City Hall
555 Santa Clara Street
Vallejo, CA 94590

AGENDA

VALLEJO CITY COUNCIL
REDEVELOPMENT AGENCY
(JOINT SPECIAL MEETING WITH CITY COUNCIL)

MARCH 13, 2007

MAYOR
Anthony Intintoli, Jr.

CITY COUNCIL
Tony Pearsall, Vice Mayor
Gary Cloutier
Gerald Davis
Tom Bartee
Hermie Sunga
Stephanie Gomes

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. The Vallejo City Council meets on Tuesdays at 7:00 p.m. weekly unless otherwise posted.

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 this notice before or during consideration of that item. No other items may be discussed at this special meeting.

VALLEJO CITY COUNCIL
SPECIAL MEETING/CLOSED SESSION
5:00 P.M. – C ITY COUNCIL CONFERENCE ROOM

1. CONFERENCE WITH LEGAL COUNSEL: Pending Litigation: Garrett v. City of Vallejo, et al.; United States District Court, Case No. 2:05-CV-00387-FCD-DAD, Pursuant to Government Code Section 94956.9(a)
2. CONFERENCE WITH LABOR NEGOTIATOR SCOT KENLEY PURSUANT TO GOVERNMENT CODE SECTION 54956.6. EMPLOYEE ORGANIZATION(S): INTERNATIONAL ASSOCIATION OF FIRE FIGHTERS, LOCAL 1186 (IAFF) AND VALLEJO POLICE OFFICERS ASSOCIATION (VPOA)

VALLEJO CITY COUNCIL
SPECIAL MEETING
5:30 P.M. – C ITY COUNCIL CHAMBERS

1. STUDY SESSION: "TEAM APPROACH TO RESOLVING COMMUNITY CONCERNS REGARDING CRIME AND PUBLIC NUISANCES RELATED TO SMOKE SHOPS"
2. STUDY SESSION: PRESENTATION OF DISASTER PREPAREDNESS PROGRAM

VALLEJO CITY COUNCIL
SPECIAL MEETING
6:45 P.M. – CITY COUNCIL CHAMBERS

1. INTERVIEWS FOR ARCHITECTURAL HERITAGE AND LANDMARKS COMMISSION

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 AMERICAN FLAG FROM DR. MARCUSE WHICH FLEW OVER THE STATE CAPITOL IN HONOR OF HIS 100^{TH} BIRTHDAY

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. FINAL READING AND ADOPTION OF AN ORDINANCE APPROVING AMENDMENTS TO PLANNED DEVELOPMENT MASTER PLAN NO. 00-0022 TO IMPLEMENT THE REQUIREMENTS OF THE SETTLEMENT AGREEMENT WITH THE VALLEJO WATERFRONT COALITION

   PROPOSED ACTION: Hold final reading and adopt the ordinance.

   B. FINAL READING AND ADOPTION OF AN ORDINANCE APPROVING THE FIRST AMENDED AND RSTATED DEVELOPMENT AGREEMENT NO. 05-0008 BY AND BETWEEN THE CITY OF VALLEJO AND CALLAHAN/DESILVA VALLEJO, LLC TO PRESERVE THE WATERFRONT AND REVITALIZE THE DOWNTOWN

   PROPOSED ACTION: Hold final reading and adopt the ordinance

   C. FINAL READING AND ADOPTION OF AN ORDINANCE AMENDING ORDIINANCE SEVERAL CHAPTERS OF TITLE 16 OF THE VALLEJO MUNICIPAL CODE RELATED TO THE ESTABLISHMENT OF THE DESIGN REVIEW BOARD AND THE IMPLEMENTATION OF THE DOWNTOWN SPECIFIC PLAN AND DESIGN GUIDELINES AND THE WATERFRONT PLANNED DEVELOPMENT MASTER PLAN

   PROPOSED ACTION: Hold final reading and adopt the ordinance.

   D. APPROVAL OF A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE AN AMENDED AND RESTATED FISCAL YEAR (FY) 2006/2007 FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM AGREEMENT BETWEEN THE CITY OF VALLEJO AND REYNAISSANCE FAMILY CENTER, INC.

PROPOSED ACTION: Adopt the resolution authorizing the City Manager to execute an Amended and Restated CDBG Agreement between the City and the Reynaissance Family Center.

E. CONSIDERATION OF A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT TO RETAIN METROPOLITAN PLANNING GROUP INC. TO PERFORM CONTRACT PLANNING SERVICES FOR REVIEW AND PROCESSING OF THE KB HOME RESIDENTIAL PROJECT PROPOSED FOR THE VALLEJO CITY UNIFIED SCHOOL DISTRICT, AND SYUFY PROPERTIES LOCATED AT BENICIA ROAD AND ROLLINGWOOD DRIVE AND TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN KB HOME AND THE CITY OF VALLEJO FOR SAID SERVICES

PROPOSED ACTION: Adopt the resolution approving a consultant and professional services agreement between the City of Vallejo and Metropolitan Planning Group Inc., and a reimbursement agreement between KB Home and the City of Vallejo for said services, and authorizing the City Manager to sign the agreements on behalf of the City.

