as amended by the Amendment, will not have a significant effect on the environment and are categorically exempt from the provisions of the California Environmental Quality Act (Public Resources Code Section 21000 et seq. ("CEQA") and the State CEQA Guidelines (Title 14, California Code of Regulations, Section 15000 et seq.), pursuant to Section 15332 of the State CEQA Guidelines;

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

Section 1. The City Council hereby finds and determines that the utilization of the Tax Credit Programs, including early repayment of the Original Agency Note and VACCF Note and provision of the Empress Loan I and Empress Loan II, by the Agency as part of the Tax Credit Programs, as provided for under the Second Amendment, is necessary to effectuate the purposes of the Redevelopment Plan. The City Council further finds and determines that the renovation of the Site and the Adjacent Property, and the utilization of the Tax Credit Programs, including early repayment of the Original Agency Note and VACCF Note and provision of the

Empress Loan I and Empress Loan II, as provided for under the Second Amendment, are of benefit to the Redevelopment Project Area; that no other reasonable means of financing the additional costs of the renovation work are available to the community or the Participant; and that the utilization of the Tax Credit Programs, including early repayment of the Original Agency Note and VACCF Note and provision of the Empress Loan I and Empress Loan II, will further the renovation of the Theatre and assist in the elimination of one or more blighting conditions inside the Redevelopment Project Area and is consistent with the Five Year Implementation Plan adopted by the Agency pursuant to Health and Safety Code Section 33490. These findings are based upon the information contained in the Board Communication to the Mayor and Members of the City Council and Chairman and Members of the Redevelopment Agency, from Joseph M. Tanner, City Manager and Agency Executive Director, and Craig Whittom, Assistant City Manager/Community Development, dated June 12, 2007, (the "Agency Staff Report").

Section 2. The City Council hereby approves the Second Amendment, in substantially the form on file with the City Clerk, which Second Amendment is incorporated herein by reference, including without limitation the replacement of the Original Agency Loan and VACCF Loan with the Empress Loan I and Empress Loan II by the Agency, and termination of the Option Agreement between the City and Participant, all as further set forth in the Second Amendment. The Agency is hereby authorized to execute the Second Amendment on behalf of the Agency, subject to any clarifying, conforming, non-substantive and/or technical changes as may be approved by Agency Counsel. The Agency is further authorized to take such actions and execute such documents as may be necessary to implement the OPA, as amended by the Second Amendment, including without limitation (a) repayment and cancellation of the Original Agency Note and the VACCF Note, (b) preparation and execution of all documents necessary to utilize the Tax Credit Programs, as contemplated under the Second Amendment, including without limitation the leases, subleases and operating and management agreements required under the Tax Credit Programs, and a loan agreement and related documents between the Agency and Empress Investment Fund, LLC, providing for the Empress Loan I and Empress Loan II, containing such terms and conditions as are acceptable to Agency Counsel, and (c) taking all actions and executing all documents necessary to complete the renovation of the Empress Theatre and commence operation and management of the Empress Theatre, all pursuant to the terms and conditions of, and as set forth in, the OPA as amended by the Second Amendment.

Section 3. The City Manager is hereby authorized to execute the Second Amendment, as consented and agreed to on behalf of the City, subject to any clarifying, conforming, non-substantive and/or technical changes as may be approved by the City Attorney. The City Manager is further authorized and directed to take such actions and execute such documents as may be necessary to carry out the Second Amendment, including without limitation (a) preparation, in cooperation with Agency staff, and execution of all documents necessary to utilize the Tax Credit Programs, as contemplated under the Second Amendment, including without limitation the leases, subleases and operating and management agreements required under the Tax Credit Programs, and a loan agreement and related documents between the Agency and Empress Investment Fund, LLC, providing for the Empress Loan I and Empress Loan II, and the Put/Call Agreement, all containing such terms and conditions as are acceptable to the City Attorney; (b) preparation and execution of all documents necessary to terminate the Option Agreement; (c) preparation and execution of all other documents contemplated under the Second Amendment to be executed by the City (as appropriate) and (d) taking all actions and executing all documents necessary to complete the renovation of the Empress Theatre and commence operation and management of the Empress Theatre, all pursuant to the terms and conditions of, and as set forth in, the OPA as amended by the Second Amendment

Section 4. The City Council authorizes and directs the City Manager to take all actions necessary and work closely with the Participant, VCAF and City and Agency staff to negotiate the final terms and prepare the documents necessary to utilize the Tax Credit Programs, as contemplated under the Second Amendment, and as approved under Sections 2 and 3, above. The City Council further authorizes and directs the City Manager to take all actions necessary and work closely with VCAF and Agency and City staff to negotiate the final terms and prepare a proposed Lease Agreement and Option to Purchase, and other pertinent documents (collectively, the "Lease Agreement"), between the City and VCAF for the lease of and option to purchase the Empress Theatre following the NMTC Period, with an Agency note and deed of trust, which Lease Agreement and documents shall be presented to the Agency Board and City Council for final approval at a later date.

Section 5. The City Council finds and determines that the Second Amendment, and the renovation of the Site and the Adjacent Property pursuant to the provisions of the OPA, as amended by the Second Amendment, will not have a significant effect on the environment and are categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15332 of the State CEQA Guidelines. The City Manager, in cooperation with the Executive Director, is authorized and directed to prepare and file a Notice of Exemption pursuant to Section 15062 of the State CEQA Guidelines with respect to the Second Amendment.

PASSED AND ADOPTED this __________ day of ___________________, 2007, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

____
Mayor

ATTEST:

____
City Clerk

Attachment C

SECOND AMENDMENT TO OWNER PARTICIPATION AGREEMENT

This **SECOND AMENDMENT TO OWNER PARTICIPATION AGREEMENT** (hereinafter referred to as the "Amendment") is entered into as of _______________, 2007, by and among the **REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO**, a public body, corporate and politic (the "Agency"), and **EMPRESS THEATRE ASSOCIATES, LLC**, a California limited liability company ("Participant"). The Agency and Participant are collectively referred to in this Amendment as the "parties" and individually as a "party."

Recitals

A. The Agency and Participant have heretofore entered into an Owner Participation Agreement, dated as of March 22, 2004, as previously amended by a First Amendment to Owner Participation Agreement, dated as of May 11, 2006 (collectively, the "OPA") providing for the rehabilitation and reconstruction of certain improvements on certain real property more commonly known as the Empress Theatre (the "Site"), and the operation of the Site as a mixed-use performing arts center. Capitalized terms used but not defined in this Amendment have the meanings set forth in the OPA.

B. Participant has been working diligently to complete the Improvements as set forth in the OPA. However, because the costs of renovating the Empress Theatre have been greater than the parties anticipated, Participant has proposed that additional financing for the work may be available through participation in the New Markets Tax Credit program ("NMTC"), enacted by Congress as part of the Community Renewal Tax Relief Act of 2000, and the Historic Tax Credit program. The Empress Theatre and the Site qualify for participation in both programs. (The NMTC and Historic Tax Credit program are referred to collectively herein as the "Tax Credit Programs.")

C. Utilization of the Tax Credit Programs requires the creation of new entities involving Triad Communities, L.P., a California limited partnership, ("Triad") and the sole member of Participant. One of the new Triad entities shall, as Master Tenant, lease (the "Master Lease") the Site from Participant. The Master Tenant shall lease the Site, under a Master Sublease, to another entity in which Triad shall be the sole member or partner (the "Operating Landlord"). The Operating Landlord shall sublease the Site to the Vallejo Community Arts Foundation ("VCAF") pursuant to an operating lease (the "Operating Lease'). The terms of the ~~the~~ Master Sublease and the Operating Lease shall be no less than seven (7) and no more than eight (8) years (the "NMTC Period"). Upon the ~~expiration of the Master Lease, Master Sublease and the Operating Lease, City shall acquire the~~conclusion of the NMTC Period and City's exercise of its rights under a Put/Call Agreement with US Bancorp Community Development Corporation, a Delaware corporation, City shall obtain Site control.

D. In addition to generating additional funds for the renovation work on the Empress Theatre, participation in the Tax Credit Programs will provide certain funds to assist small start-up businesses within the community and assure that City will receive certain payments for a minimum of seven (7) years.

E. In light of these changed conditions, and pursuant to the requirements of the Tax Credit Programs, the parties now desire to enter into this Amendment to acknowledge the current understanding of the parties with respect to implementation of the OPA.

Agreements

1. Recitals Incorporated

The recitals above are hereby incorporated in this Second Amendment.

2. Purpose of this Second Amendment

The purpose of this Second Amendment is to effectuate and implement the OPA by making certain changes necessary to reflect the further planning and decision of the parties in light of the participation in the Tax Credit Programs. The parties intend and agree that this Second Amendment and/or the utilization of the Tax Credit Programs shall not increase the financial obligations of the City, the Agency and/or VCAF from those that existed prior to the execution of this Second Amendment.

3. Background

Following execution of the Owner Participation Agreement, on April 27, 2004, the Option Agreement and Memorandum of Option Agreement (Attachment No. 5 to the OPA) were executed between the City of Vallejo (the "City") and the Developer, giving the City the option to purchase the Empress Theatre and the Participant's interest in the Adjacent Property, pursuant to the terms and conditions set forth in the OPA and the Option Agreement. On September 28, 2004, the City Council and Agency approved the VCAF as the Nonprofit organization to oversee the operation and management of the Empress Theatre as a mixed-use performing arts center, as provided in Section 108 of the OPA.

The Original OPA provided that the Agency would provide a loan to Participant in the amount of TWO MILLION EIGHT HUNDRED TWENTY EIGHT THOUSAND DOLLARS ($2,828,000.00) to help pay for the costs of the Improvement Costs, as defined therein (the "Agency Loan"). The Agency Loan was evidenced by an Agency Note, and secured by a deed of trust. The obligations of the Agency Note and Deed of Trust were to be assigned to VCAF upon the completion of the Improvements and the commencement of the lease of the Site by the City to VCAF.

In addition, as provided for under the First Amendment to Owner Participation Agreement ("First Amendment"), referenced in Recital A, above, the Agency obtained approval from the City for two (2) loans from the Vallejo Arts and Convention Center Fund ("VACCF"), the first in the amount of SEVEN HUNDRED NINETY SIX THOUSAND DOLLARS ($796,000) (the "First VACCF Loan"), and the second in the amount of ONE HUNDRED SEVENTY TWO THOUSAND DOLLARS ($172,000) (the "Second VACCF Loan") to pay a portion of the Improvements Costs for work to be performed on the Site. The parties now desire to further amend the OPA to provide that the Agency will loan the proceeds of the First VACCF Loan and the Second VACCF Loan for the Improvement Costs, pursuant to the terms and conditions set forth herein,

4. City Option

The following language shall be added to Section 202 ~~is hereby revised to read in its entirety as follows~~:

"Prior to the execution of the Second Amendment to the OPA, Participant and City executed the Option Agreement. In light of the decision to utilize the Tax Credit Programs, Participant and City shall terminate the Option Agreement, and a memorandum of such termination for recordation against the Site.

"In consideration of the Agency Loan to Empress Investment Fund LLC, a ~~__________~~Delaware limited liability company, ~~the parties agree that they shall~~US Bancorp Community Development Corporation, a Delaware corporation, agrees that it will enter into a ~~put/call~~Put/Call option agreement (the "Put/Call Agreement") with the City pursuant to which City shall acquire ~~the Site and the improvements thereon at~~Site control immediately following the end of the ~~Tax Credit~~NMTC Period. "

4. Agency Loan to Participant

Section 204 is hereby revised in its entirety to read as follows:

"The Agency has loaned to the Participant TWO MILLION EIGHT HUNDRED TWENTY-EIGHT THOUSAND DOLLARS ($2,828,000) (the "Original Agency Loan"). The Original Agency Loan was comprised of: (a) THREE HUNDRED TWENTY-EIGHT THOUSAND DOLLARS ($328,000) to remove certain liens on the Site ("Lien Removal Costs") (as described below); and (b) TWO MILLION FIVE HUNDRED THOUSAND DOLLARS ($2,500,000) to reimburse Participant for the cost of certain Improvements (the "Improvement Costs"). Participant has executed in favor of Agency a promissory note in the principal amount of $2,828,000 (the "Original Agency Note"). As part of the NMTC transaction, the Original Agency Note shall be repaid and the equivalent amount immediately loaned to Empress Investment Fund, LLC, a ____________ limited liability company (the "Empress Investment Fund") ("Empress Loan I").

"In addition, Agency obtained from the City's Vallejo Arts and Convention Center Fund ("VACCF") a total of NINE HUNDRED SIXTY-EIGHT THOUSAND DOLLARS ($968,000) to help pay for Improvement Costs on the Site (the "VACCF Loan"). The Agency agrees to loan the proceeds of the VACCF Loan to the Participant pursuant to the terms and conditions set forth herein. The Agency shall disburse the proceeds of the VACCF Loan to Participant or, at Participant's election, to the Empress Investment Fund. The total amount of the Participant VACCF Loan shall be repaid to the Agency pursuant to the terms of a promissory note to be executed by the Participant in favor of the Agency. The promissory note shall be in the principal amount of NINE HUNDRED SIXTY-EIGHT THOUSAND DOLLARS ($968,000) (the "VACCF Note") in substantially the form attached hereto as **Attachment No. 14** and incorporated herein by this reference. As part of the NMTC transaction, the proceeds of the VACCF Loan shall be repaid and the equivalent amount immediately loaned to the Empress Investment Fund ("Empress Loan II").

"The Empress Loan I and Empress Loan II shall be secured by a pledge by the Empress Investment Fund of its equity interest in NDC New Markets Investments XXXIX, LLC, a Delaware limited liability company~~.~~ ~~"Upon the expiration of the Operating Lease and prior to the purchase or lease of the Site by VCAF, VCAF shall be required to execute (i) the Revised Agency Note, the principal amount of which shall be the sum of the Empress Loan I of TWO MILLION EIGHT HUNDRED TWENTY-EIGHT THOUSAND DOLLARS ($2,828,000) plus a portion of the Empress Loan II in the principal amount of ONE HUNDRED SEVENTY-TWO THOUSAND DOLLARS ($172,000), for a total principal amount of THREE MILLION DOLLARS ($3,000,000); and (ii) the Revised Deed of Trust. The Revised Agency Note and the Revised Deed of Trust shall be in substantially the form attached hereto as Attachments No. ___ and ___. VCAF shall be the sole obligor under the Revised Agency Note. The remainder of the Empress Loan II in the amount of SEVEN HUNDRED NINETY-SIX THOUSAND DOLLARS ($796,000) shall be repaid by Agency to City out of future net tax increment from the Redevelopment Project Area if and to the extent available to the Agency for such purpose~~."

6. Additional Funding

Section 206 is hereby revised in its entirety to read as follows:

"Following completion of the demolition phase of the Improvements work to be performed on the Site, a thorough review of the original cost estimates was performed, which indicated that the costs estimates for seismic retrofit of the Empress Theatre were under budgeted as a result of rising material prices and required structural engineering work not known at the time the original bids were obtained. In addition, further refinements of the theatre finishes have also been analyzed and modified as necessary to provide a fully operational theatre. Several items not included in the original budget were added as necessary functions for the theatre operations. As a result, the overall Project Budget has increased by approximately $1,668,000, over the original budget approved by the City Council and Agency. The parties agree to provide additional funding for the Improvements in the amount of $1,668,000, plus an additional $200,000 contingency amount, for a total amount of ONE MILLION EIGHT HUNDRED SIXTY-EIGHT THOUSAND DOLLARS ($1,868,000) (the "Funding Shortfall") to cover the additional Improvement Costs. Of that amount NINE HUNDRED SIXTY EIGHT THOUSAND DOLLARS ($968,000) was provided from VACCF, as described in section 204. An additional NINE HUNDRED THOUSAND DOLLARS ($900,000) shall be funded as follows:

"1. An additional FIVE HUNDRED THOUSAND DOLLARS ($500,000) toward the Funding Shortfall shall be made available pursuant to that certain Agreement Regarding I-80 Interchange at American Canyon Road, between the City and Sky Valley Company, dated as of September 7, 1989, which Agreement was assigned to and assumed by Triad Communities, L.P., a California limited partnership, the sole member of the Participant ("Triad"), and was subsequently amended by a First Amendment to Agreement Regarding I-80 Interchange at American Canyon Road between the City and Triad, dated as of September 26, 2005 (collectively, the "Hiddenbrooke Agreement"). The entire Five Hundred Thousand Dollars ($500,000) of this additional funding shall be applied toward Improvement Costs. Any such funding which may become available under the Hiddenbrooke Agreement shall be disbursed to the Participant, following disbursement of the entire Agency Loan provided for under Section 204 and the VACCF Loan provided for under section 204, above. Pursuant to the Hiddenbrooke Agreement, any funds that are not used for Improvement Costs shall be returned to the City's Interchange Improvement Fund.

"2. The trustees of VCAF, the Nonprofit organization to oversee the operation and management of the Empress Theatre, have committed to raise FOUR HUNDRED THOUSAND DOLLARS ($400,000) through fundraising efforts, to be used to pay a portion of the Improvement Costs. The Agency and Participant shall actively assist in the fundraising efforts; however neither the Agency nor the City nor the Participant shall be responsible for funding any shortfall in the amount to be raised as set forth in this paragraph 4. The parties agree that any funds raised by VCAF described herein may be paid directly to Triad Communities, L.P., a California limited partnership, for such Improvement Costs.

"3. The Participant agrees that neither the Agency nor the City shall be responsible for funding or financing of any of the Improvement Costs for work to be performed on the Site with the exception of the loans provided for under Section 204 and the funding to be provided pursuant to the Hiddenbrooke Agreement as provided for under subsection 206.1. Any additional shortfall in the completion of the Improvements shall be funded by the additional monies made available to Participant through the Tax Credit Programs or by Participant contributions."

7. <u>Revised Schedule of Performance</u>

The Schedule of Performance, Attachment No. 4 to the OPA, is hereby revised and replaced in its entirety with the Revised Schedule of Performance, attached hereto as Exhibit A..

8. <u>Force and Effect</u>

The effective date of this Second Amendment shall be the date that this Amendment is signed by the Agency. Except as specifically modified by this Second Amendment, all other provisions of the OPA, as previously amended by the First Amendment thereto, shall remain unchanged and in full force and effect.

10. Counterparts

This Second Amendment may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Second Amendment.

IN WITNESS WHEREOF, the parties hereto have entered into this Second Amendment to Owner Participation Agreement as of the date first above written.

AGENCY:

________________________, 2007

REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO

By ________________________
Executive Director

By ________________________
Secretary

APPROVED AS TO FORM:

By: ________________________
Agency Legal Counsel

PARTICIPANT:

________________________, 2007

EMPRESS THEATRE ASSOCIATES, LLC, a California limited liability company

By: TRIAD COMMUNITIES, L.P., a California limited partnership,
Its: sole member

By: TRIAD SKY VALLEY LLC, a Washington limited liability company,
Its: general partner

By: ________________________
Frederick W. Grimm
Its: Authorized Member

CONSENTED AND AGREED TO BY:

CITY OF VALLEJO

By: ______________________________
City Manager

ATTACHMENT NO. 14

VACCF NOTE

Not to Exceed
$968,000

_______________, 2007
Vallejo, California

FOR VALUE RECEIVED, EMPRESS THEATRE ASSOCIATES, LLC, a California limited liability company (the "Maker" or the "LLC"), having an address of _______________________________________, promises to pay the REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO ("Holder"), the principal sum of NINE HUNDRED SIXTY-EIGHT THOUSAND DOLLARS ($968,000) with simple interest at the rate of _______ percent (___%) per annum.

1. This Note is made pursuant to Section 204 of that certain Owner Participation Agreement between Maker and Holder dated as of March 22, 2004, as amended by that certain First Amendment to Owner Participation Agreement entered into as of May 11, 2006, and as further amended by that certain Second Amendment to Owner Participation Agreement entered into as of ___________________, 2007 (collectively, the "OPA"). Pursuant to the OPA, the LLC owns that certain real property defined in the OPA as the "Site," and shall renovate the Theatre located upon the Site for the purpose of a nonprofit operating the Theatre for the benefit of the residents of the City of Vallejo (the "City"). This is a promissory note for the repayment to Holder of funds advanced to Maker (the "VACCF Loan"), pursuant to subparagraph 1 of Section 204 of the OPA, to pay a portion of the "Improvement Costs" defined in the OPA. All capitalized terms not defined in this Note shall have the meaning set forth in the OPA.

2. This Note may be assigned as provided in the OPA.

3. This Note, including the outstanding principal and all unpaid interest, shall be due and payable in full_________ from the date the Agency issues a Certificate of Completion pursuant to the OPA.

All payments made hereunder shall be credited first to any interest due and owing and then to principal. Interest not paid current shall accrue and shall not be compounded. In any event, the entire outstanding balance of principal and interest owing under this Note shall be due and payable in full _________ from the date hereof.

Maker may prepay all or any part of this Note, without penalty, at any time during the term of this Note.

4. Notwithstanding anything to the contrary provided herein, if there shall have been an event of default under this Note securing this Note, then the entire unpaid principal of this Note and accrued interest thereon shall be immediately due and payable.

5. Payment shall be made in lawful money of the United States to Holder c/o The City of Vallejo, 555 Santa Clara Street, Vallejo, California 94590. The place of payment may be changed from time to time as the Holder may from time to time designate in writing.

6. Maker hereby covenants and agrees that it shall maintain, or cause to be maintained, the Theatre and the Site in a manner consistent with the provisions set forth therefor in the Vallejo Municipal Code, and shall keep the entire Theatre and Site reasonably free from any accumulation of debris or waste materials prior to and after construction.

If, at any time, Maker fails to maintain the Theatre or the Site, and has either failed to commence to cure such condition or to diligently prosecute to completion the condition or the condition is not corrected after expiration of thirty (30) days from the date of written notice from Holder to Maker, Holder may perform the necessary corrective maintenance, and Maker shall pay such costs as are reasonably incurred for such maintenance. The Holder shall have the right to place a lien on the property should Maker not reimburse Holder for such costs within sixty (60) days following Holder's written demand to Maker for reimbursement of such costs. Maker, on behalf of itself, its heirs, successors and assigns, hereby grants to Holder and its officers, employees and agents, an irrevocable license to enter upon the Site to perform such maintenance during normal business hours after receipt of written notice from Holder as hereinabove described and Maker's failure to cure or remedy such failure within thirty (30) days of such notice. Any such entry shall be made only after reasonable notice to Maker, and Holder shall indemnify and hold Maker harmless from any claims or liabilities pertaining to any such entry by Holder.

Failure by Maker to maintain the Theatre or the Site in the condition provided in this Section 6 may, in Holder's sole discretion, constitute a default under this Note .

The foregoing covenants shall remain in effect for the Site for a period of _______ from the date of this Note, or until all amounts due Holder hereunder are paid in full.

7. The occurrence of any of the following shall constitute an event of default under this Note: (i) Maker fails to pay any amount due hereunder within fifteen (15) days of its due date; or (ii) Any default by Maker under this Note or the OPA after the expiration of applicable notice and cure periods.

Upon the occurrence of any event of default, or at any time thereafter, at the option of the Holder hereof and without notice, the entire unpaid principal and interest owing on this Note shall become immediately due and payable. This option may be exercised at any time following any such event, and the acceptance of one or more installments thereafter shall not constitute a waiver of Holder's option. Holder's failure to exercise such option shall not constitute a waiver of such option with respect to any subsequent event. Holder's failure in the exercise of any other right or remedy hereunder or under any agreement which secures the indebtedness or is related thereto shall not affect any right or remedy and no single or partial exercise of any such right or remedy shall preclude any further exercise thereof.

8. At all times when Maker is in default hereunder by reason of Maker's failure to pay principal due under this Note or any amounts due under any loan documents securing this

Note, the interest rate on the sums as to which Maker is in default (including principal, if Holder has elected to declare it immediately due and payable), shall be the lower of the highest rate then allowed by law or two percent (2%) over the prime interest rate announced by Wells Fargo Bank, N.A., as of the date of the default.

9. Maker and any endorsers hereof and all others who may become liable for all or any part of this obligation, severally waive presentment for payment, demand and protest and notice of protest, and of dishonor and nonpayment of this Note, and expressly consent to any extension of the time of payment hereof or of any installment hereof, to the release of any party liable for this obligation, and any such extension or release may be made without notice to any of said parties and without any way affecting or discharging this liability.

10. Maker agrees to pay immediately upon demand all costs and expenses of Holder including reasonable attorneys' fees, (i) if after default this Note be placed in the hands of an attorney or attorneys for collection, (ii) if after a default hereunder or under the Deed of Trust or the OPA, Holder finds it necessary or desirable to secure the services or advice of one or more attorneys with regard to collection of this Note against Maker, any guarantor or any other party liable therefor or to the protection of its rights under this Note or the OPA, or (iii) if Holder seeks to have the Site abandoned by or reclaimed from any estate in bankruptcy, or attempts to have any stay or injunction prohibiting the enforcement or collection of the Note or any other agreement evidencing or securing this Note lifted by any bankruptcy or other court.

11. If Holder shall be made a party to or shall reasonably intervene in any action or proceeding, whether in court or before any governmental agency, affecting the property or the title thereto, including, without limitation, any form of condemnation or eminent domain proceeding, Holder shall be reimbursed by maker immediately upon demand for all costs, charges and attorneys' fees incurred by Holder in any such case.

12. Payment of this Note is secured solely by ______________ without recourse of any kind against Maker or its constituent entities or limited partners.

13. Any notices provided for in this Note shall be given by mailing such notice by certified mail, return receipt requested at the address stated in this Note or at such address as either party may designate by written notice.

14. This Note shall be binding upon Maker, its successors and assigns.

15. This Note shall be construed in accordance with and be governed by the laws of the State of California.

16. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

_________________________, 2007

EMPRESS THEATRE ASSOCIATES, LLC,
a California limited liability company

By: TRIAD COMMUNITIES, L.P., a California limited partnership,
Its: sole member

By: TRIAD SKY VALLEY LLC, a Washington limited liability company,
Its: general partner

By: ___________________________
Frederick W. Grimm
Its: Authorized Member

ATTACHMENT NO. 15
EXHIBIT A

REVISED SCHEDULE OF PERFORMANCE

	Action	Date
1.	**Submission of Agreement.**	
	Participant shall execute this Agreement and deliver it to the Agency.	Completed..
2.	**Approval of Agreement by Agency.**	
	The Agency shall hold a joint public meeting on the OPA and approve and authorize execution of this Agreement.	Completed. ~~(§ 800)~~
3.	**Consent to Agreement by City.**	
	The City shall hold a joint public hearing on the OPA and approve and authorize consent to the Agreement and execution of the Option.	Completed. ~~(§ 800)~~
4.	**Completion of Site Appraisal.**	
	Agency shall obtain an M.A.I. appraisal of the Site's fair market value. (§205)	Completed.
5.	**Participant Delivers Adjacent Property Lease.**	
	The Participant shall deliver to the Agency, for review and approval, the Lease for the Adjacent Property. (§104.2)	Completed..
6.	**Agency Approval of Adjacent Property Lease.**	
	The Agency shall approve the Lease for the Adjacent Property. (§104.2)	Completed.

Action	Date
7. Participant Completes Environmental Due Diligence.	
Participant shall complete environmental due diligence and reports its findings to Agency. (§407.1)	Completed.
8. Participant Obtains City Approval of Applicable Construction Drawings, Landscaping and Grading Plans.	
Participant shall obtain City approval of all Construction Drawings, Landscaping and Grading Plans for development of the Site, as required by the City. (§303)	Completed.
9. Submission Certificates of Insurance.	
Participant shall furnish to the Agency duplicate originals or appropriate certificates of bodily injury and property damage insurance policies. (§309)	Completed.
10. Governmental Permits.	
Participant shall obtain any and all permits required by the City or any other governmental agency for construction of the Improvements. (§304)	Completed.
11. Execution of Agency Promissory Note and Agency Deed of Trust.	
The Participant shall execute the Agency Promissory Note (Attachment No. 6) and the Agency Deed of Trust (Attachment No. 7). (§204)	Completed.
12. Participant Acquires Site.	
Participant shall acquire the Site. (§107)	Completed.

Action		Date
13.	**Participant and City Execute Option Agreement.**	
	The Participant and City shall execute the Option Agreement for the Site and record a memorandum thereof (Attachment No. 5). (§202)	Completed.
14.	**Agency Advances Funds for Lien Removal.**	
	The Agency shall advance funds for lien removal on the Site. (§204)	Completed.
15.	**Participant Provides Evidence of Removal of Liens on Site.**	
	The Participant shall cause title company to deliver to Agency a commitment to issue to Agency a lender's policy of title insurance insuring the Agency's lien against the Site. (§204)	Completed.
16.	**Commencement of Construction of the Improvements.**	
	Participant shall commence construction of the Improvements.	Completed.
17.	**Selection or Formation of Non-Profit.**	
	Participant, Agency, City and the Community Arts Foundation shall cooperate to select or cause the formation of an Agency- and City-approved Nonprofit. (§108)	Completed.
18.	**Contract for Pre-Opening Operational Management.**	
	Participant or Nonprofit shall contract for pre-opening operational management for the Theatre. (§403)	Prior to completion of the Improvements.

Action		Date
19.	**Approval and Execution of Documents Related to NMTC/Historic Tax Credit Programs**	
	Agency, Participant and City shall approve and execute the necessary documents required Property to receive NMTC/Historic Tax Credits, including Operating Lease with VCAF.	Prior to completion of the Improvements.
20.	**Completion of Improvements by Participant**	
	Participant shall notify Agency when Improvements completed and request Certificate of Occupancy from City. (§202)	Upon completion of Improvements.
21.	**Issuance and Recordation of Certificate of Completion.**	
	The Agency shall furnish Participant with a copy of the Certificate of Completion and record the Certificate of Completion. (§316)	Within 10 days after Participant has completed the Improvements and requested the Certificate of Completion.
22.	**Participant Conveys Site to City.**	
	The Participant shall convey the Site to the City in conformance with the Put/Call Agreement. §202)	Upon expiration of the Operating Lease.
23.	**City and VCAF Execute Theatre Lease.**	
	The City and VCAF shall execute the Theatre Lease. (§202)	After expiration of the Operating Lease.

Action		Date
~~24.~~	~~**Execution of Revised Agency Note and Revised Agency Deed of Trust.**~~	
	~~VCAF shall execute the Revised Agency Note and Revised Agency Deed of Trust. (§204)~~	~~Concurrently with the execution of the Theatre Lease.~~

ATTACHMENT NO.__

REVISED AGENCY NOTE

[to be inserted]

ATTACHMENT NO. ___

REVISED AGENCY DEED OF TRUST

[to be inserted]

Attachment D

AGREEMENT TO TERMINATE OPTION AGREEMENT

This Agreement to Terminate Option Agreement (this "Termination Agreement") is made and entered into as of _______________, 2007, by and between the CITY OF VALLEJO (the "City") and EMPRESS THEATRE ASSOCIATES, LLC, a California limited liability company ("Developer") with respect to that certain Option Agreement, dated as of _______, 200__, a memorandum of which was recorded in the Official Records of Solano County on _____________, 200__, as Document No. ________________ (the "Option Agreement"). For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Developer hereby agrees as follows:

1. OPA. The Redevelopment Agency of the City of Vallejo (the "Agency") and Developer, as the "Participant", entered into that certain Owner Participation Agreement, dated as of March 22, 2004, a First Amendment to Owner Participation Agreement, dated as of May 11, 2006, and a Second Amendment to Owner Participation Agreement, dated as of __________, 2007 (collectively, the "OPA"), which OPA was consented to by the City. The OPA provides for, among other things, the rehabilitation and reconstruction of certain improvements on certain real property more commonly known as the Empress Theatre (defined in the OPA as the "Site"), together with certain other adjacent property (defined in the OPA as the "Adjacent Property"), and the operation of the Site as a mixed-use performing arts center.

2. Option Property. As consideration for the Agency's agreement to perform its obligations under the OPA, Developer provided to City the option to purchase the Site and Developer's interest in the Adjacent Property (collectively, the "Option Property"), pursuant to the terms and conditions set forth in the Option Agreement. The Option Property consists of the following:

a. Developer's fee title to the Site. The Site consists of that certain real property generally shown on the Map of the Site (Exhibit A hereto), and more particularly described in the Description of the Site (Exhibit B hereto).

b. Developer's leasehold interest in the Adjacent Property, as identified in that certain Lease between Developer (as Lessee) and Robert G. Litwin and Amelito O. Gomez (individual and collectively, as Lessor), dated _____________, as described in that certain Memorandum of Lease recorded on ____________ as Document No. ________________. The Adjacent Property consists of that certain real property described in Exhibit C, attached hereto and incorporated herein by reference.

The term of the option commenced on the effective date of the Option Agreement, and was scheduled to terminate thirty (30) days after Developer notified City, in writing, that the Improvements on the Site, as provided for in the OPA, are eight percent (80%) complete (the "Termination Date").

3. Termination. In implementation of the Second Amendment to the OPA, and in light of the decision to utilize the Tax Credit Programs (as defined in and provided for in the Second Amendment to the OPA), the City and Developer each desire to terminate the Option Agreement. As such, the Option Agreement is hereby terminated as of the date of this Termination Agreement, and of no further force and effect. The City and Developer shall hereafter be fully and unconditionally released and discharged from their respective rights and obligations arising from or connected with the provisions of the Option Agreement. This Termination Agreement shall fully and finally settle all demands, charges, claims, accounts or causes of action of any nature, including without limitation both known and unknown claims and causes of action that arose out of or in connection with the Option Agreement, and it constitutes a mutual release by both parties with respect to the Option Agreement.

Each of the parties expressly waives the provisions of Civil Code Section 1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect to existing in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

4. Entire Agreement. This Termination Agreement, and the attached Exhibits A, B and C, set forth the entire agreement between the parties with respect to the termination of the Option Agreement. No subsequent amendment to this Termination Agreement shall be binding upon City or Developer unless in writing and signed by both parties.

5. Time of the Essence. Time is expressly agreed to be of the essence of this Termination Agreement.

IN WITNESS WHEREOF, the parties have respectively signed this Termination Agreement as of the date and year first above written.

CITY:

______________________, 2007 CITY OF VALLEJO

By ______________________________
City Manager

By ______________________________
Clerk

-AND-

1018155v1 05137/0058

DEVELOPER:

______________________, 2007

EMPRESS THEATRE ASSOCIATES, LLC,
a California limited liability company

By: TRIAD COMMUNITIES, L.P., a California limited partnership,
Its: sole member

By: TRIAD SKY VALLEY LLC, a Washington limited liability company,
Its: general partner

By: ___________________________
Its: Authorized Member

EXHIBIT A

MAP OF THE SITE

[ATTACHED.]

EXHIBIT B

DESCRIPTION OF THE SITE

Real property in the City of Vallejo, County of Solano, State of California, commonly known as 330 Virginia Street, Vallejo, California, and more particularly described as:

The North 54 feet of the east 4 feet of Lot 5 and all of Lot 6, except the south 76 feet of the west 1 foot of said Lot 6, all in Block 302 as the same are shown on the Official Map of the City of Vallejo, made by E.H. Rowe, C.E., and filed in the Office of the County Recorder of Solano County, California, on September 19, 1868 in Book 1 of Maps at Page 123.

EXHIBIT C

LEGAL DESCRIPTION OF THE ADJACENT PROPERTY

A portion of the real property commonly known as 324 Virginia Street, Vallejo, California and more particularly described as follows:

> A portion of Lots 5 and 6 in Block 302, as the same are shown on the Official Map of the City of Vallejo, made by E.H. Rowe, C.E., filed in the Recorder's Office of Solano County, California, September 19, 1868, in Book 1 of Maps, Page 123, described as follows:
>
> Commencing at a point on the North line of Virginia Street at the Southwest corner of Lot 5 in Block 302; running thence North along the west line of said Lot 5, 130 feet to the Northwest corner of said Lot 5, 46 feet to a point; thence Southerly at right angles 54 feet to a point; thence Easterly at right angles, 5 feet to a point 1 foot East of the West line of Lot 6; thence Southerly at right angles, parallel to and 1 foot Easterly of the West line of said Lot 6, 76 feet to the South line of Lot 6; thence Westerly 51 feet to the point of beginning.

Recorded at the Request of,
and Recorded, Return to:

City of Vallejo
555 Santa Clara Street
Vallejo, California 94590
Attn: City Clerk

MEMORANDUM OF
AGREEMENT TO TERMINATE OPTION AGREEMENT

This Memorandum of Agreement to Terminate Option Agreement ("Memorandum") is entered into as of _______________, 2007, by and between CITY OF VALLEJO (the "City") and EMPRESS THEATRE ASSOCIATES, LLC, a California limited liability company ("Developer"), with respect to that certain Option Agreement, dated as of _______, 200__, a memorandum of which was recorded in the Official Records of Solano County on ______________, 200__, as Document No. ________________ (the "Option Agreement").

The Redevelopment Agency of the City of Vallejo (the "Agency") and Developer, as the "Participant", entered into that certain Owner Participation Agreement, dated as of March 22, 2004, a First Amendment to Owner Participation Agreement, dated as of May 11, 2006, and a Second Amendment to Owner Participation Agreement, dated as of __________, 2007 (collectively, the "OPA"), which OPA was consented to by the City. The OPA provides for, among other things, the rehabilitation and reconstruction of certain improvements on certain real property more commonly known as the Empress Theatre (defined in the OPA as the "Site"), together with certain other adjacent property (defined in the OPA as the "Adjacent Property"), and the operation of the Site as a mixed-use performing arts center.

As consideration for the Agency's agreement to perform its obligations under the OPA, Developer provided to City the option to purchase the Site and Developer's interest in the Adjacent Property (collectively, the "Option Property"), pursuant to the terms and conditions set forth in the Option Agreement. The Option Property consists of the following:

a. Developer's fee title to the Site. The Site consists of that certain real property generally shown on the Map of the Site (Exhibit A hereto), and more particularly described in the Description of the Site (Exhibit B hereto).

b. Developer's leasehold interest in the Adjacent Property, as identified in that certain Lease between Developer (as Lessee) and Robert G. Litwin and Amelito O. Gomez (individually and collectively, as Lessor), dated _____________, as described in that certain Memorandum of Lease recorded on ____________ as Document No. ________________. The Adjacent Property consists of that certain real property described in Exhibit C, attached hereto and incorporated herein by reference.

In implementation of the Second Amendment to the OPA, the City and Developer each desire to terminate the Option Agreement, and have entered into the Agreement to Terminate Option Agreement.

This Memorandum shall incorporate herein all of the terms and provisions of the Agreement to Terminate Option Agreement as though fully set forth herein.

This Memorandum is solely for recording purposes and shall not be construed to alter, modify, amend or supplement the OPA or the Option Agreement.

Executed on the dates set forth below, at Vallejo, Solano County, California.

CITY:

______________________, 2007

CITY OF VALLEJO

By ______________________________
City Manager

By ______________________________
Clerk

DEVELOPER:

______________________, 2007

EMPRESS THEATRE ASSOCIATES, L.L.C.,
a California limited liability company

By: TRIAD COMMUNITIES, L.P., a California limited partnership,
Its: sole member

By: TRIAD SKY VALLEY LLC, a Washington limited liability company,
Its: general partner

By: ______________________
Its: Authorized Member

STATE OF CALIFORNIA)
COUNTY OF ____________________)

On ____________________________, before me, _____________________________________, personally appeared ____,_personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _______________________________________

* * * * *

STATE OF CALIFORNIA)
COUNTY OF ____________________)

On ____________________________, before me, _____________________________________, personally appeared ____,_personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _______________________________________

EXHIBIT A

MAP OF THE SITE

[ATTACHED.]

EXHIBIT B

DESCRIPTION OF THE SITE

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EXHIBIT C

LEGAL DESCRIPTION OF THE ADJACENT PROPERTY

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CITY OF VALLEJO

Agenda Item No. ADMIN B

COUNCIL COMMUNICATION

Date: June 12, 2007

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager / Community Development CW
Robert V. Stout, Finance Director RVS

SUBJECT: STUDY SESSION REGARDING FEE STUDY AND PROPOSED UPDATE TO BUILDING AND DEVELOPMENT PROCESSING FEES

BACKGROUND & DISCUSSION

On February 6, 2007, the City Council authorized the City Manager to engage Public Resource Management Group, LLC to review the fees the City charges for the review and approval of private development projects. This work is now complete.

Purpose of Staff Report and Study Session

The purpose of this staff report and study session is to:

a) Present the findings of the fee study,
b) Review the proposed staff recommendations regarding fee increases,
c) Update the City Council regarding customer service enhancements underway, and.
d) Receive input from the City Council and community regarding the proposed fee increases.

Staff is scheduled to return to the City Council with proposed formal action regarding the update of its fees on June 26, 2007.

The fee increases will recover both city-wide General Fund costs (indirect) and costs of staff working on permits and inspections (direct costs). Thus, these fee increases were used to develop revenue projections for the FY07/08 budget. In March, staff previewed the methodology with the development community and the Chamber of Commerce Economic Development Committee. In May, staff returned to these groups with the 100% cost recover fees. Feedback from these outreach efforts has been taken into consideration as staff presents these recommended fees.

This report reflects a new policy staff is recommending of ensuring that our fees for building and development processing fees cover all the costs associated with the time and effort required to perform the reviews, inspections and other work required to process the various applications. The full cost recovery policy for fees is designed to ensure that applicants requesting specific services pay the entire cost of those services.

METHODOLOGY & ANALYSIS

The attached draft report (see Attachment A) from Public Resource Management Group, LLC describes the mechanics of calculating 100% of the City's costs to provide these various development-related fee services. State law allows the City to recover up to 100% of the "reasonable costs." The consultants worked with City staff to identify these costs and thereby present Council with maximum fees that could be charged. Developing these fees was a two-step process of allocating administrative or overhead costs to the user departments (including Development Services). Secondly, these allocated overhead costs were added to the hourly employee costs, which included benefits, to determine what the fee should be for any specific requirement. As will be discussed in detail later in this report, this has resulted in significant increases in many fees.

In addition, as part of a thorough review of these development-related fee structure, we are suggesting eliminating some and adding several new fees. Also, later on in this memo is a discussion of the several instances where staff recommends the City Council consider subsidizing the fees and not set them at 100% recovery.

The PRM report includes a comparison of some of these 100% recovery fees with similar cities to show how the fees vary. This is a market-basket comparison only: it does not evaluate the services to ensure that they are of a similar quality, staffing levels, or efficiencies.

The results of the consultant's analysis are summarized in Exhibit III in the attached report. They show that the current fees, in an average permit volume year, would yield increased General Fund revenues each year. It's important to note that these new fees were used for projecting revenues for the proposed Fiscal Year 2007-2008 Budget. However, please note that the revenues forecast in the proposed FY07/08 Budget are for lower volumes of permits, due to the slow housing economy.

A line by line comparison of all individual fees and proposed full cost recovery fees are in charts in the Building, Planning and Engineering sections of the draft report (Attachment A). A discussion of the results of each work unit fee analysis follows.

BUILDING PERMIT FEES

The proposed Building Permit fees are based on the value of the improvements, while the existing fees are based on the square footage of the improvements. The switch is recommended because it's more widely used and it's a faster and easier way to calculate fees, while it still allows demonstration of a clear nexus between the City's costs and the amount of the fees.