F. APPROVAL OF RESOLUTION AUTHORIZING THE CITY ATTORNEY TO ASSOCIATE THE LAW OFFICES OF JONES & DYER TO REPRESENT THE CITY OF VALLEJO IN GEORGIA MAE GARRETT, ET AL. V. CITY OF VALLEJO, ET AL., UNITED STATES DISTRICT COURT, EASTERN DISTRICT OF CALIFORNIA, SACRAMENTO DIVISION, CASE NO. 2:05-CV-00387-FCD-DAD

PROPOSED ACTION: Adopt the resolution authorizing the City Attorney to associate the Law Offices of Jones & Dyer to represent the City of Vallejo with respect to all legal proceedings involving the *Georgia Mae Garrett, et al. v. City of Vallejo, et al.* lawsuit.

G. APPROVAL OF A RESOLUTION AUTHORIZING CHANGE ORDER NO. 1 TO THE EXISTING CONTRACT WITH VALLEY POWER SYSTEMS NORTH, INC. OF SAN LEANDRO, CALIFORNIA TO PERFORM FERRY DIESEL ENGINE OVERHAULS

PROPOSED ACTION: Staff recommends approval of a resolution authorizing Change Order No. 1 to the existing contract with Valley Power Systems North, Inc. of San Leandro, California to perform ferry diesel engine overhauls.

H. APPROVAL OF MINUTES FOR THE MEETING OF FEBRUARY 13, 2007

7. PUBLIC HEARINGS - NONE

8. POLICY ITEMS – NON E

9. ADJOURN TO A JOINT MEETING WITH THE VALLEJO REDEVELOPMENT AGENCY AND THE VALLEJO CITY COUNCIL

10. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A RESOLUTION AMENDING THE FISCAL YEAR 2006-2007 BUDGET

On March 6th, 2007, Council approved the 2006-07 Midyear budget report which provided a status update of the Fiscal Year 2006-2007 budget. Council also adopted a Notice of Intention to appropriate funds not included in the current fiscal year 2006-07 budget. This action formally adopts the proposed budget revisions. The adoption of these amendments requires separate actions by the City Council and the Redevelopment Agency.

PROPOSED ACTION: Staff proposes that the Council and Redevelopment Agency:

City Council: Adopt a resolution amending the City's budget for Fiscal year 2006/2007
Redevelopment Agency: Adopt a Resolution amending the Redevelopment Agency's budget for Fiscal Year 2006-2007

11. RECONVENE THE CITY COUNCIL MEETING

12. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

A. APPROVAL OF RESOLUTION APPOINTING MEMBERS TO THE ARCHITECTURAL HERITAGE AND LANDMARKS COMMISSION

Applicant interviews for this commission were held earlier this evening.

PROPOSED ACTION: Adopt the resolution appointing members to the Architectural Heritage and Landmarks Commission

13. WRITTEN COMMUNICATIONS

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

14. CITY MANAGER'S REPORT

15. CITY ATTORNEY'S REPORT

16. COMMUNITY FORUM

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

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

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

19. ADJOURNMENT

VALLEJO REDEVELOPMENT AGENCY
SPECIAL JOINT MEETING WITH
VALLEJO CITY COUNCIL
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. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF A RESOLUTION AMENDING THE FISCAL YEAR 2006-2007 BUDGET

On March 6th, 2007, Council approved the 2006-07 Midyear budget report which provided a status update of the Fiscal Year 2006-2007 budget. Council also adopted a Notice of Intention to appropriate funds not included in the current fiscal year 2006-07 budget. This action formally adopts the proposed budget revisions. The adoption of these amendments requires separate actions by the City Council and the Redevelopment Agency.

PROPOSED ACTION: Staff proposes that the Council and Redevelopment Agency:

City Council: Adopt a resolution amending the City's budget for Fiscal year 2006/2007
Redevelopment Agency: Adopt a Resolution amending the Redevelopment Agency's budget for Fiscal Year 2006-2007

3. ADJOURNMENT

ORDINANCE NO. ___

CONSENT A

AN ORDINANCE OF THE CITY OF VALLEJO APPROVING AMENDMENTS TO PLANNED DEVELOPMENT MASTER PLAN #00-0022 TO IMPLEMENT THE REQUIREMENTS OF THE SETTLEMENT AGREEMENT WITH THE VALLEJO WATERFRONT COALITION.

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 Chapter 16.116 of the Vallejo Municipal Code, the City of Vallejo may, after notice and public hearing, adopt a Planned Development Master Plan ("PDMP") by Ordinance. The revised PDMP for the Vallejo Station Project and Waterfront Project and Design Guidelines (Exhibit A1) is available and on file with the Community Development Department and the Development Services Department.

B. By separate Resolution No. 07-39 N. C., the City Council has approved the addendum to the Vallejo Station Project and Waterfront Project Environmental Impact Report which Resolution No. 79-40 N.C. incorporated herein by reference.

C. By separate Resolution No. 07-41 N.C. the City Council has approved this Ordinance and has found that:

1. The revised PDMP is consistent with the goals and policies of the Vallejo General Plan.
2. The revised PDMP furthers the stated purpose of the planned development district.
3. The revised PDMP is in conformity with public convenience, the general welfare, and good land use practice.
4. The revised PDMP will not be detrimental to health, safety, and general welfare.
5. The PDMP will not adversely affect the orderly development or the preservation of property values.

SECTION 2. Approval Revised Planned Development Master Plan PDMP #00-0022.

Based on the findings herein and in the resolutions recited above, the City Council hereby approves revised Planned Development Master Plan (including the Waterfront Design Guidelines) PDMP #00-0022, including approximately 92 acres of land for the Vallejo Station Project and Waterfront Project as set forth in Resolution No. __ adopted by the City Council on _______________, and incorporated by this reference.

SECTION 3. Effective Date.

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

CONSENT B

ORDINANCE NO. ___

AN ORDINANCE OF THE CITY OF VALLEJO APPROVING THE FIRST AMENDED AND RESTATED DEVELOPMENT AGREEMENT #05-0008 BY AND BETWEEN THE CITY OF VALLEJO AND CALLAHAN/DESILVA VALLEJO, LLC TO PRESERVE THE WATERFRONT AND REVITALIZE THE DOWNTOWN

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 Chapter 17.14 of the Vallejo Municipal Code, the City of Vallejo may, after notice and public hearing, approve a Development Agreement.

B. Development Agreement #05-0008 ("Development Agreement" – See Exhibit A1) by and between the City of Vallejo and Callahan/DeSilva Vallejo, LLC sets forth terms and provisions for the development of certain properties included in the Vallejo Station Project and Waterfront Project areas. The Development Agreement is available and on file with the Community Development Department and the Development Services Department.

C. By separate resolutions and ordinances, the City Council has approved General Plan Amendments, a Mixed Use Planned Development zoning, and a Planned Development Master Plan for the properties included in Development Agreement #05-0008.

D. By separate resolution, the City Council has approved an Addendum to the Vallejo Station Project and Waterfront Project Environmental Impact Report, which Resolution No. 07-39 N.C. is incorporated herein by reference.

E. By separate Resolution No. 07-41 N.C., the City Council has found that the First Amended and Restated Development Agreement #05-0008 is consistent with the land use designations, goals, and policies of the Vallejo General Plan, has made other findings, and has approved this Ordinance.

SECTION 2. Approval of Development Agreement.

Based on the findings herein and in the resolutions included in the above recitals, the City Council hereby approves Development Agreement #DA05-0008.

SECTION 3. Effective Date.

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

ORDINANCE NO. ________N.C. 2nd

AN ORDINANCE OF THE CITY OF VALLEJO AMENDING TITLE 16 OF THE VALLEJO MUNICIPAL CODE TO CLARIFY PROVISIONS RELATED TO THE DESIGN REVIEW BOARD

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

SECTION 1. The Vallejo Municipal Code is hereby amended by adding a new section 16.102.040 to chapter 16.102, which is to read as follows:

"16.102.040 Appeal from design review board decision.

A. The applicant or any party adversely affected by the decision of the design review board may, within ten days after the rendition of the decision of the design review board, appeal in writing to the city council by filing a written appeal with the city clerk. Such written appeal shall state the reason or reasons for the appeal and why the applicant believes he or she is adversely affected by the decision of the design review board. Such appeal shall not be timely filed unless it is actually received by the city clerk or designee no later than the close of business on the tenth calendar day after the rendition of the decision of the design review board. If such date falls on a weekend or city holiday, then the deadline shall be extended until the next regular business day.

B. Notice of the appeal, including the date and time of the city council's consideration of the appeal, shall be sent by the city clerk to all property owners within two hundred or five hundred feet of the project boundary, whichever was the original notification boundary.

C. The city council may affirm, reverse or modify any decision of the design review board which is appealed. The city council may summarily reject any appeal upon determination that the appellant is not adversely affected by a decision under appeal.

D. These provisions shall be communicated to the applicant as part of the planning division staff report. In addition, these provisions shall be noted on the design review board meeting agenda and shall constitute notice to all concerned of these appeal provisions."

SECTION 2. The Vallejo Municipal Code is hereby amended by adding a new section 16.102.050 to chapter 16.102, which is to read as follows:

"16.102.050 Appeal from planning manager's decision regarding design guidelines.

A. The applicant or any party adversely affected by an administrative decision of the planning manager rendered under authority conferred by downtown Vallejo specific plan or planned development master plan #00-0022 may, within ten days after rendition of such decision, appeal in writing to the design review board. Such written appeal shall state the reason or reasons for the appeal and why the appellant believes he or she is adversely affected by the administrative decision. Such appeal shall not be timely filed unless it is actually received by the development services director or designee no later than the close of business on the tenth calendar day after the rendition of the decision of the planning manager. If such date falls on a weekend or city holiday, then the deadline shall be extended until the next regular business day.

B. Notice of the appeal, including the date and time of the design review board's consideration of the appeal, shall be sent by the development services director to all property owners within two hundred or five hundred feet of the project boundary, whichever was the original notification boundary. For decisions that did not require noticing, the appeal notification boundary shall be two hundred feet.

C. The design review board may affirm, reverse or modify any decision of the planning manager which is appealed. The design review board may summarily reject any appeal upon determination that the appellant is not adversely affected by a decision under appeal.

D. These provisions shall be communicated to the applicant as part of the planning division staff report and determination."

SECTION 3. The Vallejo Municipal Code is hereby amended by adding a new section 16.80.105 to chapter 16.80, which is to read as follows:

"16.80.105 Downtown exception permits.

Exception permits for the projects within the districts specified in the downtown Vallejo specific plan shall be prepared consistent with the policies, standards and implementation program in the downtown Vallejo specific plan and shall be reviewed for approval by either the design review board or development services director as set forth in said plan."

SECTION 4. The Vallejo Municipal Code is hereby amended by adding a new section 16.116.076 to chapter 16.116, which is to read as follows:

"16.116.076 Downtown unit plans.

Unit plans for the projects within the districts specified in the downtown Vallejo specific plan shall be prepared consistent with the policies, standards and *implementation program in the downtown Vallejo specific plan and shall be reviewed for approval by either the design review board or planning manager as set forth in said plan."*

SECTION 5 The Vallejo Municipal Code is hereby amended by adding a new section 16.116.077 to Chapter 16.116 to read as follows:

"16.116.077 Waterfront Project unit plans.