To identify the appropriate fees, hourly estimates were made for six types of improvements, in six price categories. Once the total costs of plan check and inspection services were estimated, they were compared to the value of the improvements and per cent ratios were determined. The costs of the improvements are determined by referring to a universal reference chart updated periodically by a nationwide industry group. The fees are further broken out to reflect the inspection costs for electrical, mechanical and plumbing work within the structure. The result is easy to communicate and easy for applicants to use to calculate the total cost of the fees for each project, despite the vast number of types of building improvements that need to be covered by the Building Fee Schedule.

The Building Division does not have a structural engineer on staff. In December 2006, the City began contracting with Contra Costa County's Building Division for plan check services on a case-by-case basis, when more structural evaluation was needed. The hourly estimates for the proposed Building Fees include significant hours for work by a contract service for building plan check, including structural engineering. If the fees are approved, staff will evaluate in early FY07/08, the opportunity to replace the Contra Costa County contract with a new City position (Building Plan Check Engineer).

PLANNING

The current fee schedule includes 87 fees, 17 of which are specific to Mare Island. The current fees are all flat fees, however, staff is recommending that 10 fees be changed to a time and materials basis. This is only for the larger, infrequent tasks, such as an Annexation, Specific Plan Amendment, or Development Agreement, which often have varying degrees of work level. In these instances, staff recommends the applicant submit a deposit and then staff hours are tracked and costs (direct and indirect) are deducted from the deposit. No new fees are recommended in Planning. The proposed fees also reflect continuing to charge full fees for accelerated review, in the cases in which developers fund a contract planner, because of the significant amount of management coordination necessary to guide projects through the City's administrative review processes (e.g., Planning Commission). The majority of the Planning fees are recommended to be increased. In some instances, fees for larger planning entitlements (General Plan Amendments, Planned Development, plus Rezoning, Prezoning and Text Amendments) deemed to be too big for smaller acreage projects, so new fee subcategories were added to cover situations where the project is only 5 acres or less.

ENGINEERING

The current fee schedule includes 51 types of fees collected by Engineering, currently, they are all flat fees. Staff is recommending consolidating several of the fee size categories, and adding a new technology fee, plus a new fee for maintenance of survey benchmarks citywide, resulting in a net of 40 fees. It should be noted that after the information materials were distributed for the public outreach meetings in May, the Engineering fees were recalculated to better reflect some of the hourly estimates for specific fee services and to better distribute Department and Division overhead costs. This resulted in a reduction in recommended fees for Public Improvement Plan Checking.

CONTRACT ASSISTANCE RE: PROCESSING

Due to the standardized nature of the work in Engineering, there has been no need to develop an alternate series of fees for fee-related work on Mare Island. Staff recommends that Engineering continues to provide a 50% reduction in fees when the applicant chooses to request and pay for accelerated review by consultants. If the fee schedule is approved and staff identifies the opportunity to add staff based on new fee revenue, the need for consultant assistance would be lessened. Planning's full recovery of fees when consultants are employed to expedite permits, City costs collaborating with the consultant (e.g. development of Downtown Specific Plan). Engineering Division work is more technical and requires less management oversight, hence the reduced fee.

CODE ENFORCEMENT

The current fee schedule lists 3 fees collected by the Code Enforcement Division, however, since that fee schedule was approved, additional fee programs have been adopted. Consequently, the list of fees administered by this work unit has expanded to nine. Across the board subsidies of 50% are recommended for these fees and this is discussed in a subsequent part of this staff report.

RECOMMENDED FEE ADJUSTMENTS

This effort included analysis of more than 200 development-related fees. The majority of the fees are recommended to increase significantly. Fees have not been updated since February 5, 2002, except for annual CPI adjustments. The proposed increases are due to a combination of factors: citywide overhead costs, staff costs, reorganizations, and better estimates of the actual time required to process permits. The estimates of staff time required for each type of permit were itemized in greater detail than the previous update in 2001/2002. Less than a dozen fees were eliminated. Two 2 new fees are recommended: a sidewalk survey benchmark maintenance fee and a new technology acquisition fee.

NEW TECHNOLOGY FEATURES

In response to the feedback from the outreach meetings, staff and the consultant worked together to identify equipment and technology needs for the next 3-5 years and those costs were equated with a new fee (technology surcharge) for all Building and Engineering fees. By adding this surcharge, the City will be able to provide radios & laptop computers to inspectors, resume maintenance of the Geographic Information System (GIS), and create a credit card payment kiosk on the 2nd floor of City Hall. These new fees will also fund software improvements for project tracking and add new software to allow customers to estimate the cumulative cost of fees interactively on the City's website. Records management and archiving will also be improved, plus survey benchmarks located throughout the City will finally be maintained.

OUTREACH

In March, staff and the consultant met with members of the development community to present the study methodology and discuss improvements underway for streamlining permit processes. On March 14, the topic was discussed with the Chamber of Commerce's Economic Development Subcommittee, and on March 22, with a group of approximately 40 of the City's "frequent customers." Consensus of these meetings was that the City's current fees are low and that the community would also support a surcharge for technology improvements to support staff in the permitting process.

In May, staff and the consultant returned to meet with these groups to review the proposed new fees, including a new technology surcharge. The May meeting with the Chamber Subcommittee was on the 9th and the "frequent customers' group reconvened on the 23rd.

Attendance at Outreach Meetings

- March 14 Chamber of Commerce Economic Develop Subcommittee (24 in attendance)
- March 22 "Frequent Customers" (20 guests)
- May 9 Chamber of Commerce Economic Develop Subcommittee (24 in attendance)
- May 23 "Frequent Customers" (5 guests)

RECOMMENDED GENERAL FUND SUBSIDIES

At this time, staff is recommending less than 100% cost recovery via the fee (i.e., General Fund subsidies) in only a few instances (see Attachment E). In Building and Engineering, no subsidies are proposed. In Planning there are two types of appeals and staff recommends that these both be subsidized. In addition, there are five types of larger planning permit activities that staff recommends have reduced fees for smaller size projects (5 acres or less), thus staff is recommending a 50% subsidy for these fees. In Code Enforcement, staff recommends an across-the-board subsidy of 50% and our consultant has indicated that this is a fairly typical level of subsidy in other cities across the state.

CUSTOMER SERVICE: IMPROVEMENTS TO THE CITY'S PERMIT PROCESSING

In addition to the new technology investment discussed above, considerable attention has also been directed to the level of service provided to customers. Several new changes were discussed with Council on February 13, 2007, such as the creation of the Development Team and the commitment to identify realistic City review times. Criteria were established for determining which priority projects are monitored by the Development Team.

Website Improvements

Work continues to improve the City's website: A new one click portal from the City's main website to access building, planning and public works permit information will be implemented by the end of June. This portal will include contact telephone and e-mail information, permit guidance (more than 100 handouts from Building, Planning and Engineering - see Attachment B for samples), answers to frequently asked questions and time frames for permit review.

Provide Reliable City Review Time Frames

Efforts to provide customers with reliable expectations about City review time frames are nearly complete. Performance Standards for Building, Planning and Engineering reviews have been identified and will be posted on the website shortly. They are scheduled to go into effect no later than August 1. Between now and then, a contract planner and permit technician have been hired to eliminate the backlog of pending permits. To date, the Planning backlog has been reduced 38% in the past 3 months (from 188 projects down to 117) and is projected to be zero by August 1. In Building, the backlog has been reduced as well: waiting time for plan check last winter was 12-14 weeks, but now, using Contra Costa County as a contract plan reviewer service, the turnaround time for Building plan check has been reduced to 3-4 weeks. (See Attachment C for the draft work unit information on Performance Standards to be posted on the website in June.)

Provide "Single Point of Entry" for Review by VSFCD & All City Work Units

Since that February Council briefing, staff has also focused on providing "single point of entry" service to customers needing Building Permits. As of June 4th, customers will no longer have to go to Vallejo Sanitation and Flood Control District (VSFCD), Fire Prevention and Fleming Hill Water Division offices to submit materials for plan check. Instead, all materials for review can be submitted only to the Building Division and city staff will be responsible for coordinated review by all the affected offices.

Identify all information needed for "Complete" Permit Submittals by Customers

Another improvement for Building Permit customers will be definitions and specifications of all the information that needs to be provided for review. Checklists will be provided along with the list of definitions so that customers will be better able to provide a complete set of materials for review at the outset. To keep projects moving quickly through the permit process, it's important to help the customer assemble a complete submittal package as soon as possible. This will be combined with the new approach discussed above regarding providing reliable City review time frames. Step one for the City will now focus on verifying that submittals are complete and if not, promptly informing the customer on additional information needs. These are scheduled to be available in mid-June. (See Attachment D for a draft sample of a new building permit completeness checklist)

Expanded Efforts for Building Code Enforcement

The Building Division currently has a vacant inspection position that will be filled in the next few months. This position will spend a considerable amount of time on Building Code Enforcement activities. These activities will include identifying un-permitted construction, identifying the responsible parties, collecting fees and fines, and assisting the customer in securing permit approvals to complete the work according to all applicable building codes.

FISCAL IMPACT

The proposed FY07/08 budget includes Development Services Division revenue forecasts that include these fee adjustments (that increase, projected as a result of the new fees, is approximately $300,000). It is important to note that the User Fee study analysis focuses on a typical or average year, while FY07/08 development-related activity is projected to be sub-normal. Should Council choose to make adjustments to the recommended fees, then it would be necessary to revisit the budget assumptions and make appropriate amendments to the budget.

Overall, the new fees in an average year are expected to bring in additional revenue to the General Fund. However, FY07/08 is not expected to be an average year because these are development-related fees and the housing industry is not anticipated to bounce back to a robust level in the next year.

RECOMMENDATION

Information only at this meeting. Feedback is requested by staff at this time, so that the Council's direction and concerns may be added into the analysis. Staff intends to request Council consider adoption of new development-related fees later this month, so that new fees can go into effect as soon as possible.

ALTERNATIVES CONSIDERED

It is also important to note that the law allows the City to recover 100% of the costs, however, Council has the option to set fees at these maximum amounts, or to set them lower and in effect subsidize the costs from the General Fund. In this fiscal climate, staff has recommended only a few select fees be set at less than the 100% recovery level, as discussed previously in this memo.

Staff also explored the option of converting many flat fees to fees that would be assessed based on actual time and materials required for each permit instance. Many local governments use this system for the majority of their fees. Typically they require a deposit from the applicant and then as time is expended by staff, the deposit is periodically drawn down. If funds remain after the permit is issued, a refund is issued. This type of a global method requires that all affected work units have a timesheet tracking system that can be used to calculate the actual time and materials costs incurred for each application. It also requires considerably more administration than the recommended mix of fees. The accuracy of the fees is offset by the inefficiencies in collecting deposits, tracking costs and drawing them down from the account and then issuing refunds, if appropriate.

ENVIRONMENTAL REVIEW

As the City Council is taking no action this evening, no environmental review under the California Environmental Quality Act (CEQA) is required. The environmental review under CEQA will be made when the City Council adopts the resolution approving the new fees.

PROPOSED ACTION

Information only at this time.

NEXT STEPS

After receiving City Council input, staff would return to Council later this month with resolution to adopt new development-related fees (currently scheduled for June 26).

In February, staff also noted that it might be prudent to create a Special Revenue Fund to isolate the costs and fees. In light of the current General Fund situation, staff does not recommend this change at this time. However, this issue will be important to revisit by the midyear FY2007/08 budget review because it is expected to provide stable staffing levels and ensure fees are carried over to pay for staff to support multi-year work, especially on larger projects.

DOCUMENTS ATTACHED

Attachment A - Report from PRM
Attachment B - Samples of new website information.
Attachment C - Draft Work Unit Performance Guidelines
Attachment D - Draft Building Permit Completeness Checklist (sample)
Attachment E - Proposed fees to be subsidized by the General Fund

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Attach. A

PRM

PUBLIC RESOURCE MANAGEMENT GROUP

COST ANALYSIS STUDY FINDINGS

CITY OF VALLEJO

MAY, 2007

Working Draft

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Providing Professional Services to Government

TABLE OF CONTENTS

I. Executive Summary

Introduction

Public Resource Management Group (PRM) is pleased to present the City of Vallejo with this summary of findings for the cost of service study for general fund fee-related activities.

The city last underwent a detailed cost of service study for all departments in the mid 2002s. Since that time the city has made some minor adjustments to the original calculations, but has largely maintained the fee structure that was developed as a result of the previous city-wide comprehensive study. The city is interested in more accurately understanding and reporting the true cost of providing various fee-related services, and exploring the possibilities of modifying current fees to better recover the fully burdened cost of providing services. In January 2007, the city contracted with PRM to perform this cost analysis using the proposed 2007/2008 fiscal year budget and staffing information.

This report is the culmination of the past five months of work between PRM and city management and staff. PRM would like to take this opportunity to acknowledge all city management and staff who participated on this project for their efforts and coordination. Their responsiveness and continued interest in the outcome of this study contributed greatly to the success of this study.

Study Scope and Objectives

This study included a review of fee-for-service activities within the following departments:

- Planning
- Building
- Engineering
- Code Enforcement

The study was performed under the general direction of City Manager's office with the participation of the above-mentioned departments. The primary goals of the study were to:

Define and understand what it costs the city to provide various fee-related services.

Determine whether there are any opportunities to implement new fees.

Identify service areas where the city might adjust fees based on the full cost of services and other economic or policy considerations.

Provide a comparison of what other jurisdictions are charging for specific similar services.

The information summarized in this report addresses each of these issues and provides the City of Vallejo with the tools necessary to make informed decisions about possible fee adjustments and the resulting impact on general fund revenues.

METHODOLOGY

A cost of service study analyzes two components of costs: the direct costs associated with providing each fee-for-service activity, and the indirect costs that support these activities. A brief discussion of each of these components follows.

Direct Costs. The direct costs associated with fee-for-service activities were analyzed in great detail in this study. PRM worked closely with staff and management within each of the four departments to develop the analysis that is summarized in the following sections of this report. Fiscal year 2007/2008 proposed budget estimates were used to identify direct costs.

The first step in the process was to identify staff time spent directly on each of the user fee activities. Each staff person that participates in the user fee services identified time spent to complete each task associated with all user fee services. Annual volume statistics were also gathered in order to develop total annual workload information. Salary and benefit dollars were assigned to the time estimates to come up with the direct staff costs.

Indirect Costs. A proportionate share of other operating expenses and internal department administrative costs were layered onto the direct costs as a departmental overhead. Citywide overhead costs coming from the cost allocation plan (described below) were also added in as indirect overhead. Finally, crossover direct costs were added in as necessary (e.g. some Engineering staff costs were added to Planning staff costs to assist with various applications.). **These four components of costs: 1) direct salary and benefits, 2) departmental overhead, 3) citywide overhead, and 4) crossover direct costs total up to the full cost of providing each service**. The cost of each activity is then compared to the fee currently charged, and an under- or over-recovery of costs is identified.

STUDY FINDINGS

While the purpose of this study is to identify the cost of fee-related activities, one of the outcomes of the analysis is a complete picture of the full cost of all services provided. It's necessary to identify *all* costs, whether fee-related or not, so that there is a fair distribution of all citywide and departmental overhead costs (discussed in the following section of this report) across all activities, ensuring a clear relationship between the cost of the service and the fee that is charged. No service should be burdened with costs that cannot be directly or indirectly associated with that service.

Therefore the first task in this study is to separate the fee-for-service activities from the non-fee activities. Some non-fee related activities are appropriately funded by general fund monies (or other special revenue sources), such as Capital Improvement Project work performed by the Engineering division. The costs of these other services are identified and set aside from the user fee services.

Exhibit I below displays the split of the total costs of each department or program into either user fee-related or other service costs. It may be seen that of the $8 million in total costs analyzed, $5.5 million (or 70%) of that total is related to user fee services. It is this $5.5 million that is the focus of this study and this represents the total potential of user fee-related revenues for the City of Vallejo.

Exhibit I

City of Vallejo
Total Costs by User Fee Area
2007/2008

Department	*Total Costs*	*Costs, User Fee Services*		*Costs, Non-Fee Services*[1]	
Planning	$1,511,246	$1,351,925	89%	$159,321	11%
Building	$1,614,761	$1,614,761	100%	$0	0%
Engineering	$3,964,198	$1,813,629	46%	$2,150,569	54%
Code Enforcement	$915,066	$792,236	87%	$122,830	13%
Grand Total:	**$8,005,271**	**$5,572,551**	**70%**	**$2,432,720**	**30%**

1 Non-fee services are calculated by identifying staff hours and budgeted expenses not directly or indirectly related to a fee-for-service activity.

The next step in the process is to identify the source of funds for the user fee services. Exhibit II below breaks down the $5.5 million in user fee services between costs that are recovered through current user fee charges and costs that are subsidized by the general fund. Overall, the city is experiencing a 62% cost recovery level for its fee-related services. For each department, cost recovery levels range from 22 for Code Enforcement to 80% for Building. At the individual program or service level, individual fee recoveries range from 0% to a slight over-recovery of costs for selected fees. The information about individual fees may be found in subsequent sections of this report.

Exhibit II

City of Vallejo
Source of Funds
- User Fee Activities -
2007/2008

Department	Costs, User Fee Services	Current Fees		Not Funded by User Fees	
Planning	$1,351,925	$790,301	58%	$561,624	42%
Building	$1,614,761	$1,291,809	80%	$322,952	20%
Engineering	$1,813,629	$1,225,191	68%	$588,438	32%
Code Enforcement	$792,236	$173,765	22%	$618,471	78%
Grand Total:	**$5,572,551**	**$3,481,066**	**62%**	**$2,091,485**	**38%**

Exhibit II indicates that the general fund is subsidizing fee activities by just under $2.1 million. This $2.1 million represents a "window of opportunity" for the city to reduce costs and/or increase fees and general fund revenues, with a corresponding decrease in the subsidization of services. While it is not likely (nor would PRM recommend) that the city completely recover all costs for fees, it is possible for the city to implement moderate increases to current fees and implement new fees for some services. The study's primary objective is to provide the city's decision-makers with basic data needed for setting fees.

Exhibit III

City of Vallejo
User Fee Revenue Analysis
2007/08

			Revenues @			
Department	Costs, User Fee Services	Not Funded By User Fees	Current Fees	Cost Recovery Policy		Increased (Decreased) Revenue
Planning	$1,351,925	$561,624	$790,301	$1,300,579	96%	$510,278
Building	$1,614,761	$322,952	$1,291,809	$1,614,761	100%	$322,952
Engineering	$1,813,629	$588,438	$1,225,191	$1,813,779	100%	$588,588
Code Enforcement	$792,236	$618,471	$173,765	$395,780	50%	$222,015
Grand Total:	**$5,572,551**	**$2,091,485**	**$3,481,066**	**$5,124,899**	**92%**	**$1,643,833**

Exhibit III above summarizes the report's financial analysis of the city's user fee program.

Cost Allocation Plan. Many of the costs that support *all* city programs and services are budgeted in centralized activities such as 1) City Finance, which provides payroll, budgeting, and accounting support, 2) Building Maintenance, which provides building maintenance and custodial services, and 3) Human Resources, which provides human resource services. The costs of these activities and other centralized services are considered indirect overhead that support fee-for-service activities as well as other programs and functions within the city.

As part of this study, PRM developed an indirect cost allocation plan that identifies and distributes these indirect costs to all operating programs and functions within the city's organizational structure. The cost allocation plan takes a detailed approach to analyzing indirect costs. PRM interviewed staff and analyzed data within each central service activity to determine:

What indirect support functions are provided (e.g. payroll, legal services, civic center maintenance, etc),

How to allocate centrally budgeted personnel and other operating expenses into these functions,

Which departments receive benefit from these services (e.g. payroll services benefit all departments that have budgeted staff, benefits all departments), and

What is the best method of allocating these costs to the users (e.g. payroll services are allocated based on the number of full time employee equivalents (FTE's) per department).

The end result of this analysis is the allocation of all indirect costs to all operating departments and programs. The indirect costs are then added to the direct costs to determine the full cost of *all* city operations – whether fee-related or not. **This accounting exercise is important in that it can result in an increase in general fund revenues for reimbursement of support to enterprise and internal service funds, state or federally funded programs, and user fee services.**

ECONOMIC & POLICY CONSIDERATIONS

Calculating the true cost of providing city services is a critical step in the process of establishing user fees and corresponding cost recovery levels. But although it is the most important factor, others must also be given consideration. City decision-makers must also consider the effects that establishing fees for services will have on the individuals purchasing those services as well as the community as a whole. The following economic and policy issues help illustrate these considerations.

- It may be a desired policy to establish fees at a level that permits lower income groups to participate in services that they might not otherwise be able to afford.
- A consideration of community-wide benefit versus specific benefit should be considered for certain services.
- In conjunction with the second point above, the issue of who is the service *recipient* versus the service *driver* should also be considered. For example, code enforcement

activities benefit the community as a whole, but the service is driven by the individual or business owner that violates city code.

- Elasticity of demand is a factor in pricing certain city services; increasing the price of some services results in a reduction of demand for those services, and vice versa.

- Pricing services can encourage or discourage certain behaviors. Some examples of this would be to establish a low fee for a water heater permit to encourage homeowners to ensure their water heater is properly installed.

- It is estimated that adoption of the recommended cost recovery policy would increase the specified fee revenue by $1,643,833 in a typical year (a 47% increase over the current revenue total). This would bring the overall cost recovery level up to 92%.

II. PLANNING

The Planning Division provides services related to land use within the city limits. These services include: processing of all zoning and land use applications, preparation of special studies associated with long-range land use objectives, working with the development community to facilitate the review of new projects along with supporting the City Council, Planning Commission and Architectural Heritage and Landmarks Commission. The total cost of all planning services, including non-fee services, is $1,511,246. The total cost of fee related activity is $1,351,925.

The following is a review of findings and highlights:

- Fee-for-service costs (excluding all non-fee services) total $1,351,925 and are offset by current revenues of $790,301. This translates into an overall user fee cost recovery rate of 58.46%. PRM has performed many user fee analyses for planning fees and finds this to be on the low to mid range of cost recovery levels.
- Cost recovery levels for individual fees range from 4% to 198%.
- Some agencies choose to phase in fee increases over a fixed period of years with the eventual objective of 100% cost recovery.
- Three fees are proposed to be recovered on an hourly rate basis: 1) Annexations, 2) Development Agreements and 3) Specific Plans.
- Three fees were found to be obsolete and are recommended for deletion: 1) Certificate of Appropriateness- Variances, 2) Environmental Assessment and 3) Christmas Tree Recycling.
- The Engineering division reviews many Planning applications. Engineering review comprised $199,483 of total Planning fee related costs.
- The cost of services such as public counter assistance, meeting and training time are included as overhead to all service areas.

The summary charts on the following pages show the results of this division's cost analysis. Page 8 provides information on a "Per Unit" basis. Page 12 provides total annual information by multiplying the per-unit fees and costs by the volume of activity in order to project out total annual costs and revenues

USER FEE STUDY SUMMARY SHEET

- PER UNIT INFORMATION -

City of Vallejo
Planning
2007-2008

Working Draft

	#	Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level	Recommendations: Fee @ Policy Level	Recommendations: Subsidy @ Policy Level
	1	Administrative Permit	Fee	40	$220	46%	$473	$253	100%	$470	$0
	2	Annexations (propose hourly)	Fee	1	n/a	n/a	n/a	n/a	100%	hourly rates	n/a
	3	Certificate of Appropriateness > 100 sq ft & others to AHLC	Fee	18	$331	20%	$1,683	$1,352	100%	$1,680	$0
	4	Certificate of Appropriateness - Demolitions	Fee	1	$1,814	76%	$2,388	$574	100%	$2,390	$0
	6	Certificate of Appropriateness - All Others, staff level	Fee	30	$168	38%	$446	$278	100%	$450	$0
	7	Certificate of Compliance	Fee	6	$524	39%	$1,347	$822	100%	$1,350	$0
	8	Certificate of Conformity	Fee	3	$837	57%	$1,473	$636	100%	$1,470	$0
	9	Development Agreement (propose hourly)	Fee	1	n/a	n/a	$0	n/a	100%	hourly rates	n/a
	10	Development Agreement - Amendment (propose hourly)	Fee	1	n/a	n/a	$0	n/a	100%	hourly rates	n/a
	11	Development Agreement - Review (propose hourly)	Fee	1	n/a	n/a	$0	n/a	100%	hourly rates	n/a
	12	Environmental Impact Report (avg $200k)	Fee	1	contract plus 20%	59%	$67,739	$27,739	100%	contract + 34%	$0
a	14	General Plan Amendment	Fee	2	$4,893	45%	$10,954	$6,061	100%	$10,950	$0
	15	Lot Line Adjustment	Fee	19	$925	53%	$1,747	$822	100%	$1,750	$0
	16	Minor Exception	Fee	30	$365	28%	$1,302	$937	100%	$1,300	$0
	17	Minor Use permit (General)	Fee	8	$853	61%	$1,400	$547	100%	$1,400	$0
	18	Minor Use Permit - Day Care	Fee	1	$611	43%	$1,425	$814	100%	$1,420	$0
	19	Second Unit Review	Fee	12	$387	44%	$887	$501	100%	$890	$0
b	20	Mitigated Negative Declaration	Fee	2	$998 plus NOD	15%	$6,627	$5,629	100%	$6,630	$0
b	21	Negative Declaration	Fee	1	$664 plus NOD	14%	$4,883	$4,219	100%	$4,880	$0
	22	Parcel Map	Fee	11	$2,445	104%	$2,345	-$100	100%	$2,340	$0
	23	Parcel Map Extension	Fee	1	$476	55%	$863	$386	100%	$860	$0
	24	Parcel Map Amendment (25%)	Fee	1	$816	62%	$1,316	$500	100%	$1,320	$0
a	25	Planned Development, 5+ Acres - Master Plan	Fee	1	$10,088	36%	$28,121	$18,034	100%	$28,120	$0
a	26	Planned Development, 5+ Acres - Master/Unit Plans	Fee	1	$14,858	43%	$34,510	$19,652	100%	$34,510	$0

USER FEE STUDY SUMMARY SHEET

- PER UNIT INFORMATION -

City of Vallejo
Planning
2007-2008

Working Draft

		Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level	Recommendations: Fee @ Policy Level	Recommendations: Subsidy @ Policy Level
a	27	Planned Development, 5+ Acres - Unit plan (Council)	Fee	1	$6,480	27%	$23,833	$17,353	100%	$23,830	$0
	28	Planned Development - Unit plan (Commission)	Fee	2	$6,480	76%	$8,491	$2,011	100%	$8,490	$0
	29	Planned Development - Unit plan (Single Family Dwelling)	Fee	2	$2,445	57%	$4,298	$1,853	100%	$4,300	$0
	30	Planned Development - Unit plan (Model Home Site, temp)	Fee	1	$220	11%	$2,007	$1,787	100%	$2,010	$0
	31	Planned Development - Unit plan (Amend/25%)	Fee	1	25% of orig fee	n/a	n/a	n/a	n/a	$0	n/a
	32	Planned Development - Unit plan (Staff)	Fee	18	$3,667	91%	$4,022	$355	100%	$4,020	$0
	33	Public Convenience or Necessity	Fee	1	$1,989	67%	$2,968	$978	100%	$2,970	$0
	34	Public Notice Lists (100 & 200 feet)	Fee	260	$86	45%	$190	$104	100%	$190	$0
	35	Public Notice Lists (500 feet)	Fee	75	$138	26%	$534	$396	100%	$530	$0
a	36	Rezoning. Prezoning, Text Amendment	Fee	9	$3,667	35%	$10,369	$6,703	100%	$10,370	$0
	37	Sign Permits - Painted, Face Changes	Fee	10	$153	86%	$179	$26	100%	$180	$0
	38	Sign Permits - All Others	Fee	82	$220	79%	$277	$57	100%	$280	$0
	39	Site Development - Existing Single Family Dwelling	Fee	10	$731	26%	$2,858	$2,127	100%	$2,860	$0
	40	Site Development - Existing Single Family Dwelling (View Dist)	Fee	3	$2,261	55%	$4,091	$1,829	100%	$4,090	$0
	41	Site Development - Other Existing Use	Fee	10	$1,668	51%	$3,258	$1,590	100%	$3,260	$0
	42	Site Development - New Single Family Dwelling	Fee	22	$1,464	47%	$3,086	$1,622	100%	$3,090	$0
	43	Site Development - New Single Family Dwelling (View Dist)	Fee	1	$2,932	62%	$4,708	$1,776	100%	$4,710	$0
	44	Site Development - Model Home	Fee	1	$1,900	88%	$2,164	$264	100%	$2,160	$0
	45	Site Development - Multi Family	Fee	2	$2,811	58%	$4,816	$2,005	100%	$4,820	$0
	46	Site Development - Other New Uses 1-5,000 square feet	Fee	10	$3,240	76%	$4,268	$1,028	100%	$4,270	$0
	47	Site Development - Other New Uses > 5,000 square feet	Fee	20	$4,927	103%	$4,787	-$140	100%	$4,790	$0
	48	Site Development - Time Extension	Fee	1	$365	56%	$649	$284	100%	$650	$0
	49	Special Request - Hourly Rates	T&M	5	n/a	n/a	$0	n/a	100%	hourly rates	n/a
	50	Specific Plan New (propose hourly)	Fee	1	n/a	n/a	$0	n/a	100%	hourly rates	n/a

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USER FEE STUDY SUMMARY SHEET

- PER UNIT INFORMATION -

City of Vallejo
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2007-2008

Working Draft

Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Recommendations		
							Cost Recovery Policy Level	Fee @ Policy Level	Subsidy @ Policy Level
51 Specific Plan Amendment (propose hourly)	Fee	1	n/a	n/a	$0	n/a	100%	hourly rates	n/a
52 Tentative Map 5-20 lots	Fee	7	$3,961	69%	$5,730	$1,769	100%	$5,730	$0
53 Tentative Map 21-50 lots	Fee	1	$10,075	110%	$9,159	-$916	100%	$9,160	$0
54 Tentative Map >51 lots	Fee	1	$13,573	123%	$11,008	-$2,565	100%	$11,010	$0
55 Tentative Map Extension	Fee	1	$1,121	26%	$4,381	$3,260	100%	$4,380	$0
56 Tentative Map Amendment	Fee	1	25% of orig fee	n/a	n/a	n/a	n/a	33.00%	n/a
57 Unit Investigations	Fee	9	$331	27%	$1,244	$913	100%	$1,240	$0
58 Use Permit - Existing Structures	Fee	18	$1,833	69%	$2,656	$823	100%	$2,660	$0
59 Use Permit - Off-Site Signs	Fee	1	$1,833	69%	$2,656	$823	100%	$2,660	$0
60 Use Permit - New Structures	Fee	7	$3,667	75%	$4,858	$1,191	100%	$4,860	$0
61 Use Permit - Amendment	Fee	1	25% of orig fee	n/a	n/a	n/a	n/a	33.00%	n/a
62 Variance	Fee	2	$2,445	45%	$5,458	$3,013	100%	$5,460	$0
63 Appeal to Commission plus noticing fee	Fee	5	$220	5%	$4,746	$4,526	9%	$440	$4,310
64 Appeal to Council plus noticing fee	Fee	6	$220	4%	$5,431	$5,211	8%	$440	$4,990
65 Zoning Verification Letter	Fee	75	$40	21%	$188	$148	100%	$190	$0
67 Christmas Tree Lot Admin. Permit Renewal	Fee	1	25% of admin permit	n/a	$253	n/a	100%	$250	$0
68 Mare - Tentative Map Amendment	Fee	1	25% of orig fee	n/a	n/a	n/a	n/a	33.00%	n/a
69 Mare - Parcel Map Extension	Fee	1	25% of orig fee	n/a	n/a	n/a	n/a	33.00%	n/a
70 Mare - Administrative Permit	Fee	5	$567	92%	$613	$46	100%	$610	$0
71 Mare - Cert. of Appropriateness - Demo	Fee	2	$2,683	48%	$5,618	$2,935	100%	$5,620	$0
72 Mare - Cert. of Appropriateness - All Other	Fee	13	$340	46%	$731	$392	100%	$730	$0
73 Mare - Development Agreement (rec hrly)	Fee	1	n/a	n/a	$0	n/a	100%	hourly rates	n/a
74 Mare - Development Agreement - Amendment (rec hr)	Fee	1	n/a	n/a	$0	n/a	100%	hourly rates	n/a
75 Mare - Development Agreement - Annual Review (rec hr)	Fee	1	n/a	n/a	$0	n/a	100%	hourly rates	n/a

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USER FEE STUDY SUMMARY SHEET

- PER UNIT INFORMATION -

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Working Draft

		Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level	Recommendations: Fee @ Policy Level	Recommendations: Subsidy @ Policy Level
	76	Mare - Parcel Map	Fee	5	$7,078	198%	$3,571	-$3,508	100%	$3,570	$0
	77	Mare - Parcel Map Amendment	Fee	1	25% of orig fee	n/a	n/a	n/a	n/a	33.00%	n/a
	78	Mare - Planned Development- Unit Plan 1-5 res.	Fee	1	$3,654	48%	$7,598	$3,944	100%	$7,600	$0
	79	Mare - Planned Development- Unit Plan 5-20 res.	Fee	1	$9,221	75%	$12,366	$3,146	100%	$12,370	$0
	80	Mare - Planned Development- Unit Plan >20 res.	Fee	1	$13,244	83%	$15,924	$2,680	100%	$15,920	$0
	81	Mare - Tentative Map (5-20 lots)	Fee	1	$13,244	148%	$8,968	-$4,276	100%	$8,970	$0
	82	Mare - Tentative Map (> 20 lots)	Fee	1	$13,244	113%	$11,713	-$1,531	100%	$11,710	$0
	83	Mare - Use Permit	Fee	2	$3,667	81%	$4,513	$847	100%	$4,510	$0
	84	Mare - Specific Plan Amendment	Fee	1	n/a	n/a	n/a	n/a	100%	hourly rates	n/a
c	85	General Plan Update Fee	Surcharge	1	7% of app fee	n/a	n/a	n/a	100%	7% of app fee	n/a
c	86	Permit Coordinator Fee	Surcharge	1	3% of app fee	n/a	n/a	n/a	100%	3% of app fee	n/a
	87	Sign Master Plan/Program	New Fee	1	$0	0%	$547	$547	100%	$550	$0
	88	Non Fee Activity	Non Fee	1	$0	0%	$159,321	$159,321			

a *Developments with five or less acres will pay a fee equal to 50% of the Fee at Policy Level.*

b *Additional fees required by Solano County Recorder's office for filing the notice of determination.*

c *These fees were approved by City Council to go into funds to update the General Plan and to pay for a permit coordinator to assist applicants through the development process.*

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USER FEE STUDY SUMMARY SHEET

- TOTAL PROGRAM INFORMATION -

City of Vallejo
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Working Draft

Service Name	Service Type	Revenue @ Current Fee	% of Full Cost	Revenue @ 100% Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level (%)	Recommendations: Revenue @ Policy Level	Recommendations: Increased Revenue
1 Administrative Permit	Fee	$8,800	46%	$18,934	$10,134	100%	$18,800	$10,000
2 Annexations (propose hourly)	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
3 Certificate of Appropriateness > 100 sq ft & others to A	Fee	$5,958	20%	$30,299	$24,341	100%	$30,240	$24,282
4 Certificate of Appropriateness - Demolitions	Fee	$1,814	76%	$2,388	$574	100%	$2,390	$576
5 Certificate of Appropriateness - Variances	Fee	$0	0%	$0	$0	100%	$0	$0
6 Certificate of Appropriateness - All Others, staff level	Fee	$5,033	38%	$13,365	$8,332	100%	$13,500	$8,467
7 Certificate of Compliance	Fee	$3,145	39%	$8,080	$4,935	100%	$8,100	$4,955
8 Certificate of Conformity	Fee	$2,510	57%	$4,418	$1,908	100%	$4,410	$1,900
9 Development Agreement (propose hourly)	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
10 Development Agreement - Amendment (propose hour	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
11 Development Agreement - Review (propose hourly)	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
12 Environmental Impact Report (avg $200k)	Fee	$40,000	59%	$67,739	$27,739	100%	$67,739	$27,739
14 General Plan Amendment	Fee	$9,786	45%	$21,909	$12,122	100%	$21,900	$12,114
15 Lot Line Adjustment	Fee	$17,581	53%	$33,202	$15,621	100%	$33,250	$15,669
16 Minor Exception	Fee	$10,941	28%	$39,065	$28,124	100%	$39,000	$28,059
17 Minor Use permit (General)	Fee	$6,827	61%	$11,202	$4,375	100%	$11,200	$4,373
18 Minor Use Permit - Day Care	Fee	$611	43%	$1,425	$814	100%	$1,420	$809
19 Second Unit Review	Fee	$4,639	44%	$10,645	$6,006	100%	$10,680	$6,041
20 Mitigated Negative Declaration	Fee	$1,996	15%	$13,253	$11,257	100%	$13,260	$11,264
21 Negative Declaration	Fee	$664	14%	$4,883	$4,219	100%	$4,880	$4,216
22 Parcel Map	Fee	$26,890	104%	$25,791	-$1,098	100%	$25,740	-$1,150
23 Parcel Map Extension	Fee	$476	55%	$863	$386	100%	$860	$384
24 Parcel Map Amendment (25%)	Fee	$816	62%	$1,316	$500	100%	$1,320	$504
25 Planned Development, 5+ Acres - Master Plan	Fee	$10,088	36%	$28,121	$18,034	100%	$28,120	$18,032

USER FEE STUDY SUMMARY SHEET

- TOTAL PROGRAM INFORMATION -

City of Vallejo
Planning
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Working Draft

	Service Name	Service Type	Revenue @ Current Fee	% of Full Cost	Revenue @ 100% Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level (%)	Recommendations: Revenue @ Policy Level	Recommendations: Increased Revenue
26	Planned Development, 5+ Acres - Master/Unit Plans	Fee	$14,858	43%	$34,510	$19,652	100%	$34,510	$19,652
27	Planned Development, 5+ Acres - Unit plan (Council)	Fee	$6,480	27%	$23,833	$17,353	100%	$23,830	$17,350
28	Planned Development - Unit plan (Commission)	Fee	$12,960	76%	$16,982	$4,022	100%	$16,980	$4,020
29	Planned Development - Unit plan (Single Family Dwe	Fee	$4,889	57%	$8,595	$3,706	100%	$8,600	$3,711
30	Planned Development - Unit plan (Model Home Site,	Fee	$220	11%	$2,007	$1,787	100%	$2,010	$1,790
31	Planned Development - Unit plan (Amend/25%)	Fee	n/a	n/a	n/a	n/a	n/a	varies	n/a
32	Planned Development - Unit plan (Staff)	Fee	$66,002	91%	$72,393	$6,390	100%	$72,360	$6,358
33	Public Convenience or Necessity	Fee	$1,989	67%	$2,968	$978	100%	$2,970	$981
34	Public Notice Lists (100 & 200 feet)	Fee	$22,487	45%	$49,530	$27,043	100%	$49,400	$26,913
35	Public Notice Lists (500 feet)	Fee	$10,316	26%	$40,049	$29,733	100%	$39,750	$29,435
36	Rezoning. Prezoning, Text Amendment	Fee	$33,001	35%	$93,324	$60,323	100%	$93,330	$60,329
37	Sign Permits - Painted, Face Changes	Fee	$1,532	86%	$1,790	$258	100%	$1,800	$268
38	Sign Permits - All Others	Fee	$18,029	79%	$22,721	$4,692	100%	$22,960	$4,931
39	Site Development - Existing Single Family Dwelling	Fee	$7,315	26%	$28,585	$21,270	100%	$28,600	$21,285
40	Site Development - Existing Single Family Dwelling (V	Fee	$6,783	55%	$12,272	$5,488	100%	$12,270	$5,487
41	Site Development - Other Existing Use	Fee	$16,682	51%	$32,581	$15,898	100%	$32,600	$15,918
42	Site Development - New Single Family Dwelling	Fee	$32,208	47%	$67,899	$35,691	100%	$67,980	$35,772
43	Site Development - New Single Family Dwelling (View	Fee	$2,932	62%	$4,708	$1,776	100%	$4,710	$1,778
44	Site Development - Model Home	Fee	$1,900	88%	$2,164	$264	100%	$2,160	$260
45	Site Development - Multi Family	Fee	$5,622	58%	$9,631	$4,009	100%	$9,640	$4,018
46	Site Development - Other New Uses 1-5,000 square f	Fee	$32,400	76%	$42,677	$10,277	100%	$42,700	$10,300
47	Site Development - Other New Uses > 5,000 square f	Fee	$98,532	103%	$95,735	-$2,797	100%	$95,800	-$2,732
48	Site Development - Time Extension	Fee	$365	56%	$649	$284	100%	$650	$285
49	Special Request - Hourly Rates	T&M	n/a	n/a	n/a	n/a	100%	hourly	n/a

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USER FEE STUDY SUMMARY SHEET

- TOTAL PROGRAM INFORMATION -

City of Vallejo
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Working Draft

	Service Name	Service Type	Revenue @ Current Fee	% of Full Cost	Revenue @ 100% Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level (%)	Recommendations: Revenue @ Policy Level	Recommendations: Increased Revenue
50	Specific Plan New (propose hourly)	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
51	Specific Plan Amendment (propose hourly)	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
52	Tentative Map 5-20 lots	Fee	$27,724	69%	$40,108	$12,383	100%	$40,110	$12,386
53	Tentative Map 21-50 lots	Fee	$10,075	110%	$9,159	-$916	100%	$9,160	-$915
54	Tentative Map >51 lots	Fee	$13,573	123%	$11,008	-$2,565	100%	$11,010	-$2,563
55	Tentative Map Extension	Fee	$1,121	26%	$4,381	$3,260	100%	$4,380	$3,259
56	Tentative Map Amendment	Fee	n/a	n/a	n/a	n/a	n/a	varies	n/a
57	Unit Investigations	Fee	$2,982	27%	$11,200	$8,218	100%	$11,160	$8,178
58	Use Permit - Existing Structures	Fee	$32,992	69%	$47,799	$14,807	100%	$47,880	$14,888
59	Use Permit - Off-Site Signs	Fee	$1,833	69%	$2,656	$823	100%	$2,660	$827
60	Use Permit - New Structures	Fee	$25,668	75%	$34,007	$8,340	100%	$34,020	$8,352
61	Use Permit - Amendment	Fee	n/a	n/a	n/a	n/a	n/a	varies	n/a
62	Variance	Fee	$4,889	45%	$10,916	$6,027	100%	$10,920	$6,031
63	Appeal to Commission plus noticing fee	Fee	$1,099	5%	$23,730	$22,631	9%	$2,200	$1,101
64	Appeal to Council plus noticing fee	Fee	$1,319	4%	$32,587	$31,268	8%	$2,640	$1,321
65	Zoning Verification Letter	Fee	$3,000	21%	$14,071	$11,071	100%	$14,250	$11,250
66	Christmas Tree Recycling Fee	Fee	$0	0%	$0	$0	100%	$0	$0
67	Christmas Tree Lot Admin. Permit Renewal	Fee	n/a	n/a	n/a	n/a	100%	varies	n/a
68	Mare - Tentative Map Amendment	Fee	n/a	n/a	n/a	n/a	n/a	varies	n/a
69	Mare - Parcel Map Extension	Fee	n/a	n/a	n/a	n/a	n/a	varies	n/a
70	Mare - Administrative Permit	Fee	$2,834	92%	$3,065	$231	100%	$3,050	$216
71	Mare - Cert. of Appropriateness - Demo	Fee	$5,366	48%	$11,237	$5,870	100%	$11,240	$5,874
72	Mare - Cert. of Appropriateness - All Other	Fee	$4,416	46%	$9,506	$5,090	100%	$9,490	$5,074
73	Mare - Development Agreement (rec hrly)	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a