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

SECTION 6. Severability

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

SECTION 7. Effective Date

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

CITY OF VALLEJO

Agenda Item No. CONSENT D

COUNCIL COMMUNICATION

Date: March 13, 2007

TO: Mayor and Members of the City Council

FROM: Craig Whittom, Assistant City Manager/Community Development CW
Laura J. Simpson, Housing and Community Development Manager

SUBJECT: Approval of a Resolution Authorizing the City Manager to Execute an Amended and Restated Fiscal Year (FY) 2006/2007 Federal Community Development Block Grant (CDBG) Program Agreement Between the City of Vallejo and Reynaissance Family Center, Inc. (RFC)

BACKGROUND AND DISCUSSION

On February 27, 2007 the City Council allocated $450,000 in additional CDBG loan funds for the rehabilitation of the Reynaissance Family Center, which is located at 2160 Sacramento Street. When renovated, this facility will provide sixteen (16) beds of transitional housing for homeless families. The City has previously allocated CDBG funds to this project, for site acquisition ($262,500) and renovation ($207,862), also in the form of loans.

In 2001, the Department of Housing and Urban Development (HUD) also committed funds for the RFC Project. Because sufficient funding is now available for the rehabilitation of the property, it is appropriate for the City to execute an Amended and Restated Agreement, which reflects the additional CDBG funds allocated to the RFC by the City Council, a new schedule for the completion of the rehabilitation, and revised loan terms. A draft Agreement is at Attachment "B".

The current Agreement requires the RFC to make a full and complete repayment of the funds loaned at the time of the sale of the property, or on June 30, 2012, whichever is sooner, at an interest rate of three (3) percent (%) per year. The loans may be renewed at the option of the City Council for an additional ten-year term if the agency continues to meet the terms of the Agreement, i. e., provided that the facility continues to be used for the intended purpose of providing transitional housing for homeless persons.

A contractor has been selected, and work will begin on the renovation of the RFC property on or around March 19, 2007, and be completed not later than September 19, 2007. Staff recommends that the following key changes be made in an Amended and Restated Agreement:

(1) the amount of CDBG funds loaned by the City for the rehabilitation of the property is $657,862. The Agreement needs to be revised to reflect additional funding allocated by the City Council on February 27, 2007;

(2) the rehabilitation of the facility will be completed by October 1, 2007. Extending the deadline for project completion will provide ample time to finish the rehabilitation ; and

(3) the funds will be repaid to the City at an interest rate of three (3) percent (%) per year at the time of sale, or on December 31, 2017, whichever is sooner, with the City Council's option to renew the loans for an additional ten-year term if the property retains the same use. The repayment deadline would be extended for approximately five (5) more years, because this project has been delayed for more than five (5) years, i. e., it was anticipated to be completed in 2002.

Fiscal Impact

None at this time. If this project is completed by October 1, 2007, staff anticipates that the City will expend its CDBG funds in compliance with HUD's spending deadlines.

RECOMMENDATION

Execute an Amended and Restated Agreement with the Reynaissance Family Center.

ALTERNATIVES CONSIDERED

Council Resolution No. 06-91 N. C. requires the renovation of the Reynaissance Family Center to be completed by April 1, 2007. However, the project was delayed for a valid reason, i. e., inadequate funding. This project has now secured the additional funding needed. For this reason, no other alternatives were considered.

ENVIRONMENTAL REVIEW

There is no environmental impact associated with this action. A Federal environmental review of this project was completed in a prior program year.

PROPOSED ACTION

Adopt the enclosed resolution authorizing the City Manager to execute an Amended and Restated CDBG Agreement between the City and the Reynaissance Family Center.

DOCUMENTS ATTACHED

Attachment "A" – Resolution

Attachment "B" – Draft Amended and Restated CDBG Agreement Between the City and the Reynaissance Family Center

CONTACT:

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

Laura J. Simpson, Housing and Community Development Manager, (707) 648-4393, or lsimpson@ci.vallejo.ca.us.

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

ATTACHMENT A

RESOLUTION NO. _____ N. C.

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

THAT WHEREAS, the Reynaissance Family Center (RFC) has received Federal Community Development Block Grant (CDBG) Program funds from the City of Vallejo for the development of a transitional housing project for homeless families at 2160 Sacramento Street, Vallejo, California.

WHEREAS, transitional housing for homeless persons in Vallejo has been identified as an unmet need in the City's five-year Consolidated Plan.

WHEREAS, Vallejo City Council Resolution No. 07-33 N. C., adopted on February 27, 2007, provided $450,000 in additional CDBG funds to the RFC for the rehabilitation of the facility.

WHEREAS, the opening of this facility has been delayed, primarily due to a lack of funding to renovate the building.

WHEREAS, sufficient funding has now been secured for the rehabilitation of the property.

NOW THEREFORE BE IT RESOLVED that the Council of the City of Vallejo hereby authorizes the City Manager to execute an Amended and Restated CDBG Agreement, and other documents as necessary, between the City of Vallejo and the Reynaissance Family Center as shown in at Attachment "B".