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USER FEE STUDY SUMMARY SHEET

- TOTAL PROGRAM INFORMATION -

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Working Draft

Service Name	Service Type	Revenue @ Current Fee	% of Full Cost	Revenue @ 100% Full Cost	Current Subsidy	*Recommendations* Cost Recovery Policy Level (%)	*Recommendations* Revenue @ Policy Level	*Recommendations* Increased Revenue
74 Mare - Development Agreement - Amendment (rec hr	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
75 Mare - Development Agreement - Annual Review (rec	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
76 Mare - Parcel Map	Fee	$35,392	198%	$17,854	-$17,538	100%	$17,850	-$17,542
77 Mare - Parcel Map Amendment	Fee	n/a	n/a	n/a	n/a	n/a	varies	n/a
78 Mare - Planned Development- Unit Plan 1-5 res.	Fee	$3,654	48%	$7,598	$3,944	100%	$7,600	$3,946
79 Mare - Planned Development- Unit Plan 5-20 res.	Fee	$9,221	75%	$12,366	$3,146	100%	$12,370	$3,149
80 Mare - Planned Development- Unit Plan >20 res.	Fee	$13,244	83%	$15,924	$2,680	100%	$15,920	$2,676
81 Mare - Tentative Map (5-20 lots)	Fee	$13,244	148%	$8,968	-$4,276	100%	$8,970	-$4,274
82 Mare - Tentative Map (> 20 lots)	Fee	$13,244	113%	$11,713	-$1,531	100%	$11,710	-$1,534
83 Mare - Use Permit	Fee	$7,334	81%	$9,027	$1,693	100%	$9,020	$1,686
84 Mare - Specific Plan Amendment	Fee	n/a	n/a	n/a	n/a	100%	hourly	n/a
85 General Plan Update Fee	Surcharge	7% of app fee	n/a	n/a	n/a	100%	7% of app fee	n/a
86 Permit Coordinator Fee	Surcharge	3% of app fee	n/a	n/a	n/a	100%	3% of app fee	n/a
87 Sign Master Plan/Program	New Fee	$0	0%	$547	$547	100%	$550	$550
88 Non Fee Activity	Non Fee	$0	0%	$159,321	$159,321			
Total User Fees		$790,301		$1,351,925	$561,624		$1,300,579	$510,278
% of Full Cost		58.46%		100.00%	41.54%		96.20%	37.74%
Total Other Services		$0		$159,321	$159,321		$0	$0
% of Full Cost		0.00%		100.00%	100.00%		0.00%	0.00%
Department Totals		$790,301		$1,511,246	$720,945		$1,300,579	$510,278
% of Full Cost		52.29%		100.00%	47.71%		86.06%	33.77%

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III. BUILDING

The Building Division provides the following services; permit processing, plan checking, building inspections and investigation of complaints regarding potentially dangerous buildings. The majority of theses services are subsidized to some extent. The City charges for services based on occupancy type, square footage and fire-rating. This method is used by only a handful of other cities in California. The division is considering implementing a valuation-based fee structure that is used by approximately 98% of other California cities. Valuation-based fee systems are easier to administer and are more user friendly and familiar to developers.

In 1993 the State of California Office of the Attorney General issued an opinion (No. 92-506), addressing both the question of whether local agencies may charge building permit fees which exceed the cost of providing the service, and whether the valuation tables are a valid method of calculating fees. In essence the Attorney General's opinion states that 1) local agencies are prohibited from charging fees in excess of cost unless the fees are approved by a vote, and 2) the valuation tables, such as those published by the Uniform Building Code, may be used if the local agency can establish a relationship between the fees charged and the cost of providing the service.

To establish a relationship between fees charged and costs expended PRM detailed sample developments from very small projects to very large projects. City staff were asked to estimate average plan check and inspection time requirements for each. Time estimates were then multiplied against fully burdened labor rates to arrive at the total cost for each sample development. Should the City desire to implement a valuation based fee schedule that fully recovers processing costs, data is available to structure such a schedule.

- Fee-for-service costs (excluding all non-fee services) total $1,614,761 and are offset by projected revenues of $1,291,809. This translates into an overall user fee cost recovery rate of 80%.

- Cost recovery levels for individual fees range from 25% to 198%.

The following chart beginning on page 17 displays the Building Analysis.

CITY OF VALLEJO
BUILDING DIVISION
FISCAL 2007/08
Fee Cost Analysis

Working Draft

Sample Development Project	Current Fee (NEXUS)	Current Cost Recovery %	Full Cost	TOTAL PROPOSED FEE	Proposed Bldg Permit	Proposed Plan Check (70%)[1]	Proposed Title 24 (65%)[1]	Proposed Electrical (20%)[1]	Proposed Mechanical (25%)[1]	Proposed Plumbing (30%)[1]
$0-$25k (e.g. Covered Patio: $3,800)										
Plan Check & Counter	$57		$120							
Inspection	$129		$290							
Other Department Support			$178							
Total for Category	***$186***	***32%***	***$588***	***$350***	***$206***	***$144***				
$26-$50k (e.g. 412 sq. ft. addition: $44,000)										
Plan Check & Counter	$215		$574							
Inspection	$330		$1,416							
Other Department Support			$178							
Total for Category	***$545***	***25%***	***$2,168***	***$2,170***	***$700***	***$490***	***$455***	***$140***	***$175***	***$210***
$51-$250k (e.g. single family home: $235,953)										
Plan Check & Counter	$1,953		$1,816							
Inspection	$4,457		$4,891							
Other Department Support			$262							
Total for Category	***$6,411***	***92%***	***$6,969***	***$6,975***	***$2,250***	***$1,575***	***$1,463***	***$450***	***$563***	***$675***
$251-$500k (e.g. Fast Food Restaurant: $478,720)										
Plan Check & Counter	$4,045		$3,163							
Inspection	$7,513		$8,881							
Other Department Support			$861							
Total for Category	***$11,558***	***90%***	***$12,905***	***$12,912***	***$4,165***	***$2,916***	***$2,707***	***$833***	***$1,041***	***$1,250***
$501k-$1M (e.g. 10,000 sq ft Medical Office: $1,197,800)										
Plan Check & Counter	$4,045		$5,278							
Inspection	$8,992		$19,114							
Other Department Support			$1,954							
Total for Category	***$13,038***	***49%***	***$26,346***	***$26,350***	***$8,500***	***$5,950***	***$5,525***	***$1,700***	***$2,125***	***$2,550***
$1M+ (e.g. 16 Unit Appartment Complex: $2,056,856)										
Plan Check & Counter	$1,777		$7,796		$7,500					
Inspection	$3,918		$27,351		$3,858					
Other Department Support			$3,700							
Total for Category	***$5,695***	***15%***	***$38,847***	***$35,210***	***$11,358***	***$7,951***	***$7,383***	***$2,272***	***$2,840***	***$3,407***

1) these fees are calculated as a percentage of the building permit fee.

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CITY OF VALLEJO

BUILDING PERMIT FEES

$1—$500 -	$90
$501—$3,800 -	$90 for the first $500 plus $7.88 for each additional $100.00, or a fraction thereof, to and including $3,800
$3,801—$44,000 -	$350 for the first $3,800 plus $8.71 for each additional $1,000, or fraction thereof, to and including $44,000
$44,001—$236,000 -	$700 for the first $44,000 plus $8.07 for each additional $1,000, or fraction thereof, to and including $236,000
$236,001—$480,000 -	$2,250 for the first $236,000 plus $7.85 for each additional $1,000, or fraction thereof, to and including $480,000
$480,001—$1,200,000 -	$4,165 for the first $480,000 plus $6.02 for each additional $1,000, or fraction thereof, to and including $1,200,000
$1,200,001 and up -	$8,500 for the first $1,200,000 plus $3.65 for each additional $1,000, or fraction thereof
Plan check	70% of building permit fee
Title 24	65% of building permit fee
Electrical Permit	20% of building permit fee
Mechanical Permit	25% of building permit fee
Plumbing Permit	30% of building permit fee
Technology Surcharge	**8% of building permit/plan check fee**

Inspections outside normal business hours (minimum charge—two hours) - $129 per hour[1]

Re-inspection fees assessed under provisions of Section 305.8 - $129 per hour[1]
Inspections for which no fee is specifically indicated - (Minimum charge—one-half hour) $129 per hour[1]

Additional plan review required by changes, additions or revisions to plans (minimum charge—one-half hour) - $129 per hour[1]

Code Enforcement cases may be billed to violator at $129 per hour[1]

For use of outside consultants for checking plans and inspections, or both - Actual Costs[2]

1 Or the hourly cost to the jurisdiction, whichever is greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.

2 Actual costs include administrative and overhead costs.

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CITY OF VALLEJO

ELECTRICAL PERMIT FEES

$1—$500 -	$90
$501—$3,800 -	$90 for the first $500 plus $7.88 for each additional $100.00, or a fraction thereof, to and including $3,800
$3,801—$44,000 -	$350 for the first $3,800 plus $8.71 for each additional $1,000, or fraction thereof, to and including $44,000
$44,001—$236,000 -	$700 for the first $44,000 plus $8.07 for each additional $1,000, or fraction thereof, to and including $236,000
$236,001—$480,000 -	$2,250 for the first $236,000 plus $7.85 for each additional $1,000, or fraction thereof, to and including $480,000
$480,001—$1,200,000 -	$4,165 for the first $480,000 plus $6.02 for each additional $1,000, or fraction thereof, to and including $1,200,000
$1,200,001 and up -	$8,500 for the first $1,200,000 plus $3.65 for each additional $1,000, or fraction thereof
Plan check	70% of building permit fee
Title 24	65% of building permit fee
Technology Surcharge	**8% of building permit/plan check fee**

Inspections outside normal business hours (minimum charge—two hours) - $129 per hour[1]

Re-inspection fees assessed under provisions of Section 305.8 - $129 per hour[1]
Inspections for which no fee is specifically indicated - (Minimum charge—one-half hour) $129 per hour[1]

Code Enforcement cases may be billed to violator at $129 per hour[1]

Additional plan review required by changes, additions or revisions to plans (minimum charge—one-half hour) - $129 per hour[1]

For use of outside consultants for checking plans and inspections, or both - Actual Costs[2]

1 Or the hourly cost to the jurisdiction, whichever is greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.

2 Actual costs include administrative and overhead costs.

CITY OF VALLEJO

MECHANICAL PERMIT FEES

$1—$500 -	$90
$501—$3,800 -	$90 for the first $500 plus $7.88 for each additional $100.00, or a fraction thereof, to and including $3,800
$3,801—$44,000 -	$350 for the first $3,800 plus $8.71 for each additional $1,000, or fraction thereof, to and including $44,000
$44,001—$236,000 -	$700 for the first $44,000 plus $8.07 for each additional $1,000, or fraction thereof, to and including $236,000
$236,001—$480,000 -	$2,250 for the first $236,000 plus $7.85 for each additional $1,000, or fraction thereof, to and including $480,000
$480,001—$1,200,000 -	$4,165 for the first $480,000 plus $6.02 for each additional $1,000, or fraction thereof, to and including $1,200,000
$1,200,001 and up -	$8,500 for the first $1,200,000 plus $3.65 for each additional $1,000, or fraction thereof
Plan check	70% of building permit fee
Title 24	65% of building permit fee
Technology Surcharge	**8% of building permit/plan check fee**

Inspections outside normal business hours (minimum charge—two hours) - $129 per hour[1]

Re-inspection fees assessed under provisions of Section 305.8 - $129 per hour[1]
Inspections for which no fee is specifically indicated - (Minimum charge—one-half hour) $129 per hour[1]

Code Enforcement cases may be billed to violator at $129 per hour[1]

Additional plan review required by changes, additions or revisions to plans (minimum charge—one-half hour) - $129 per hour[1]

For use of outside consultants for checking plans and inspections, or both - Actual Costs[2]

1 Or the hourly cost to the jurisdiction, whichever is greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.

2 Actual costs include administrative and overhead costs.

CITY OF VALLEJO

PLUMBING PERMIT FEES

$1—$500 -	$90
$501—$3,800 -	$90 for the first $500 plus $7.88 for each additional $100.00, or a fraction thereof, to and including $3,800
$3,801—$44,000 -	$350 for the first $3,800 plus $8.71 for each additional $1,000, or fraction thereof, to and including $44,000
$44,001—$236,000 -	$700 for the first $44,000 plus $8.07 for each additional $1,000, or fraction thereof, to and including $236,000
$236,001—$480,000 -	$2,250 for the first $236,000 plus $7.85 for each additional $1,000, or fraction thereof, to and including $480,000
$480,001—$1,200,000 -	$4,165 for the first $480,000 plus $6.02 for each additional $1,000, or fraction thereof, to and including $1,200,000
$1,200,001 and up -	$8,500 for the first $1,200,000 plus $3.65 for each additional $1,000, or fraction thereof
Plan check	70% of building permit fee
Title 24	65% of building permit fee
Technology Surcharge	**8% of building permit/plan check fee**

Inspections outside normal business hours (minimum charge—two hours) - $129 per hour[1]

Re-inspection fees assessed under provisions of Section 305.8 - $129 per hour[1]
Inspections for which no fee is specifically indicated - (Minimum charge—one-half hour) $129 per hour[1]

Code Enforcement cases may be billed to violator at $129 per hour[1]

Additional plan review required by changes, additions or revisions to plans (minimum charge—one-half hour) - $129 per hour[1]

For use of outside consultants for checking plans and inspections, or both - Actual Costs[2]

1 Or the hourly cost to the jurisdiction, whichever is greatest. This cost shall include supervision, overhead, equipment, hourly wages and fringe benefits of the employees involved.

2 Actual costs include administrative and overhead costs.

IV. ENGINEERING

The Engineering Division is responsible for overseeing the design and construction of both public improvements and private development. Technical services provided by this division include: project development, design, survey, inspection and contract administration. This division is also responsible for various city capital improvement projects. The total costs of all engineering services are $3,964,993. The total cost of fee related services is $2,894,755.

Fee-related service costs total $2,894,755. Offsetting revenue is roughly $1,225,986 which results in a general fund subsidy of $1,668,769 and a corresponding cost recovery level of 42%. Cost recovery levels for individual fees range from 4% for an excavation permit for each 100 additional linear feet up to a cost recovery of 100% for an improvement plan check of valuation less than $750,000 valuation.

- The cost recovery rate of 42% is in the low end of what we typically see for Engineering divisions Statewide.
- If full cost recovery were pursued for all Engineering services, $1,669,300 in additional revenues would be realized.
- Some agencies choose to phase in fee increases over a fixed period of years with the eventual objective of 100% cost recovery.
- The division envisions collapsing several categories of Grading and Improvement fees to make for a more compact and user friendly schedule.

The summary charts on the following pages show the results of this division's cost analysis. Page 23 provides information on a "Per Unit" basis. Page 26 provides total annual information by multiplying the per-unit fees and costs by the volume of activity in order to project out total annual costs and revenues

USER FEE STUDY SUMMARY SHEET

- PER UNIT INFORMATION -

City of Vallejo

Engineering

2007-2008

Working Draft

Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level (%)	Fee @ Policy Level	Subsidy @ Policy Level
1 Abandonment of ROW	Fee	2	$1,443.00	91%	1,583.29	$140.29	100%	$1,580.00	$0.00
2 City Specification	Fee	15	As noted in City Fee Schedule	n/a	n/a	n/a	100%	$0.10 per page	n/a
3 Encroachment Permit	Fee	53	$298.00	51%	586.02	$288.02	100%	$590.00	$0.00
4 Excavation Permit Processing Fee	Fee	75	$42.00	7%	592.23	$550.23	100%	$590.00	$0.00
5 Excavation Insp - 1 to 50 ft trench	Fee	60	$237.00	33%	727.81	$490.81	100%	$730.00	$0.00
6 Excavation Insp - 51 to 100 ft trench	Fee	5	$398.00	36%	1,105.92	$707.92	100%	$1,110.00	$0.00
7 Excavation Insp - 101 to 200 ft trench	Fee	5	$598.00	30%	2,003.94	$1,405.94	100%	$2,000.00	$0.00
8 Excavation Insp - each add'l 100 ft	Fee	2	$58/100 ft	4%	1,512.45	1,454.45	100%	$1,510.00	$0.00
13 Quit Claim (abandoned easement)	Fee	2	$465.00	47%	989.34	$524.34	100%	$990.00	$0.00
14 Sidewalk Permit - 1st 25 ft	Fee	150	$42.00	8%	543.54	$501.54	100%	$540.00	$0.00
15 Sidewalk Permit - add'l 25 ft	Fee	150	$42.00	22%	189.06	$147.06	100%	$190.00	$0.00
16 Apportionment of Assessment	Fee	1	$282.00	10%	2,815.70	$2,533.70	100%	$2,820.00	$0.00
17 Flood Plain Letter	Fee	5	$31.00	9%	353.46	$322.46	100%	$350.00	$0.00
18 Flood Map Revision	Fee	2	$465.00	41%	1,131.73	$666.73	100%	$1,130.00	$0.00
19 Parcel Map/ Final Map	Fee	10	$1,097 + $108/lot	23%	6,559.09	5,030.09	100%	$6,560.00	$0.00
20 Data Request	T&M	1	Hourly Rates	n/a	n/a	n/a	100%	hourly rates	n/a
22 Utility Easement Agreement	Fee	3	$393.00	25%	1,554.17	$1,161.17	100%	$1,550.00	$0.00
23 Street Name Change Request	Fee	1	$571.00	19%	3,079.32	$2,508.32	100%	$3,080.00	$0.00
24 Address Change/ Correction	Fee	15	$193.00	33%	579.39	$386.39	100%	$580.00	$0.00
25 City/Redev Property Use Permit	Fee	1	$70.00	5%	1,554.17	$1,484.17	100%	$1,550.00	$0.00
26 Plan Re-Check (after 3rd plan review)	Fee	2	$26/ sheet	46%	225.93	121.93	100%	$230.00	$0.00
27 Consultant Grading Plan Review	Fee	2	50% of orig fee	n/a	n/a	n/a	100%	50% of orig fee	n/a
28 Certificate of Map Correction	Fee	1	$164.00	73%	225.93	$61.93	100%	$230.00	$0.00
29 Consultant Imp. Plan Review	Fee	2	50% of orig fee	n/a	n/a	n/a	100%	50% of orig fee	n/a

USER FEE STUDY SUMMARY SHEET

- PER UNIT INFORMATION -

City of Vallejo

Engineering

2007-2008

Working Draft

	Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level (%)	Fee @ Policy Level	Subsidy @ Policy Level
	30 Time Ext Improvement Plan	Fee	3	10% of orig fee	n/a	n/a	n/a	100%	10% of orig fee	n/a
	32 Grading Insp 51-1,000 cu yds	Fee	10	$114 + $81 per 100 cy	15%	6,011.70	$5,087.70	100%	$200+ $580/ 100 cy	$0.00
	34 Grading Insp 1,001-40,000 cu yds	Fee	5	$907 + $40 per $100 cy	20%	12,386.55	$9,919.55	100%	$6,000+ $163/ 1,000 cy	$0.00
	36 Grading Insp > 40,001 cu yds	Fee	2	$2,519 +1% over 40k cy	31%	16,041.78	$11,003.78	100%	$12,357 + $60/ 1,000 cy	$0.00
	39 Grading PC 51-1,000 cu yds	Fee	10	$114 + $53 per 100 cy	16%	4,021.15	$3,377.15	100%	$150 + $385/ 100 cy	$0.00
	41 Grading PC 1,001-40,000 cu yds	Fee	5	$642 + $26 per 100 cy	15%	10,859.43	$9,203.43	100%	$4,000+ $175/ 1,000 cy	$0.00
	43 Grading PC > 40,001 cu yds	Fee	2	$1,725 + 1% over 40k cy	19%	18,112.62	$14,662.62	100%	$10,825+ $50/ 1,000 cy	$0.00
a	45 Improvement Inspection Fee $0-$500,000	Fee	10	5%	103%	36,426.22	-$1,073.78	100%	7%	$0.00
a	46 Improvement Inspection Fee $500,001-$1m	Fee	2	$37,500 + 3.5% above $750k	61%	76,316.36	$30,066.36	100%	$35,000+ 8% above $500k	$0.00
a	47 Improvement Inspection Fee >$1,000,000	Fee	1	$46,250 + 2.5% above $1M	37%	159,893.06	$101,143.06	100%	$75,000+ 2.8% above $1M	$0.00
a	48 Improvement PC Fee $0-$500,000	Fee	10	5%	181%	20,751.89	-$16,748.11	100%	4%	$0.00
a	49 Improvement PC Fee $500,001-$1,000,000	Fee	2	$37,500 + 3.5% above $750k	144%	32,202.86	-$14,047.14	100%	$20,000+ 2.4% above $500k	$0.00
a	50 Improvement PC Fee >$1,000,000	Fee	1	$46,250 + 2.5% above $1M	138%	42,511.40	-$16,238.60	100%	$32,000+ 1% above $1M	$0.00
	51 Recycle: Construction & Demo Debris Fee	Fee	200	$215.00	58%	368.13	$153.13	100%	$370.00	$0.00
b	52 Benchmark Maintenance Fee	Fee	60	$0.00	0%	141.79	$141.79	100%	$140.00	$0.00
c	53 Technology Surcharge	New Fee		$0.00	n/a	n/a	n/a	100%	4% of engineering fee	$0.00
	54 Non-Fee Activity	Non Fee	1	$0.00	0%	2,150,568.23	$2,150,568.23			

a *The City should adopt the most current valuations listed in the Engineering News Record.*

b *The benchmark fee shall be assessed against service #'s 32 through 50.*

c *Technology Surcharge costs are estimates based on a defined list of technology improvements.*

Note: many of Engineering's projects span multiple years.

USER FEE STUDY SUMMARY SHEET

- TOTAL PROGRAM INFORMATION -

City of Vallejo
Engineering
2007-2008

Working Draft

Service Name	Service Type	Revenue @ Current Fee	% of Full Cost	Revenue @ 100% Full Cost	Current Subsidy	Recommendations: Cost Recovery Policy Level (%)	Recommendations: Revenue @ Policy Level	Recommendations: Increased Revenue
1 Abandonment of ROW	Fee	$2,886	91%	$3,167	$281	100%	$3,160	$274
2 City Specification	Fee	n/a	n/a	n/a	n/a	100%	n/a	n/a
3 Encroachment Permit	Fee	$15,794	51%	$31,059	$15,265	100%	$31,270	$15,476
4 Excavation Permit Processing Fee	Fee	$3,150	7%	$44,418	$41,268	100%	$44,250	$41,100
5 Excavation Insp - 1 to 50 ft trench	Fee	$14,220	33%	$43,669	$29,449	100%	$43,800	$29,580
6 Excavation Insp - 51 to 100 ft trench	Fee	$1,990	36%	$5,530	$3,540	100%	$5,550	$3,560
7 Excavation Insp - 101 to 200 ft trench	Fee	$2,990	30%	$10,020	$7,030	100%	$10,000	$7,010
8 Excavation Insp - each add'l 100 ft	Fee	$116	4%	$3,025	$2,909	100%	$3,020	$2,904
13 Quit Claim (abandoned easement)	Fee	$930	47%	$1,979	$1,049	100%	$1,980	$1,050
14 Sidewalk Permit - 1st 25 ft	Fee	$6,300	8%	$81,531	$75,231	100%	$81,000	$74,700
15 Sidewalk Permit - add'l 25 ft	Fee	$6,300	22%	$28,358	$22,058	100%	$28,500	$22,200
16 Apportionment of Assessment	Fee	$282	10%	$2,816	$2,534	100%	$2,820	$2,538
17 Flood Plain Letter	Fee	$155	9%	$1,767	$1,612	100%	$1,750	$1,595
18 Flood Map Revision	Fee	$930	41%	$2,263	$1,333	100%	$2,260	$1,330
19 Parcel Map/ Final Map	Fee	$15,290	23%	$65,591	$50,301	100%	$65,600	$50,310
20 Data Request	T&M	hourly	hourly	hourly	hourly	100%	hourly	hourly
22 Utility Easement Agreement	Fee	$1,179	25%	$4,663	$3,484	100%	$4,650	$3,471
23 Street Name Change Request	Fee	$571	19%	$3,079	$2,508	100%	$3,080	$2,509
24 Address Change/ Correction	Fee	$2,895	33%	$8,691	$5,796	100%	$8,700	$5,805
25 City/Redev Property Use Permit	Fee	$70	5%	$1,554	$1,484	100%	$1,550	$1,480
26 Plan Re-Check (after 3rd plan review)	Fee	$208	46%	$452	$244	100%	$460	$252
27 Consultant Grading Plan Review	Fee	n/a	n/a	n/a	n/a	100%	n/a	n/a
28 Certificate of Map Correction	Fee	$164	73%	$226	$62	100%	$230	$66
29 Consultant Imp. Plan Review	Fee	n/a	n/a	n/a	n/a	100%	n/a	n/a

USER FEE STUDY SUMMARY SHEET

- TOTAL PROGRAM INFORMATION -

City of Vallejo
Engineering
2007-2008

Working Draft

Service Name	Service Type	Revenue @ Current Fee	% of Full Cost	Revenue @ 100% Full Cost	Current Subsidy	*Recommendations* Cost Recovery Policy Level (%)	Revenue @ Policy Level	Increased Revenue
30 Time Ext Improvement Plan	Fee	n/a	n/a	n/a	n/a	100%	n/a	n/a
32 Grading Insp 51-1,000 cu yds	Fee	$9,240	15%	$60,117	$50,877	100%	$60,117	$50,877
34 Grading Insp 1,001-40,000 cu yds	Fee	$12,335	20%	$61,933	$49,598	100%	$61,933	$49,598
36 Grading Insp > 40,001 cu yds	Fee	$10,076	31%	$32,084	$22,008	100%	$32,084	$22,008
39 Grading PC 51-1,000 cu yds	Fee	$6,440	16%	$40,212	$33,772	100%	$40,212	$33,772
41 Grading PC 1,001-40,000 cu yds	Fee	$8,280	15%	$54,297	$46,017	100%	$54,297	$46,017
43 Grading PC > 40,001 cu yds	Fee	$6,900	19%	$36,225	$29,325	100%	$36,225	$29,325
45 Improvement Inspection Fee $0-$500,000	Fee	$375,000	103%	$364,262	-$10,738	100%	$364,262	-$10,738
46 Improvement Inspection Fee $500,001-$1m	Fee	$92,500	61%	$152,633	$60,133	100%	$152,633	$60,133
47 Improvement Inspection Fee >$1,000,000	Fee	$58,750	37%	$159,893	$101,143	100%	$159,893	$101,143
48 Improvement PC Fee $0-$500,000	Fee	$375,000	181%	$207,519	-$167,481	100%	$207,519	-$167,481
49 Improvement PC Fee $500,001-$1,000,000	Fee	$92,500	144%	$64,406	-$28,094	100%	$64,406	-$28,094
50 Improvement PC Fee >$1,000,000	Fee	$58,750	138%	$42,511	-$16,239	100%	$42,511	-$16,239
51 Recycle: Construction & Demo Debris Fee	Fee	$43,000	58%	$73,625	$30,625	100%	$74,000	$31,000
52 Benchmark Maintenance Fee	Fee	$0	0%	$8,508	$8,508	100%	$8,508	$8,508
53 Technology Surcharge	New Fee	$0	0%	$111,550	$111,550	100%	$111,550	$111,550
54 Non-Fee Activity	Non Fee	$0	0%	$2,150,568	$2,150,568			
Total User Fees		$1,225,191		$1,813,629	$588,438		$1,813,779	$588,588
% of Full Cost		67.55%		100.00%	32.45%		100.01%	32.45%
Total Other Services		$0		$2,150,568	$2,150,568		$0	$0
% of Full Cost		0.00%		100.00%	100.00%		0.00%	0.00%
Department Totals		$1,225,191		$3,964,198	$2,739,007		$1,813,779	$588,588
% of Full Cost		30.91%		100.00%	69.09%		45.75%	14.85%

V Code Enforcement

The Code Enforcement Division enforces the City's Property Maintenance Ordinances, Abandoned Shopping Cart Prevention Ordinance, coordinates the City-wide Illegal Dumping, monitoring and enforcement activities, and manages the City's Adopt-A-Street/Alley Program. Cities typically use code enforcement fees as a means to encourage compliance with city ordinances. State law allows cities to recover costs associated with the process of abating property deemed to be a public nuisance. Health and Safety code section 187980.8 addresses the abatement of dwellings while Government Code sections 38771-5 address non-dwelling nuisances. These codes allow for 100% cost recovery fees.

The total costs of all Code Enforcement services is $915,066. Fee related revenue totals $173,765 for a cost recovery rate of 22%. Many cities consider that there is a public good to code enforcement activities and are willing to subsidize the service with General Fund monies to some extent. On the other hand, many cities are moving toward higher fees for those that are continually out of compliance with city codes.

Highlights of the Analysis:

- Individual current cost recovery rates range from a low of 4% for Enforcement Appeals to a high of 52% for Property Maintenance Notice of Violations.

The summary charts on the following pages show the results of this division's cost analysis. Page 28 provides information on a "Per Unit" basis. Page 29 provides total annual information by multiplying the per-unit fees and costs by the volume of activity in order to project out total annual costs and revenues.

USER FEE STUDY SUMMARY SHEET

- PER UNIT INFORMATION -

City of Vallejo

Code Enforcement

2007-2008

Working Draft

								Recommendations		
Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Cost Recovery Policy Level (%)	Fee @ Policy Level	Subsidy @ Policy Level
1 Code Enforcement Abatement	Fee	2	$308.00	15%	$2,016.96	$1,708.96	50%	$1,010.00	$1,006.96
2 Abatement Lien Process	Fee	10	$237.00	14%	$1,672.31	$1,435.31	50%	$840.00	$832.31
3 Enforcement Appeal	Fee	10	$48.00	4%	$1,279.20	$1,231.20	50%	$640.00	$639.20
4 Vacant Building Monitoring Fee	Fee	1	$59.00	9%	$626.88	$567.88	50%	$310.00	$316.88
5 Abandoned Shopping Cart Prevention Plan	Fee	10	$301.00	10%	$2,962.09	$2,661.09	50%	$1,480.00	$1,482.09
6 Annual Eval. Report of Shopping Cart Plan	Fee	10	$141.00	31%	$449.96	$308.96	50%	$220.00	$229.96
7 Modification of Abandoned Shopping Cart Prev. Pl	Fee	10	$202.00	47%	$432.69	$230.69	50%	$220.00	$212.69
8 Administrative Charge After 30 Days	Fee	325	$280.00	16%	$1,780.56	$1,500.56	50%	$890.00	$890.56
9 Property Maintenance Notice of Violation	Fee	260	$280.00	52%	$542.04	$262.04	50%	$270.00	$272.04
11 Non Fee Activity	Non Fee	1	$0.00	0%	$122,829.69	$122,829.69		$0.00	

USER FEE STUDY SUMMARY SHEET

- TOTAL PROGRAM INFORMATION -

City of Vallejo

Code Enforcement

2007-2008

Working Draft

	Service Name	Service Type	Revenue @ Current Fee	% of Full Cost	Revenue @ 100% Full Cost	Current Subsidy	*Recommendations* Cost Recovery Policy Level (%)	Revenue @ Policy Level	Increased Revenue
	1 Code Enforcement Abatement	Fee	$616	15%	$4,034	$3,418	50%	$2,020	$1,404
	2 Abatement Lien Process	Fee	$2,370	14%	$16,723	$14,353	50%	$8,400	$6,030
	3 Enforcement Appeal	Fee	$480	4%	$12,792	$12,312	50%	$6,400	$5,920
	4 Vacant Building Monitoring Fee	Fee	$59	9%	$627	$568	50%	$310	$251
	5 Abandoned Shopping Cart Prevention Plan	Fee	$3,010	10%	$29,621	$26,611	50%	$14,800	$11,790
	6 Annual Eval. Report of Shopping Cart Plan	Fee	$1,410	31%	$4,500	$3,090	50%	$2,200	$790
	7 Modification of Abandoned Shopping Cart Prev. Pl	Fee	$2,020	47%	$4,327	$2,307	50%	$2,200	$180
	8 Administrative Charge After 30 Days	Fee	$91,000	16%	$578,682	$487,682	50%	$289,250	$198,250
	9 Property Maintenance Notice of Violation	Fee	$72,800	52%	$140,931	$68,131	50%	$70,200	-$2,600
*	11 Non Fee Activity	Non Fee	$0	0%	$122,830	$122,830			
	Total User Fees		$173,765		$792,236	$618,471		$395,780	$222,015
	% of Full Cost		21.93%		100.00%	78.07%		49.96%	28.02%
	Total Other Services		$0		$122,830	$122,830		$0	$0
	% of Full Cost		0.00%		100.00%	100.00%		0.00%	0.00%
	Department Totals		$173,765		$915,066	$741,301		$395,780	$222,015
	% of Full Cost		18.99%		100.00%	81.01%		43.25%	24.26%

* *These services are excluded from the "Total User Fees" row above.*

VI COMPARISON SURVEY

The following pages display a comparison of Vallejo's current fee levels and Vallejo's full processing cost to fees charged by other jurisdictions. Fees selected for comparison were those most commonly processed and those with the greatest revenue impact.

The figures presented in the comparison survey reflect a "market basket" of what other cities charge for similar services. It does not reflect each jurisdictions cost, as these jurisdictions may not be aware of their full cost and/or may consciously price their services below full cost.

For Planning and Engineering fees, the following jurisdictions were included in the survey:

- Antioch
- Fairfield
- Richmond
- Livermore
- Martinez
- Concord
- Brentwood
- Pittsburg
- Vacaville

For Building fees, an existing regional survey was partially relied upon. Accordingly the survey participant cities are slightly different:

- Antioch
- Pleasanton
- Richmond
- Livermore
- Martinez
- Concord
- San Ramon
- Dublin
- Vacaville

COMPARISON SURVEY - CITY OF VALLEJO

PLANNING	VALLEJO CURRENT	VALLEJO FULL COST	ANTIOCH	FAIRFIELD	RICHMOND	LIVERMORE	MARTINEZ	CONCORD	BRENTWOOD	PITTSBURG	VACAVILLE
Appeal	$220	$4,750	t&m		$108/$163	$304	$100	$83	$118	$1,000	25% of original fee Min: $27; Max $211
Use Permit	$1,833 - $3,667	$2,660 - $4,860	t&m	$1,365 - $1,820	$1,500; $136/hr for major projects	minor: $10,300 major: $11,867	$430 - $1,435	$1,344 - $7,540	$485 - $4,859	$600 - $2,500	Staff: $608 + $55/acre Plan Comm: $1,049 + $65/acre. Existing Bldg: $569
Design Review / Unit Plan	Commission Level: $6,480	Commission Level: $8,490	t&m	$2,096 - $7,225	$136 - $1,500; $136/hr for major projects	$350 - $2,139	$340 - $1,380	$564 - $1,692	$886 - $7,097	$400 - $5,000	Plan Comm: $938 + $65/acre. Single Fam Dwelling: $254. Staff Other: $533 + $55/acre
Sign Review	$153 - $220	$180 - 280	$50	$149	$489		$130 - $430		$214/$634	$50 - $1,000	Single User: $236 Multiple User: $475
Environmental Impact Report	consultant cost + 20%	consultant cost + 34%	consultant cost + 35%	consultant cost + $2,485 + 15%	consultant cost + 25%	minor: $24,721 major: $55,870	actual cost + 25%	actual cost + 20%	actual cost + 25%	actual cost + 25%	actual cost + 15%
Rezone	$3,667	$10,370	t&m		$136/hr		$2,690	$5,513	one acre $3,735 six acres $11,955	$3,000 standard $15,000 PUD	$1,269 + $60/ acre
Variance Review	$2,445	$5,460	t&m	$1,365 - $1,820	$1,250; $136/hr for major projects	resid: $1,089 other: $9,403	$570 - $1,080	$1,462 - $2,642	$2,914 - $5,344	$500	Single: $541 Multiple: $833

ENGINEERING	VALLEJO CURRENT	VALLEJO FULL COST	ANTIOCH	FAIRFIELD	RICHMOND	LIVERMORE	MARTINEZ	CONCORD	BRENTWOOD	PITTSBURG	VACAVILLE
Encroachment Permit	$298	$586	$200 - $265			8% - 2% of valuation	$114 / hour	$70 permit; $141/hr	$119 - $311; plus cost/linear ft.	Street Encr. 8%	Resid Driveway: $200 Comm Driveway: $450 Other Encr: 7.62%
Impr Plan Check	5% - 2.5% of engr's est	4% - 1% of engr's est	$122/hr	1.25% of engr's est		4% - 1.6% of valuation	Major: $8k + $1k/lot Minor: $13k + $1k/lot	9% of impr costs	1% to 3% of est cost	3.5% of engr's est	$0-$100,000 9.61% $100k-$200k 8.11% $200k+ 6.61% reinspections $104/hr prolonged construction $104/hr
Impr Inspection	5% - 2.5% of engr's est	7% - 2.8% of engr's est	$122/hr			10.4 - 5.4% of valuation	$114 / hour	9% of impr costs	5% to .5% of impr costs	3.6 - 6.5% of engr's est	
Address Correction	$193	$579				$357			$277	$350	
Parcel Map/ Final Map	$1,097 + $108/lot	$6,559	$122/hr	$2,758	$125/hr	$4,005	major: 3% minor: 7%	$1,020/$1,836	$3,747 + $30/lot	$2,300	Parcel Map: $640 Tract Map: $718 + $72/lot
Lot Line Verification	$925	$1,747	$122/hr	$2,758	$1,075	$3,349	$855	$510	$589 / parcel	$1,000	

COMPARISON SURVEY - CITY OF VALLEJO

BUILDING	VALLEJO CURRENT	VALLEJO FULL COST	ANTIOCH	PLEASANTON	RICHMOND	LIVERMORE	MARTINEZ	CONCORD	SAN RAMON	DUBLIN	VACAVILLE
Plan Check and Bldg Inspection: Residential Reroof valued @ $13,000	$143	$731	$421	$237	$356	$344	$270	$396	$385	$240	$332
Plan Check and Bldg Inspection: 3,000 sq ft home w/ 800 sq ft garage	$5,154	$5,213	$4,156	$3,508	$2,667	$4,423	$6,825	$4,329	$8,919	$4,530	$3,371
Plan Check and Bldg Inspection: Tenant Improvement valued @ $950,000	$9,494	$11,890	$9,571	$8,779	$10,744	$5,118	$12,121	$9,135	$14,465	$8,500	$8,198

Note: For comparison purposes the above building fees include structural permit and plan check only. Mechanical, electrical, plumbing and disabled access fees may also apply.

City of Vallejo

Planning Division

555 Santa Clara Street, Vallejo, CA 94590
Phone: (707) 648-4324 Fax: (707) 552-0163

Planning Handout No. PH-17

GENERAL PLAN – ZONING AMENDMENTS

What are General Plan and Zoning Amendments?

A proposed General Plan Amendment could relate to a specific project or site and pertains to a change in a land use designation as shown on the adopted General Plan Land Use Map or in the text of the General Plan.

A Zoning Amendment usually refers to a change in the zoning district designation for a specific parcel(s) of land and to allow a new type or density of use.

What are the steps in the process?

If a project requires a General Plan and/or a zoning amendment, these approvals must be processed before an action on the project can occur. Both amendments can be processed concurrently and are initiated by the owner(s) of the project site or the City.

You may request preliminary review of your project by the Planning Division and/or Technical Project Review Committee. This process takes approximately 3 weeks but can save time later by resolving issues early in the review. Please refer to PH-34, "Preliminary Review" for additional information

A planner will review the application for completeness. State law requires that staff determine whether the application is complete within 30 days.

General Plan and Zoning Amendment applications are subject to the Environmental Review process. Please refer to PH-13, "Environmental Review" for additional information.

What is required for plan submittal?

- **Application:** A completed application form signed by the property owner and applicant.
- **Fees:** An application fee of $_________ Zoning Amendments
  An application fee of $_________ General Plan Amendment
  A public notice fee of $________
- **Plans:** Six (6) sets of the subject property (subdivision map, Assessor's parcel map or site plan). If the application is for a particular project it is helpful, although not required, to provide any other additional information such as project descriptions, building elevations, floor plans, etc. and one (1) set of 8.5' x 11' reduction of all plans.

How long does the approval process take?

Upon submittal of a complete application, Planning staff will route the plans to the appropriate departments and agencies for comments. Authority for approval of General Plan and Zoning Amendments rests with the Planning Commission and City Council. A project will be scheduled for a public hearing before the Planning Commission once an application is accepted as complete. The City Council hearing is usually scheduled after the Commission's action.

What is involved in a public hearing?

At least 21 days before the hearing, property owners within 500 feet of the boundaries of the subject property will be notified of the public hearing. At the hearing, the Planning Commission will consider the information provided by the Planning Division staff and hear comments from the public. After the public hearing, the commissioners will use the information presented to make a recommendation to the City Council to approve or disapprove the amendment or rezone.

After Commission consideration, and subsequent notification to surrounding property owners, a second public hearing is scheduled before the City Council. (Zoning amendments require 2 readings before the Council, usually a week apart.) Zoning amendments become effective 30 days after the second reading; General Plan Amendments become effective 30 days after approval by the City Council.

When are hearings held?

The Planning Commission usually holds public hearings on the first and third Mondays of each month at 7:00 p.m. in the City Council Chambers, 555 Santa Clara Street.

The City Council holds public hearings on the first, second, and fourth Tuesday of the month at 7:00 p.m.

What if I need more information?

For further information please contact the City of Vallejo Planning Division at (707) 648-4326.

City of Vallejo

Planning Division

555 Santa Clara Street, Vallejo, CA 94590
Phone: (707) 648-4326 Fax: (707) 552-0163

Planning Handout No. PH-26

MINOR USE PERMIT

What is a Minor Use Permit?

A Minor Use Permit is a staff level approval of a particular use or activity not granted as a matter of right within a zoning district. Uses subject to a minor use permit include group care for 7 and 12 people.

What is required for plan submittal?

- **Application:** A completed planning application signed by the property owner and a detailed written description of your project/use being requested. Include a description of your business and a site plan location and parking.
- **Fees:** A filing fee of $____________.
  A notice fee of $____________.
- **Plans:** Three (3) full-size copies of the site plan, building elevations, utility site plan and floor plans. Please refer to PH-19, "How to Draw a Site Plan." Also, please provide one 8 ½ x 11 reduction of all plans. Plans must show all structures, street rights of way, driveways and vegetation within 100 feet of subject parcel. The plans must indicate the proposed occupancy classification, occupancy load and show buildings less than 20 feet from property line. Landscaping both existing and proposed.
- **Site Photos:** Color photos showing the existing property and the adjacent properties.
- ***Group Care:*** Description of type of care to be provided, number of people to be provided for and number of staff members.

How long does the approval process take?

A planner will review the application for completeness. State law requires that staff determine whether the application is complete within 30 days.

Upon acceptance of a complete application, the Planning Division will notify all property owners within a 200 foot radius of your property of your proposal at least 14 days prior to the date on which a decision will be made. Plans may also be routed to other City departments.