ADOPTED by the Council of the City of Vallejo at a regular meeting held on March 13, 2007, with the following vote:

CITY OF VALLEJO

DRAFT

FACILITY PURCHASE/REHABILITATION

REYNAISSANCE FAMILY CENTER, INC.
- PURCHASE/REHABILITATION OF TRANSITIONAL HOUSING

AMENDED AND RESTATED CDBG LOAN AGREEMENT

THIS AGREEMENT, dated for reference March 14, 2007 by and between the CITY OF VALLEJO, a Municipal Corporation (hereinafter CITY), and **REYNAISSANCE FAMILY CENTER, INC., a California Non-Profit Public Benefit Corporation,** (hereinafter BORROWER),

WITNESSETH

WHEREAS, CITY has received Community Development Block Grant funds from the United States Department of Housing and Urban Development (hereinafter HUD) as an Entitlement public jurisdiction pursuant to the provisions of Title I of the Housing and Community Development Act of 1974, as amended, and

WHEREAS, CITY desires to assist community-based agencies to purchase and rehabilitate transitional housing for the purpose of meeting the Goals and Objectives described in Exhibit A (hereinafter PROGRAM), and

WHEREAS, BORROWER has located a facility which is suitable to operate a transitional housing program and desires to purchase and rehabilitate the facility, (hereinafter referred to as FACILITY),

NOW, THEREFORE, THE PARTIES AGREE, as follows:

I. **PROGRAM COORDINATION**

A. CITY: The City Manager shall provide overall direction and supervision of the progress and performance of the terms of this Agreement. The City Manager designates the CDBG PROGRAM MANAGER as CITY'S contact person, who shall be responsible for the ongoing management and coordination of this Agreement.

B. BORROWER: BORROWER shall assign a single PROGRAM DIRECTOR who shall have overall responsibility for the execution and progress of this Agreement. Should circumstances or conditions subsequent to the execution of this Agreement require a substitute PROGRAM DIRECTOR, BORROWER shall notify CITY immediately of such occurrence. PROGRAM DIRECTOR and BORROWER staff will fully cooperate with CITY'S CDBG PROGRAM MANAGER relating to PROGRAM, compliance with mandated regulations, areas of concern, and the impact of PROGRAM on residents of CITY.

C. NOTICES: All required notices or other correspondence related to this Agreement should be sent to the parties at the following addresses:

CITY: CDBG Program Manager
City of Vallejo
P.O. Box 1432
Vallejo, CA 94590

BORROWER: **EXECUTIVE DIRECTOR
REYNAISSANCE FAMILY CENTER, INC.
2160 SACRAMENTO STREET
VALLEJO, CA 94590**

II. OBLIGATION OF CITY

CITY agrees to the terms of this loan as described in Section III. CITY will provide loan funds not to exceed **NINE HUNDRED TWENTY THOUSAND THREE HUNDRED SIXTY-TWO DOLLARS AND NO CENTS ($920,362.00),** as follows: $262,500.00 for facility purchase; and $657,862.00 for facility rehabilitation.

III. OBLIGATION OF BORROWER

A. Purchase and Rehabilitation of Real Property

BORROWER shall purchase and rehabilitate the real property located at 2160 Sacramento Street, Vallejo, California 94590. (Legal Description is attached as Exhibit "B").

BORROWER shall:

1) Obtain and submit a bona fide appraisal to CITY prior to CITY's release of loan proceeds.

2) Meet all of the HUD, CITY, and CDBG requirements regarding the purchase of property. These requirements are identified in this Agreement. These requirements include but are not limited to the following sections of the Code of Federal Regulations: 24 CFR 570.201 (a), 570.201 (b), 570.201 (c), 570.503, and 570.505.

3) Pay no more than the appraisal price for real property.

4) Obtain CITY Planning and Zoning approvals prior to the purchase.

5) Provide CITY with a Note or Notes in the amount of CDBG funds used to purchase and rehabilitate the property.

6) Provide CITY with a Deed of Trust, or Deeds of Trust, which shall be recorded.

7) Not occupy any real property purchased with CITY funds until it is in compliance with all applicable CITY building codes, safety codes, and ordinances.

8) Close escrow for the purchase of this property on or before **June 30, 2003.**

B. Sale of Property

Any property purchased by BORROWER, in whole or in part with CITY funds, may be subject to certain laws and/or regulations. BORROWER shall obtain the written consent of CITY whenever BORROWER considers selling real property, to ensure compliance with these laws and/or regulations.

Whenever any CITY-assisted property is sold, BORROWER shall provide CITY with a copy of the Settlement Agreement, and any other related sales/purchase documents requested by CITY.

BORROWER agrees to make a full and complete repayment on the Notes at the time of the sale, or on December 31, 2017, whichever is sooner, at an interest rate of three (3) percent per annum. The Notes may be renewed at the option of the City Council of Vallejo for an additional ten-year term if BORROWER continues to meet the terms of this Agreement, (e. g., provided that FACILITY continues to be used for the intended purpose of providing transitional housing for homeless persons).

C. Use of FACILITY

BORROWER shall:

1) Make FACILITY available to the general public during normal operating hours

2) Provide services at FACILITY to clients until at least **December 31, 2017.** At least **51 percent of these clients must be low and moderate income** or be generally presumed

to be low and moderate income pursuant to 24CFR 570.208(a)(2)(i)(B). Should BORROWER fail to provide services to clients, at least 51 percent of whom are low and moderate income, at FACILITY until at least December 31, 2017, BORROWER shall immediately repay CITY all amounts, with interest, provided to BORROWER under this Agreement.