City of Vallejo

Building Division

555 Santa Clara Street, Vallejo, CA 94590
Phone: (707) 648-4374 Fax: (707 552-0163

Planning Handout No. PH-4

AGENCY COORDINATION LIST

To assist you in coordinating your project, the City of Vallejo is providing you with a list of related agencies which should be contacted to coordinate their services with the various stages of our project. Some agency approvals may be required prior to building permit issuance.

AT&T CABLE
(707) 441-1404

ELECTRIC/GAS
PG&E
158 Peabody Rd
Vacaville CA
(800) 743-5000

GREATER VALLEJO REC DIST
395 Amador Street
Vallejo CA 94590
(707) 684-4600

MARE ISLAND STATION
695 Walnut Ave
Vallejo CA 94590
(707) 552-4663

SOLANO CO ASSESSOR'S OFFICE
675 Texas St Ste 270
Fairfield CA 94533
(707) 784-6265

SOLANO CO BLDG/PLNG Ste 5500
(707) 784-6765
(707) 784-4805 – Fax

SOLANO CO ENVIRONMENTAL HEALTH DEPARTMENT
675 Texas St
Fairfield CA 94533
(707) 784-6765

SOLANO CO ENVIRONMENTAL HAZARDOUS MATERIALS
675 Texas St Ste 550
Fairfield CA 94533
(707) 784-6765

STATE CONTRACTORS LICENSE BOARD
(800) 321-2752
www.cslb.ca.gov

STATE DISABILITY ACCESS COMPLIANCE
(916) 322-4700

STATE MOBILE HOMES
(916) 255-2501
(707) 249-6573 – Cell

TELEPHONE SERVICE
SBC
Business Line – 1 800 750-2355
Resident Line – 1 800 310-2355

VALLEJO FIRE PREVENTION
251 Georgia St
Vallejo CA 94590
(707) 48-4565

VALLEJO FLOOD & SANITATION CONTROL DISTRICT
450 Ryder St
Vallejo CA 94590
(707) 644-8949
Water Pollution Prevention – (888) 229-9473

City of Vallejo

Building Division

555 Santa Clara Street, Vallejo, CA 94590
Phone: (707) 648-4374 Fax: (707) 552-0163

Building Handout No. BH-15

Construction Work You Can Do Without a Permit

Note: Exemption from the permit requirements of these Codes shall not be deemed to grant authorization for any work to be done in violation of the provisions of the Codes or any other laws or ordinances of this jurisdiction.

Any structure, including structures which do not require a building permit must conform to applicable Zoning Code requirements including setbacks from property lines. Please call the Planning Department for more information: (707) 648-4326.

California Building Code – Section 106.2

Work Exempt from Permit. A building permit shall not be required for the following:

1. One-story detached accessory buildings used as tool and storage sheds, playhouses, and similar uses, provided the floor area does not exceed 120 sq. ft ($11.15\ m^2$).
2. Fences under 6 ft. (1829 mm) in height.
3. Oil derricks.
4. Movable cases, counters and partitions not over 5 ft 9in. (1753 mm) high.
5. Water tanks supported directly upon grade if the capacity does not exceed 5000 gallons (18 927 L) and the ratio of height to diameter or width does not exceed 2:1. And depth can not exceed 18 inches.
6. Platforms, walks and driveways not more the 30 in. (762 mm) above grade and not over any basement or story below.
7. Painting, papering and similar finish work.
8. Temporary motion picture, television and theater stage sets and scenery.
9. Window awnings supported by an exterior wall of Group R, Division 3, and Group U Occupancies when projecting not more than 54 inches (1372 mm).
10. Prefabricated swimming pools accessory to Group R, Division 3 Occupancy in which pool walls are entirely above the adjacent grade and if the capacity does not exceed 5,000 gallons (18 927 L). However, a fence is required for safety.

Unless otherwise exempted, separate plumbing, electrical, and mechanical permits will be required for the above exempted items.

California Mechanical Code – Section 112.2

Exempt Work. A mechanical permit shall not be required for the following:

1. A portable heating appliance, portable ventilating equipment, portable cooling unit or portable evaporative cooler.
2. A closed system of steam, hot or chilled water piping within heating or cooling equipment regulated by this code.
3. Replacement of any component part or assemble of an appliance which does not alter its original approval and complies with other applicable requirements of this code.
4. Refrigerating equipment which is part of the equipment for which a permit has been issued pursuant to the requirements of this code.
5. A unit refrigerating system.

National Electrical Code – Section 301

Not Covered. This code does not cover:

1. Installations in ships, watercraft other than floating buildings, railways rolling stock, aircraft or automotive vehicles. (Requirements for floating buildings are found in Article 553.)
2. Installations underground in mines and self-propelled mobile surface mining machinery and its attendant electrical trailing cable.
3. Installations of railways for generation, transformation, transmission, or distribution of power used exclusively for operation of rolling stock or installations used exclusively for signaling and communications purposes.
4. Installations, including associated lighting, under the exclusive control of electric utilities for the purpose of communications, metering, generation, control, transformation, transmission, or distribution of electric energy. Such installations shall be located in buildings used exclusively by utilities for such purposes; outdoors on property owned or leased by the utility; on or along public highways, streets, roads, etc.; or outdoors on private property by established rights such as easements.

   This section was changed in the 1996 Code to clarify that, unless there are legal rights otherwise, commercial parking lot lighting is covered by the NEC.

City of Vallejo

Building Division

555 Santa Clara Street, Vallejo, CA 94590

Phone: (707) 9648-4374 Fax: (707) 552-0163

Building Handout No.BH-10

Application for Temporary Gas Connection (Commercial/Industrial)

I, ____, owner/builder of the building and/or premises located at, ____, Vallejo, CA, hereby request approval for temporary connection to the gas utility service and certify that such connection is necessary for the purpose of testing equipment and providing power to facilitate completion of the building and that the building will not be occupied for purposes other than doing work necessary to complete the building until authorized by the Building Official through issuance of a certificate of occupancy. Owner/contractor acknowledges that the deposit in the amount of $500.00 will be returned upon request, provided the building was not occupied for purposes other than above, and a certificate of occupancy has been issued by the Building Official. Unapproved occupancy shall be cause for forfeit of deposit, and cause for disconnection of electrical utilities. In the event this structure is occupied prior to issuance of a certificate of occupancy, the owner or contractor by their signatures, hereby authorize the City of Vallejo to have electrical utilities disconnected.

____

Signature of owner/contractor *Date*

Refund should be returned to:

Name: ____

Address: ____

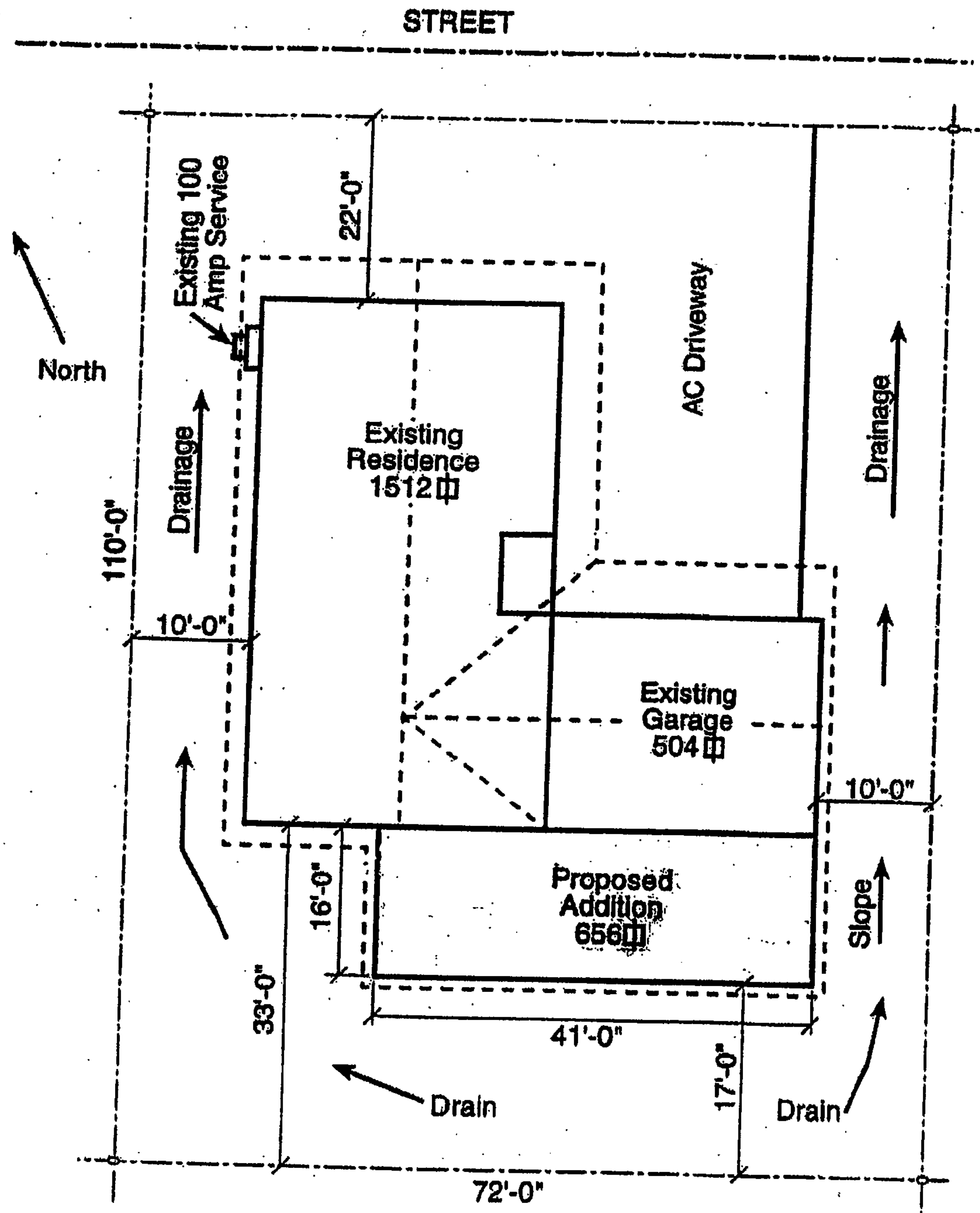
Deposit $500.00 Commercial/Industrial **Application Fee $89.00**

-For Office Use Only-

Attach duplicate receipt here

City of Vallejo
Building Division
555 Santa Clara Street, Vallejo, CA 94590
Phone: (707) 648-4374 · Fax: (707) 552-0163

PLOT PLAN SAMPLE SHOWING LOT COVERAGE AND REAR YARD DETERMINATION. FOR ILLUSTRATION ONLY.



Note: Lot coverage % determined by dividing Total Area of all buildings by Lot Area.

Note: rear yard dimension.

Lot depth = 110'

Required rear yard setback:
110' x .20% = 22'

Maximum is 22'—
[20%max. when <125']

This addition WILL require a "variance" for rear yard setback.

Basically a level lot.

Plot Plan **Scale: 1/16" = 1'-0"**

Lot Area	7920 ☐	
Existing Coverage	2016 ☐	= 25.5%
Addition	656 ☐	
Total	2672 ☐	= 33.7%

Performance Standards for Processing Public Works Dept. Applications

Public Works Department staff is committed to achieve the performance standards in processing customer applications. Our target is to ensure we complete reviews within these time frames listed below 90% of the time (beginning August 1, 2007). Achieving these standards will require that applicants submit complete applications. Forms assisting applicants in the preparation of complete applications are available at www.ci.vallejo.ca.us/xxxxxxxxxx.

We will review success in meeting these review times no less than every six months. These performance reviews will be available to the public. Staff will also work on other operational efficiencies to attempt to improve upon these standards. We will attempt to improve upon these standards over time through working smarter and increasing permitting resources.

Application Completeness **(in calendar days)**

City staff will determine Application Completeness and conduct preliminary review of significant issues within these target review time frames. Applicant will also receive the City's determination of completeness by phone within this target review time.

Initial Review	7 days
Subsequent Review	7 days

Public Improvement and Grading Plans **(in calendar days)**

A. Improvements Related to Parcel Maps, Building Permits and Encroachment Permits

Initial Review	28 days
Review of Subsequent Submittals	14 days

B. Improvements Related to Minor Subdivisions (less than 25 lots, non-hillside development)

Initial Review	50 days
Review of Second Submittals	21 days
Review of Subsequent Submittals	14 days

C. Improvements Related to Major Subdivisions (more than 25 lots & any hillside subdivision)

Initial Review	85 days
Review of Second Submittals	21 days
Review of Subsequent Submittals	14 days

D. Preliminary Submittals 21 days

Bonds and Subdivision Agreements **(in calendar days)**

Review of Cost Estimates and Insurance	21 days
Prepare Subdivision Agreements	14 days
Review Signed Agreements & Final Bond Documents	7 days

Parcel Maps and Final Maps **(in calendar days)**

A. Parcel Map

Initial Review	28 days
Review of Subsequent Submittals	14 days

B. Final Maps for Minor Subdivisions (less than 25 lots)

Initial Review	28 days
Review of Second Submittal	21 days
Review of Subsequent Submittals	14 days

C. Final Maps for Major Subdivisions (more than 25 lots)

Initial Review	28 days
Review of Second Submittal	21 days
Review of Subsequent Submittals	14 days

DRAFT HANDOUT – WEBSITE POSTING

Performance Standards for Processing Building Division Applications (in calendar days)

Building Division staff is committed to achieve the performance standards in this handout. Our target is to ensure we complete review within these time frames listed below 90% of the time (beginning August 1, 2007). Achieving these standards will require that applicants submit complete applications. Forms assisting applicants in the preparation of complete applications are available at www.ci.vallejo.ca.us/xxxxxxxxxx.

We will review success in meeting these review times no less than every six months. These reviews will be available to the public. Staff will also work on other operational efficiencies to attempt to improve upon these standards. We will attempt to improve upon these standards over time through working smarter and increasing permitting resources.

<u>Application Completeness</u> **(in calendar days)**

City Staff will determine Application Completeness and Conduct Preliminary Review of Significant Issues within these target review times. Applicant will also receive the City's determination of completeness by phone within this target review time.

Initial Review	30 days
Subsequent Review	21 days

<u>Permit Processing</u> **(in calendar days)**

A. Minor Permits (re-roofing, water heater replacement, etc.) = Same day / over the counter procedure

B. Standard Residential Alterations (interior alterations) = Three days

C. Residential Additions & Minor Tenant Improvements (less than 5000 square feet)

Initial Review	28 days
Review Second Submittal	14 days
Review Subsequent Submittals	7 days

D. New Single Family Residential

Initial Review	28 days
Review Second Submittal	14 days
Review Subsequent Submittals	7 days

E. New Non-residential and apartment structures

Initial Review	42 days
Review Second Submittal	21 days
Review Subsequent Submittals	14 days

F. Major Tenant Improvements for non-residential

Initial Review	28 days
Review Second Submittal	14 days
Review Subsequent Submittals	7 days

Processing times are calculated from the date the building permit application is filed to the date the permit is issued. Performance measures assume that all required planning approvals have been granted prior to submittal of the building permit application.

DRAFT HANDOUT – WEBSITE POSTING

City Review Time Frames for Processing Planning Division Applications (in calendar days)

Planning Division staff is committed to achieve the performance standards in this handout. Our target is to ensure we complete reviews within these time frames listed below 90% of the time (beginning August 1, 2007). Achieving these standards will require that applicants submit complete applications. Forms assisting applicants in the preparation of complete applications are available at www.ci.vallejo.ca.us/xxxxxxxxxx.

We will review success in meeting these review times no less than every six months. These performance reviews will be available to the public. Staff will also work on other operational efficiencies to attempt to improve upon these standards. We will attempt to improve upon these standards over time through working smarter and increasing permitting resources.

Application Completeness **(in calendar days)**

City Staff will determine Application Completeness and Conduct Preliminary Review of Significant Issues within these target review time frames. Applicant will also receive the City's determination of completeness by phone within this target review time.

Initial Review	30 days
Subsequent Review	21 days

Permit Processing **(in calendar days)**
All dates below are calculated from the date City staff determines the application is complete.

A. Planning Applications Exempt from CEQA

Staff action only OR w/ Planning Commission Action also required	60 days

B. Standard Planning Applications Subject to Preparation of a Negative Declaration such as PUD Permits, Tentative Subdivision Maps with 100 or more lots or Non-residential development with 100,000 square feet or more.

Staff action only required	120 days
Planning Commission Action also required	150 days
City Council Action required after Planning Comm.	180 days

C. Rezoning or General Plan Amendments Subject to Preparation of an EIR

City Council Action	12-18 months

"Action" means a decision by City Council, appointed commissions or staff to approve, conditionally approve or deny an application.

"Planning applications" include tentative subdivision and parcel maps, and all development entitlements provided in Title 16 of the Vallejo Municipal Code except those that are legislative actions.

J:\Community Development\SS\D Team\Website\Planning - processing times 05 14 07.doc
Latest rev's on 5/25/07

CITY OF VALLEJO

Attach. D

Building Division

555 Santa Clara St, 2nd Floor
Vallejo CA ▪ 94590-5934
website: www.ci.vallejo.ca.us E-mail: gwest@ci.vallejo.ca.us
Tel: (707) 648-4374 Fax: (707) 552-0163
Counter hours: Monday - Friday, 8:30 a.m. - 5:15 p.m.

BUILDING PERMIT APPLICATION COMPLETENESS CHECKLIST
Plan Submittal Requirements for
Constructing a New Commercial Building

Effective in June 2007, the City's Building Division is the single location to submit building permit applications. The Building Division will route the application for review simultaneously to all required City divisions and departments. The checklist below describes the requirements for a complete submittal. A list of definitions is available at www.ci.vallejo.ca.us.xxxxxxxx. Fees can be estimated using information also posted on the City's website at www.ci.vallejo.ca.us.xxxxxxxx. Fees must be paid at the time the building permit application is filed.

The City is committed to processing applications in a timely manner. Performance Standards for plan review time frames have been established (effective August 1, 2007) and are available at www.ci.vallejo.ca.us.xxxxxxxx, or can be provided when complete plans are submitted.

Important Note: When submitting plans please bundle the required number of plans by Division or Department listed below to expedite processing. The quantity of plans to be submitted for each work unit is listed in parentheses after each individual requirement.

Building Division: Questions? Please call 707-648-4374 or e-mail gwest@ci.vallejo.ca.us

Req.	Verified	
☐	☐	A completed Building Permit Application.
☐	☐	Plot Plan (3 sets)
☐	☐	Floor Plan (3 sets)
☐	☐	Exterior Elevations (3 sets)
☐	☐	Foundation Plan (3 sets)
☐	☐	Foundation and Floor Framing Plan (3 sets)
☐	☐	Plumbing Plan (3 sets)
☐	☐	Roof Framing Plan (3 sets)
☐	☐	Cross Section Drawings (3 sets)
☐	☐	Title 24 Energy Documentation (3 sets)
☐	☐	Site Accessibility and Exiting Plans (3 sets)
☐	☐	Structural Plans and Calculations (3 sets)
☐	☐	Sprinkler Plan (3 sets)
☐	☐	Engineering Calculations stamped and wet ink-signed by the appropriate architect/engineer (2 sets)

Planning Division: Questions? Call 707-648-4691, or e-mail to planners@ci.vallejo.ca.us

Req. Verified

- ☐ ☐ Plot Plan (1)
- ☐ ☐ Floor Plan (1)
- ☐ ☐ Exterior Elevations (1)
- ☐ ☐ Conditions of Approval Compliance Form
- ☐ ☐ Landscape/irrigation Plan (1)

Engineering: Questions? Please call 707-648-4315 or e-mail zzzzz@ci.vallejo.ca.us

Req. Verified

- ☐ ☐ Site Plan or Plot Plan (1)
- ☐ ☐ Vicinity Map (1)
- ☐ ☐ Grading Plan (1)
- ☐ ☐ Soils Report (1)
- ☐ ☐ Improvement Plans (1) (e.g., sidewalk curb & gutter, driveways, parking lot(s), drainage, hydrants, street lights
- ☐ ☐ Landscaping & Irrigation Plans (1)
- ☐ ☐ Erosion Control Plans (1) (during construction and post-construction)
- ☐ ☐ Calculations for structural integrity of retaining walls, if any
- ☐ ☐ Calculations for lighting voltage drop
- ☐ ☐ Calculations for photometrics
- ☐ ☐ Calculations for hydrology (move to VSFCD?)