D. Organization of BORROWER

BORROWER shall:

1) Have available and provide to CITY upon request:

   a) A copy of Articles of Incorporation under the laws of the State of California.

   b) A copy of current Bylaws of BORROWER.

   c) Verification of Internal Revenue Service nonprofit status under Title 26, Section 501(c)(3) of the Federal Code.

   d) Names and home addresses of current Board of Directors of BORROWER.

   e) Names and home addresses of current employees of BORROWER. This information will be maintained in confidence by CITY and not released as a public record without prior written approval of BORROWER and BORROWER's employees.

   f) A copy of the adopted Personnel Policies and Procedures.

   g) A copy of its Section 504 Self-Evaluation and Transition Plans, prepared in accordance with the requirements of 24 CFR 8.

2) Conduct Board meetings at least quarterly.

3) Approve, by action of the Board, BORROWER's Vallejo CDBG Application and Agreement.

4) Report in writing to CITY'S CDBG PROGRAM MANAGER, within fifteen (15) days, any changes in BORROWER's Articles of Incorporation, Bylaws, tax-exempt status, and/or Board membership.

5) Adhere to the provisions of 24 CFR 570.611 regarding Conflict of Interest, including the following:

    a) Maintain no member of the Board of Directors (or member of his or her family) as a paid employee, agent, program client, or subcontractor under this Agreement.

    b) Have no Board Member, or relative thereof, who gains financial assistance or services through this Agreement.

    c) Have no Board Member who is also a Council member or member of the Community Development Commission, unless that person, in their capacity as a Council member or Commissioner, abstained from voting on funding for the BORROWER for which they are a Board member.

6) During the term of this Agreement, enter into no business relationship with any business or person if such person or owner of such business is a relative of any employee or Board member of the BORROWER. Relative is defined as the father, mother, daughter, son, father-in-law, mother-in-law, daughter-in-law, son-in-law, grandfather, grandmother, grandfather-in-law, grandmother-in-law, sibling, or spouse.

7) Make open to the public all meetings of the Board of Directors, except meetings or portions thereof dealing with personnel or litigation matters.

8) Keep and maintain minutes, approved by the Board of Directors, of all regular and special Board meetings.

9) Encourage public participation in planning and implementing services provided under this Agreement.

10) Adhere to the provisions of Chapter 2.72.030 and 2.72.040 of the Vallejo Municipal Code, which is incorporated herein by this reference.

11) Adhere to the provisions of 24 CFR 570.601 and 602 regarding non-discrimination in the provision of services to clients assisted in whole or in part with Federal funds, which is incorporated herein by this reference.

E. Program Performance of BORROWER

BORROWER shall:

1) Accomplish the Goals and Objectives for PROGRAM (Exhibit A) in a timely manner.

2) Maintain documentation of Goals and Objectives (Exhibit A) on file for inspection, with an **audit trail from source documents** to worksheets to reports. Failure to document adequately the Goals and Objectives and the required statistics on client beneficiaries shall result in the loan becoming immediately due and payable.

3) Provide PROGRAM that primarily benefits low- and moderate-income persons. At least 51 percent of the clients served by BORROWER's PROGRAM must be low- and moderate-income. Low- and moderate-income is defined as 80 percent of the median income for CITY as reported by the U.S. Department of Housing and Urban Development (HUD), or persons or groups who are presumed to be low- and moderate-income pursuant to CDBG requirements. Presumed benefit groups include: abused children, elderly persons (62 years of age and older), battered spouses, homeless persons, handicapped persons, illiterate persons, and migrant farm workers.

4) Implement Section 504 Plans pursuant to 24 CFR 8.

F. Fiscal and Other Responsibilities of BORROWER

BORROWER shall:

1) Establish and maintain a system of accounts for budgeted funds that shall be in conformance with generally accepted principles of accounting. Such system of accounts shall be subject to review and approval of CITY.

2) Expenditures made by BORROWER under this Agreement shall be in compliance with OMB Circulars A-110 and A-122 before CITY releases loan proceeds.

3) Document all costs by maintaining complete and accurate records of all financial transactions, including but not limited to contracts, invoices, time cards, cash and charge receipts, vouchers, canceled checks, bank statements, and/or other official documentation evidencing in proper detail the nature and propriety of all charges.

4) Independent Audits. BORROWERS receiving $300,000 or more annually in Federal financial assistance shall have an audit conducted in accordance with the requirements of OMB Circular A-133. Such audits must identify the total funds received and disbursed as well as funds granted and expended. The costs for such audits shall be at BORROWER's expense, unless otherwise provided for in this Agreement. Copies of the

completed audits must be provided to CITY within sixty (60) days of the end of the BORROWER's fiscal year.

5) BORROWERS receiving between $25,000 and $300,000 annually in Federal financial assistance shall have an audit, or a program-specific financial audit, conducted in accordance with the requirements of OMB Circular A-133. Copies of the completed audits must be provided to CITY within sixty (60) days of the end of the BORROWER's fiscal year.

6) Unaudited Financial Statements. BORROWERS receiving less than $25,000 annually in Federal financial assistance in the aggregate must provide a copy of their unaudited statement of revenue and expenses at least every year to CITY within sixty (60) days of the end of the BORROWER's fiscal year.

7) Comply with accounting rules SFA 116 and 117 as issued by the Financial Accounting Standards Board in June 1993.

G. Records, Reports, and Audits of BORROWER

1) Establishment and Maintenance of Records: BORROWER shall maintain records, including but not limited to books, financial records, supporting documents, statistical records, personnel, property, and all other pertinent records sufficient to reflect properly (a) all costs of whatever nature claimed to have been incurred and anticipated to be incurred to perform this Agreement, and (b) all other matters covered by this Agreement.

2) Preservation of Records: BORROWER shall preserve and make available its records:

a) until the expiration of three years from the date of the submission of the annual financial status report;

b) for such longer period, if any, as is required by applicable law; or

c) if this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.

3) Examination of Records and/or Facilities: At any time during normal business hours, and as often as may be deemed necessary, BORROWER agrees that CITY, and/or any duly authorized representatives shall, until expiration of (a) three years after final payment under this Agreement, or (b) such longer period as may be prescribed, have access to

and the right to examine its offices and facilities engaged in performance of this Agreement, and audit all its records and data with respect to all matters covered by this Agreement, excepting those falling within the attorney-client privilege.

4) CITY Monitoring Reviews

CITY may conduct monitoring reviews in addition to the audit(s) specified in Section III.C. Such reviews may cover program compliance, (including the status of its implementation of Section 504 Plans), as well as fiscal matters. BORROWER will be notified in advance that a review will be conducted. BORROWER will be afforded an opportunity to respond to any monitoring findings. Cost of such reviews will be borne by CITY. CITY may withhold payment and/or terminate the Agreement if the BORROWER fails to respond to or correct finding(s).

H. Federal Regulations on Purchasing and CDBG Program Income

BORROWER shall adhere to the provisions of 24 CFR Part 85, "The Common Rule", Subpart C and Subpart J, (attached as Exhibit D), which state the conditions governing purchasing and procurement of supplies, equipment, and personal and real property. In addition, special attention is directed to the definition and handling of program income, agreements with subrecipients, and use of real property.

I. Quarterly Reports During First Fiscal Year (or Portion Thereof) of Program Operation

During the first fiscal year (or portion thereof) of this Agreement in which program services are provided, BORROWER shall:

Within fifteen (15) calendar days of the end of each quarter, or sooner, provide written reports to CITY which detail PROGRAM performance. (Report Forms are attached as Exhibit D). Such reports must include the following information:

1) <u>Status of Objectives</u>

a) Description of the services which have been provided to date, related to the individual objectives and tasks which are listed in Exhibit A, Scope of Services.

b) Identification of objectives which are not being achieved, with a written explanation of why performance is below planned, and a timetable given for corrective action.

2) Client Characteristics of Persons Served

a) The total unduplicated number of all VALLEJO clients served.

b) The number of unduplicated VALLEJO clients who are of "low", "low/moderate", or "higher" income (as established by HUD) shall be reported, of which a **minimum of 51 percent of the total unduplicated VALLEJO clients served during the term of the Agreement must be low- and moderate-income persons.** (Low-income is defined as 50 percent of the total median income for VALLEJO. 51 percent to 80 percent of median is low/moderate income, and above 80 percent is higher income.)

c) The sex and ethnicity of the unduplicated VALLEJO clients. Ethnicity shall be categorized as either White; African-American; Native American and Alaskan Native; Latino, or Asian, Filipino, Pacific Islander. Note: There is no category for "Other".

d) The number of unduplicated VALLEJO clients who are elderly (defined as age 62 or older), the number of unduplicated VALLEJO clients who are youth (defined as age 18 or under), and the number of unduplicated VALLEJO clients who are handicapped shall also be reported.

e) The number of unduplicated VALLEJO clients who are Female-Head-of-Household (and the number of unduplicated VALLEJO clients served who reside in a household, which is headed by a female) must be reported.

f) The number of units of service that have been provided to VALLEJO clients must be reported.

CDBG AGENCY Quarterly Reports must be signed and submitted to:

CDBG Program Manager
City of Vallejo
P.O. Box 1432
Vallejo, California 94590

J. Annual Reports

For each fiscal year following the first fiscal year (or portion thereof) in which program services are provided, through December 31, 2017, BORROWER shall prepare an Annual Report and submit it to CITY.

The Annual Report shall contain the information described in Section III.I. (2). BORROWER shall submit this Annual Report to CITY within 30 calendar days, or sooner, of the end of each fiscal year, and at the end of the loan term, by January 30, 2018.

K. Limitations on Religious Activities

In addition to, and not in substitution for, other provisions of this Agreement regarding the provision of services with CDBG funds, pursuant to Title I of the Housing and Community Development Act of 1974, as amended, if BORROWER represents that it is, or may be deemed to be, a religious or denominational institution or organization, or an organization operated for religious purposes which is supervised or controlled by or in connection with a religious or denominational institution or organization:

1) it will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;

2) will not discriminate against any person applying for services on the basis of religion and will not limit such services or give preference to persons on the basis of religion;

3) will provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing, and exert no other religious influence in the provision of services;

4) agrees that the portion of a facility used to provide services assisted in whole or in part under this Agreement shall contain no sectarian or religious symbols or decorations; and agrees that the funds received under this Agreement shall not be used to construct, rehabilitate, or restore any facility which is owned by BORROWER and in which the services are to be provided, provided that minor repairs may be made if such repairs: (1) are directly related to the services, (2) are located in a structure used exclusively for non-religious purposes, and (3) constitute in dollar terms only a minor portion of the CDBG expenditure for the services.

IV. AGREEMENT COMPLIANCE

If BORROWER fails to adhere to the following provisions, these Loans shall immediately become due and payable:

A. Unsatisfactory Performance:

BORROWER will be considered to be performing in an unsatisfactory manner if BORROWER fails to provide the services in Exhibit A in a timely manner.