Fire Department: Questions? Please call 707-xxx-yyyy or e-mail zzzzz@ci.vallejo.ca.us

Req. Verified

- ☐ ☐ Scope of work narrative
- ☐ ☐ Plot Plan (2)
- ☐ ☐ Floor Plan (2)
- ☐ ☐ Site Accessibility and Exiting Plan (2)
- ☐ ☐ Underground Fire Service Plans (2)
- ☐ ☐ Sprinkler Plan (2)
- ☐ ☐ Fire Alarms Plan (2)

Water Division: Questions? Please call 707-xxx-yyyy or e-mail zzzzz@ci.vallejo.ca.us

Req. Verified

- ☐ ☐ Final Map or Parcel Map (2)
- ☐ ☐ Grading and Erosion Control Plan (2)
- ☐ ☐ Civil Engineering Site Plan (2)
- ☐ ☐ Provide a proposed plumbing fixture calculation per 2001 California Plumbing Code (1)

D-2

Vallejo Sanitation & Flood Control District (VSFCD)

Questions? Please call 707.644-8949, x 232 or x236 or e-mail GusSilva@vsfcd.com

Req.	Verified	
☐	☐	Check made out to VFSCD for the improvement plan review fee (call for fees or review online at xxxxx@vsfcd.com)
☐	☐	A completed VSFCD Plan Check Request Form
☐	☐	Submittal Letter that identifies as follows: a) the project name, b) a contact person and info on how to contact c) the reason for any deficiency in the submittal
☐	☐	Two (2) blue line copies of the Civil Engineering Site Plan
☐	☐	Two (2) copies of the Grading and Erosion Control Plan
☐	☐	One (1) Hydrology Map
☐	☐	Erosion Control Plan
☐	☐	One (1) set of hydrology/hydraulic calculations
☐	☐	One (1) set of sanitary sewer calculations, showing the project's sewage contribution
☐	☐	Show path of overland release for 100-year flood
☐	☐	Easement descriptions & plots of new required easements, or subdivision map showing easements
☐	☐	Copy of the project's Conditions of Approval as approved by city or county and the District Statement of Conditions of Acceptance (available on-line at xxxxx@vsfcd.com)
☐	☐	Any structural calculations necessary
☐	☐	Set of plans marked to show storm drain overflow patterns into and out of the development

Attach. E

Proposed Fees
for
General Fund Subsidy

Working Draft

Code Enforcement

								Recommendations		
	Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Cost Recovery Policy Level (%)	Fee @ Policy Level	Subsidy @ Policy Level
1	Code Enforcement Abatement	Fee	2	$308	15%	$2,017	$1,709	50%	$1,010	$1,007
2	Abatement Lien Process	Fee	10	$237	14%	$1,672	$1,435	50%	$840	$832
3	Enforcement Appeal	Fee	10	$48	4%	$1,279	$1,231	50%	$640	$639
4	Vacant Building Monitoring Fee	Fee	1	$59	9%	$627	$568	50%	$310	$317
5	Abandoned Shopping Cart Prevention Plan	Fee	10	$301	10%	$2,962	$2,661	50%	$1,480	$1,482
6	Annual Eval. Report of Shopping Cart Plan	Fee	10	$141	31%	$450	$309	50%	$220	$230
7	Modification of Abandoned Shopping Cart Prev. Plan	Fee	10	$202	47%	$433	$231	50%	$220	$213
8	Administrative Charge After 30 Days	Fee	325	$280	16%	$1,781	$1,501	50%	$890	$891

Planning

								Recommendations		
	Service Name	Service Type	Annual Volume	Current Fee	% of Full Cost	100% of Full Cost	Current Subsidy	Cost Recovery Policy Level (%)	Fee @ Policy Level	Subsidy @ Policy Level
63	Appeal to Commission plus noticing fee	Fee	5	$220	5%	$4,746	$4,526	9%	$440	$4,310
64	Appeal to Council plus noticing fee	Fee	6	$220	4%	$5,431	$5,211	8%	$440	$4,990
	Developments of five acres or less for the following categories will pay a reduced fee as follows:									
14	General Plan Amendment	Fee	2	$4,893	45%	$10,954	$6,061	50%	$5,470	$5,484
25	Planned Development, 5+ Acres - Master Plan	Fee	1	$10,088	36%	$28,121	$18,034	50%	$14,060	$14,061
26	Planned Development, 5+ Acres - Master/Unit Plans	Fee	1	$14,858	43%	$34,510	$19,652	50%	$17,250	$17,260
27	Planned Development, 5+ Acres - Unit Plan (Council)	Fee	1	$6,480	27%	$23,833	$17,353	50%	$11,910	$11,923
36	Rezoning, Prezoning, Text Amendment	Fee	1	$3,667	35%	$10,369	$6,703	50%	$5,180	$5,189

E-1

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created: SLS

CITY OF VALLEJO REDEVELOPMENT AGENCY

RDA ADMIN. B

BOARD COMMUNICATION

Date: June 12, 2007

TO: Mayor and Members of the Redevelopment Agency Board

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

SUBJECT: AGREEMENT FOR CONSULTING SERVICES BETWEEN THE REDEVELOPMENT AGENCY AND THE NATIONAL DEVELOPMENT COUNCIL, INCLUDING GROW VALLEJO FUND

BACKGROUND & DISCUSSION

Over the past few months, Agency staff has been working with the National Development Council (NDC), a non-profit community and economic development organization, to target NDC's federal tax credits to the Empress Theatre project in downtown Vallejo. These federal tax credits, called "New Market Tax Credits", will be combined with Historic Tax Credits to generate approximately $2 million in funding to help offset the increased costs incurred by Empress Theatre Associates to complete the Empress Theater and to provide $250,000 in seed funding to launch the new "Grow Vallejo" business loan program.

In addition to the benefit of completing the Empress Theatre, NDC has structured the tax credits transaction to generate $250,000 to "seed" a Grow Vallejo fund. NDC has pledged to leverage up to $1.0 million dollars with this seed money for the Grow Vallejo fund. Grow Vallejo dollars will help launch and expand eligible small businesses by providing SBA-guaranteed financing. With that level of funding, it is likely that 4 to 5 substantial loans could be awarded to Vallejo-based businesses.

Funding will also be generated in the tax credits transaction to cover a two-year consulting agreement between the Redevelopment Agency and the National Council for Community Development, dba as The National Development Council. From July 1, 2007 through June 30, 2009, NDC will provide a range of services, including:

1) provide the Agency with underwriting and real estate negotiation services;
2) assist in securing state and federal funding for redevelopment projects and programs such as Low-Income Housing Tax Credits, HUD CDBG Float Loans, 501©(3) Bonds, HUD CDBG Revolving Loan Funds and SBA 504 Loans;
3) provide up to eight weeks of classroom training per year in NDC's Certified Economic Development and Housing Development Training Program at no cost.
4) access to on-going tax credits which is a valuable resource that the Agency would like to take advantage of for other eligible projects.

FISCAL IMPACT

The tax credits structure is generating $144,000 that the Agency will use to meet the Agreement's obligation to provide a maximum of $144,000 to NDC for the scope of services outlined above. Using these funds, the Agency would pay a monthly $6,000. retainer to NDC during the two-year term of the Agreement for Consulting Services.

RECOMMENDATION

Approve the resolution authorizing the Executive Director to execute the Agreement for Consulting Services between the Redevelopment Agency and NDC, including the authority to make any amendments to the Agreement approved by the City Manager and City Attorney.

ENVIRONMENTAL REVIEW

There is no environmental review required for the Agency's Agreement for Consulting Services with NDC.

PROPOSED ACTION

Approve the attached resolution authorizing the Executive Director to execute the attached Agreement for Consulting Services between the Redevelopment Agency of the City of Vallejo and the National Council for Community Development, dba as The National Development Council as the Consultant.

DOCUMENTS AVAILABLE FOR REVIEW

Attachment A - Resolution

Attachment B - Agreement for Consulting Services between the Redevelopment Agency and National Council for Community Development, dba as NDC

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

Bonnie Robinson-Lipscomb, Sr. Community Development Analyst
707/648-5278 or blipscomb@ci.vallejo.ca.us

RESOLUTION NO. _______ N.C.

RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT FOR CONSULTING SERVICES BETWEEN THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AND THE NATIONAL COUNCIL FOR COMMUNITY DEVELOPMENT, DBA AS THE NATIONAL DEVELOPMENT COUNCIL

BE IT RESOLVED by the Redevelopment Agency of the City of Vallejo as follows:

WHEREAS, the Agency staff has been working with the National Development Council (NDC) to take advantage of NDC's federal New Market Tax Credits, in concert with federal Historic Rehabilitation Tax Credits, to assist in the completion of the Empress Theater by addressing increased costs; and

WHEREAS, NDC is making funds available for a $1.0 million Grow Vallejo fund targeted to eligible Vallejo-based businesses using seed money generated by the tax credits deal and the Agency desires to take advantage of NDC's leveraging ability to provide small business financing for Vallejo-based businesses; and

WHEREAS, NDC is providing a full range of consulting services to the Agency over two-years, including professional staff training, underwriting and economic analysis expertise, and assistance in leveraging state and federal sources of funding and on-going access to tax credits; and

WHEREAS, the Agency desires to take advantage of the funds generated by the Empres Theater's tax credit deal to fund the Grow Vallejo fund and NDC's consulting services;

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency Board hereby approves the Agreement for Consulting Services and further approves the document in substantially in the form attached hereto, subject to changes approved by the Executive Director and City Attorney.

AGREEMENT FOR CONSULTING SERVICES DRAFT

THIS AGREEMENT is made at Vallejo, California on the 1st day of July, 2007, by and between the REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO ("AGENCY") and the NATIONAL COUNCIL FOR COMMUNITY DEVELOPMENT, INC., a New York not-for-profit corporation, dba The National Development Council ("CONSULTANT"), who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this AGREEMENT, CONSULTANT shall provide the AGENCY professional services as specified in Exhibit "A," entitled "Scope of Work," attached hereto and made a part hereof. Any changes made to Exhibit A must be mutually agreed upon by all parties.

2. **Payment.** AGENCY shall pay CONSULTANT for services rendered pursuant to this AGREEMENT at the times and in the manner set forth in Exhibit "B," entitled "Compensation." The payments specified in Exhibit "B" shall be the only payments to be made to CONSULTANT for services rendered pursuant to this AGREEMENT. The cost for the services rendered pursuant to this AGREEMENT shall be paid by the AGENCY. CONSULTANT shall submit all billings for said services separately to AGENCY on a monthly basis. Payment shall be made within thirty (30) days of the receipt of the correctly formatted invoice pertaining to items approved by the Agency. The maximum obligation under this AGREEMENT without prior written approval of the AGENCY, is $144,000.00. Any increase or decrease in compensation necessitated either by any changes mutually agreed to in the scope of work described in Exhibit A or by any delay in performance due to circumstances beyond the control of AGENCY or CONSULTANT must be negotiated and agreed upon in writing among the parties.

3. **Facilities and Equipment.** CONSULTANT shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this AGREEMENT.

4. **Term.** The term of this AGREEMENT shall be for two years, from July 1, 2007 through June 30, 2009. At the sole discretion of the Executive Director of the AGENCY, the term of this agreement may be extended if the Executive Director provides written notice to CONSULTANT.

5. **Indemnification.** CONSULTANT shall indemnify and hold harmless the AGENCY, its officers, officials, directors, employees, agents and volunteers from and against all claims, damages, losses and expenses including attorney fees arising out of the performance of the work described herein, caused in whole or in part by any negligent act or omission of the CONSULTANT, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts may be liable, except where caused by the active negligence, sole negligence or willful misconduct of the AGENCY.

6. **Insurance Requirements.** CONSULTANT agrees to comply with all of the Insurance Requirements set forth in Exhibit "C," entitled "Insurance Requirements For CONSULTANT," which is attached hereto and made a part hereof.

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

7. **Conflict of Interest.** CONSULTANT shall not enter into any contract or agreement during the performance of this AGREEMENT that will create a conflict of interest with its duties to AGENCY under this AGREEMENT.

8. **Independent Contractor.** At all times during the term of this AGREEMENT, CONSULTANT shall be an independent contractor and shall not be an employee of AGENCY. AGENCY shall have the right to control CONSULTANT only insofar as the results of CONSULTANT's services rendered pursuant to this AGREEMENT, however, AGENCY shall not have the right to control the means by which CONSULTANT accomplishes services pursuant to this AGREEMENT.

9. **Licenses, Permits, Etc.** CONSULTANT represents and warrants to AGENCY that it has all professional licenses, permits, qualifications and approvals of whatsoever nature that are legally required for CONSULTANT to complete the scope of services. CONSULTANT represents and warrants to AGENCY that it shall, at its sole cost and expense, keep in effect at all times during the term of this AGREEMENT any licenses, permits, and approvals which are legally required for CONSULTANT to complete the scope of services.

10. **Standard of Performance.** CONSULTANT shall perform all services required pursuant to this AGREEMENT in a manner and according to the standards of highest quality.

11. **CONSULTANT No Agent.** Except as AGENCY may authorize in writing, CONSULTANT shall have no authority, express or implied to act in behalf of AGENCY in any capacity whatsoever as an agent. CONSULTANT shall have no authority, express or implied, pursuant to this AGREEMENT, to bind AGENCY to any obligation whatsoever.

12. **Termination by AGENCY.** Should AGENCY, at any time, become dissatisfied with CONSULTANT's performance under this AGREEMENT, they may terminate the AGREEMENT immediately upon giving sixty (60) days written notice to CONSULTANT. In the event of such a termination, CONSULTANT shall be compensated for all reasonably satisfactory work completed at the time of termination.

13. **Best Efforts to Use Vallejo Businesses.** CONSULTANT shall use its best efforts to utilize Vallejo businesses for services, when necessary, to perform activities pursuant to this AGREEMENT.

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

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

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

If to AGENCY:

City of Vallejo Economic Development Division
555 Santa Clara St., 3rd Floor
P.O. Box 3068
Vallejo, California 94590

If to CONSULTANT:

Mr. Scott Rodde
The National Development Council
1500 Third Street, Suite C
Napa, California 94559
FAX: 707.255.2754

17. **Integration Clause.** This AGREEMENT constitutes the entire agreement of the parties and may not be amended, except in writing signed by both parties.

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

19. **Law Governing.** This AGREEMENT shall in all respects be governed by the law of the State of California.

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

    A. Exhibit "A," entitled "Scope of Work"

    B. Exhibit "B," entitled "Compensation"

    C. Exhibit "C," entitled "Insurance Requirements for CONSULTANT"

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

AGENCY:

REDEVELOPMENT AGENCY
of the CITY OF VALLEJO

By:______________________________
Executive Director

CONSULTANT:

THE NATIONAL DEVELOPMENT COUNCIL
a New York not-for-profit corporation

By:______________________________
Scott Rodde
Director

APPROVED AS TO FORM:

____
Agency Counsel

ATTEST:

____
Agency Secretary

APPROVED AS TO INSURANCE REQUIREMENTS:

____

Exhibit A

Scope of Services

A. General

CONSULTANT will be required to perform the tasks outlined in this section. The scope of services listed below is a guideline and not a directive of the exact items of work to be performed. The AGENCY expects the CONSULTANT to further define the approach of work to achieve the scope of services presented below. Assuming a commencement date of July 1, 2007, all services shall be completed by December 31, 2003.

B. Services

The following are seen as the basic services to be accomplished by CONSULTANT:

1) Consultant shall provide consulting services to Agency as requested Agency from time to time. Such services may include underwriting and real estate negotiation services for various commercial redevelopment projects; and providing assistance in securing state and federal funding of various types to assist in the redevelopment process.

2) State and federal funding sources shall include:

a) Low Income Housing Tax Credits.
b) Historical Rehabilitation Tax Credits
c) New Markets Tax Credits
d) SBA 7(a) Loans including Grow Vallejo Fund
e) SBA 504 Loans
f) HUD CDBG Revolving Loan Funds
g) HUD Section 108 Loans
h) HUD CDBG Float Loans
i) 6320 Bonds
j) 501(c)(3) Bonds

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3) CONSULTANT shall also make available to AGENCY and City of Vallejo employees up to eight weeks of classroom training per year in NDC's Certified Economic Development and Housing Development Training Program at no additional cost.

Exhibit B

COMPENSATION

Payments for services rendered pursuant to this AGREEMENT shall be made monthly on a retainer basis for all services rendered and costs incurred by CONSULTANT. CONSULTANT shall submit all billings for said services separately to AGENCY on a monthly basis. Payment shall be made within thirty (30) days of the receipt of a correctly formatted invoice. The total fees and costs payable hereunder shall not exceed $144,000.00 payable at a rate of $6,00.00 per month commencing on July 1, 2007.

Exhibit C

Insurance Requirements

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

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

2. Insurance Services Office form number CA 0001 (Ed. 12/92) covering Automobile Liability, code 1 (any auto).

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

Minimum Limits of Insurance

CONSULTANT shall maintain limits no less than:

1. General Liability: $1,000,000 per occurrence for bodily injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

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

3. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

Deductible and Self-Insured Retentions

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

Other Insurance Provisions

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

1. The DEVELOPER, its officers, officials, employees and volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT; or automobiles owned, hired, leased or borrowed by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to the AGENCY, its officers, officials, employees or volunteers.

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

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

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

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

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the AGENCY.

Verification of Coverage

CONSULTANT shall furnish the AGENCY with original endorsements effective coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms provided by the AGENCY. All endorsements are to be received and approved by the AGENCY before work commences. As an alternative to the AGENCY's forms, CONSULTANT's insurer may provide complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications.

THE NATIONAL
DEVELOPMENT
COUNCIL

May 16, 2007

Ms. Susan McCue, Economic Development Program Manager
Economic Development Division, City of Vallejo
555 Santa Clara St. Third Floor
Vallejo, Ca. 94590

RE: Grant to Capitalize the Grow Vallejo Fund

Dear Ms. McCue:

For a period of time, we have held conversations with you regarding the establishment of a Small Business Lending Company in the City of Vallejo to support your comprehensive downtown redevelopment efforts. During the conversations, we have presented to you the following facts:

GROW AMERICA FUND, INC., a corporation organized and existing under the laws of the State of Delaware and having its principal office at 708 Third Avenue, Suite 710, New York, New York, 10017 (hereinafter referred to as "GAF"), is a U.S. Small Business Administration ("SBA") licensed and regulated Small Business Lending Company (hereinafter "SBLC") entitled to make SBA guaranteed loans to eligible small businesses, and is the nation's only SBLC devoted solely to economic and community development financing. GAF is also recognized and certified by the U.S. Treasury Department as a Community Development Financial Institution (CDFI) and Community Development Entity (CDE) as a domestic corporation having a primary mission of serving or providing investment capital for low income communities or low income persons.

GAF is willing and able to create a local loan program to be known as "Grow Vallejo Fund" (GVF), initially capitalized with $250,000 in readily available funds provided through or by the City of Vallejo. GAF will use its SBLC license to make SBA guaranteed loans sponsored by GVF, provide staff to operate GVF in conjunction with the local staff provided by the City, and operate the fund in a prudent and businesslike manner. With a $250,000 capitalization grant, it is the intent of this program that at least $1,000,000 in small business loans will be made in the City's target area(s).

GAF will assist local staff in marketing the GVF program and originating and packaging loans. GAF retains the full fiduciary responsibility for the program, and GAF staff will underwrite all loans, obtain all necessary GAF and SBA approvals, close, service, and collect loans, perform appropriate periodic reviews of each loan, and regularly report the status of each loan, the status of the portfolio, and the available lending capacity remaining in the program to the City.

708 Third Ave., Suite 710
New York, NY 10017
TEL (212) 682-1106
FAX (212) 573-6118

In light of these representations, the City of Vallejo agrees to make a grant to GAF in the amount of $250,000, to be consummated on or before June 15, 2007, pursuant to the following terms and conditions:

a. The grant funds shall be used to make qualified economic development small business loans in City. All loans made by GAF will be approved for partial guarantee by the SBA, and comply with the rules, regulations, and policies of the SBA.
b. The City grant represents the "unguaranteed portion" of each outstanding loan funded under the program. The parties acknowledge that the City grant is therefore fully at risk of loss.
c. For every $1.00 of grant funds, GAF will use its best efforts to make $4.00 of economic development loans within three years from the date of the City's counter-execution of this letter.

Sincerely,

Robert W. Davenport
Chairman

I, ____________________, hereby acknowledge that I have reviewed this memorandum and hereby commit to make a grant to GAF in the amount and upon the terms described herein:

____

City of Vallejo

THE NATIONAL
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COUNCIL

WHAT IS THE GROW AMERICA FUND (GAF)?

GAF is a Small Business Lending Company (SBLC) licensed by the US Small Business Administration to make loans to eligible small businesses – each guaranteed in part by the SBA.

WHERE DOES GAF WORK?

GAF operates in communities across the country where municipalities, CDCs, LDCs, IDAs, banks – and in one case a utility - have made "grants" to the Fund.

HOW DOES THE GAF PROCESS FUNCTION?

In each instance, our community investors serve as our outreach and marketing partners. GAF, for its part structures, packages, underwrites, approves, secures SBA approval, closes, services, collects (and if necessary, conducts works-out or liquidates) all loans made in the community.

We make every effort to leverage your investment in GAF by making twice, three times, even four times the amount of investment in total small business loans in your target neighborhoods and in your target markets.

WITH WHAT TYPES OF ORGANIZATIONS DOES GAF WORK?

We traditionally partner with local municipal economic and community development staff, local development organizations and local lenders to maximize the impact of all available finance and development resources to the benefit of the small business community which we serve. We are also a US Treasury-Certified Development Financial Institution (CDFI) and a CDE.

We work intensely with the small businesses with whom we come in contact, providing technical assistance during the application and underwriting stages, right through closing, disbursement and the term of the financing, if the business ultimately becomes a GAF borrower. It is this technical assistance, along with our commitment to excellence in structuring and providing the most appropriate financing to healthy and growing small businesses that sets us apart and makes us a critical link in a community's small business assistance network.

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New York, NY 10017
TEL (212) 682-1106
FAX (212) 573-6118

Program Logistics Outline:

GAF staff normally performs the following services:

- **Assist in marketing the local GROW AMERICA FUND program locally**
- **Assist in originating and packaging loans**
- **Obtain GAF and U.S. Small Business Administration approvals**
- **Close, service, and collect loans**
- **Perform appropriate reviews of each loan**
- **Perform the fiduciary responsibilities of the corporation**
- **Provide periodic portfolio reporting to our community partner**

This is clearly not a big money-making venture for either GAF or its participating investors. Rather, it is a hands-on economic development "bank" targeting the local business community as directed by our local partner(s). A great deal of work is involved at the "front end" of the proposed Grow America Fund program as we source projects, cull through requests, provide technical assistance to countless applicants (whether or not they ultimately become GAF borrowers) and complete our necessary due diligence.

As the portfolio matures, GAF staff manages a rather unique brand of intense servicing and relationship management. In addition, we inevitably continue to make new loans as principal repayments are made by the borrowers and our community partners' investment capital is in effect "recycled" into our partners' target communities.

Participation in GAF makes sense if the small business financing needs in your target neighborhoods, markets and industries outstrip the lending capacity of your available internal and external resources. GAF may be a perfect compliment to your existing redevelopment goals and small business assistance programs – without having to make an investment in added staff.