B. Agreement Noncompliance: With receipt by CITY of any information that evidences a failure or deficiency by BORROWER to comply with any provision of this Agreement, CITY shall have the right to suspend payments, terminate this Agreement, demand repayment of any and all amounts provided to BORROWER under this Agreement, and/or require corrective action to enforce compliance with such provision.

Examples of Agreement Noncompliance include:

1) If BORROWER (with or without knowledge) has made any material misrepresentation of any nature with respect to any information or data furnished to CITY in connection with PROGRAM.

2) If there is pending litigation with respect to the performance by BORROWER of any of its duties or obligations under this Agreement which may materially jeopardize or adversely affect the undertaking of or the carrying out of PROGRAM.3) If BORROWER shall have taken any action pertaining to PROGRAM which requires CITY approval without having obtained such approval.

3) If BORROWER is in default under the provisions of this Agreement.

4) If BORROWER makes improper use of loan proceeds.

5) If BORROWER fails to comply with any of the terms and conditions of this Agreement, in such a manner as to constitute material breach thereof.

6) If BORROWER submits to CITY any reports which are incorrect or incomplete in any material respect.

7) If BORROWER fails to accomplish its Goals and Objectives in a timely manner.

C. Corrective Action

CITY may forward to BORROWER recommendations to correct unsatisfactory PROGRAM performance and/or non-compliance and a time-table for implementing the recommendations. Following implementation of the corrective actions, BORROWER shall forward to CITY, within the time specified by CITY, any documentary evidence required by CITY to verify that the corrective actions have been taken. In the event BORROWER does not implement the corrective action recommendations in accordance with the corrective action timetable, CITY may suspend payments hereunder, terminate this Agreement, and/or demand repayment of any or all amounts provided to BORROWER under this Agreement.

V. DISCLOSURE OF CONFIDENTIAL CLIENT INFORMATION

CITY and BORROWER agree to maintain the confidentiality of any information regarding applicants (or their families) for services offered by PROGRAM pursuant to this Agreement, which may be obtained through application forms, interviews, tests or reports from public agencies, counselors or any other source. Without the written permission of the applicant, such information shall be divulged only as necessary for purposes related to the performance or evaluation of the services and work to be provided pursuant to this Agreement, and then only to such persons having responsibilities under this Agreement, including those furnishing services under PROGRAM through subcontracts.

VI. ASSIGNABILITY AND INDEPENDENT CONTRACTOR REQUIREMENTS

A. The relationship of BORROWER to CITY is that of an independent contractor. BORROWER has full rights to manage its employees subject to the requirements of the law. All persons employed by BORROWER in connection with this Agreement shall be employees of BORROWER and not employees of CITY in any respect. BORROWER shall be responsible for all employee benefits including but not limited to statutory Workers' Compensation benefits.

B. None of the work or services to be performed hereunder shall be delegated or subcontracted to third parties without prior written approval by CITY'S CDBG PROGRAM MANAGER.

C. No subcontractor of BORROWER will be recognized by CITY as such. All subcontractors are deemed to be employees of BORROWER, and BORROWER agrees to be responsible for their performance and any liabilities attaching to their actions or omissions.

VII. COMPLIANCE WITH LAW

BORROWER shall become familiar and comply with and cause all its employees and subcontractors, if any, to become familiar and comply with all applicable Federal, State, and local laws, ordinances, codes, regulations, and decrees. Failure of BORROWER to, in any manner, observe and adhere to laws as described herein or as amended, shall in no way relieve BORROWER of its responsibility to adhere to same, and BORROWER herein acknowledges this responsibility.

BORROWER shall hold harmless CITY, its City Council, officers, employees, boards, and Commissions from BORROWER's failure(s) to comply with any requirement imposed on PROGRAM by virtue of the utilization of Federal funds. BORROWER shall reimburse CITY for any disallowed costs and/or penalties imposed on CITY because of BORROWER's failure to comply with Federal requirements.

VIII. TERMS AND AMENDMENTS

The party desiring such revision shall request amendments to the terms and conditions of this Agreement in writing, and any such adjustment to this Agreement shall be determined and effective only upon the mutual agreement in writing of the parties hereto.

IX. INTEGRATED DOCUMENT

This Agreement embodies the Agreement and its terms and conditions between CITY and BORROWER. No verbal agreements or conversations with any officer, agent or employee of CITY prior to execution of this Agreement shall affect or modify any of the terms or obligations contained in any documents comprising this Agreement. Any such verbal agreement shall be considered as unofficial information and in no way binding upon CITY.

X. BORROWER'S RESPONSIBILITY

It is understood and agreed that BORROWER has the professional skills necessary to provide the services at FACILITY as described in this Agreement, and CITY relies upon the professional skills of BORROWER to provide these services in a skillful and professional manner.

XI. INDEMNIFICATION/INSURANCE

BORROWER, as a material part of the consideration to be rendered by CITY under this Agreement, hereby waives and releases any and all claims against CITY for injury (including death) or damage of any kind or nature to person or property in, upon, or about BORROWER's premises, from any cause whatsoever, arising at any time after taking possession of this Agreement, and agrees to indemnify and hold CITY exempt and harmless from and on such account of any such injury (including death), damage, or claim therefor, to any person or property. BORROWER covenants and agrees to keep in full force and effect throughout the term of this Agreement policies of commercial general liability and automobile insurance, worker's compensation insurance, "all risk" property insurance, and flood insurance in standard form when applicable with an insurance company satisfactory to CITY and, upon request of CITY, to furnish the policies or duly executed certificates to CITY. BORROWER's commercial general liability insurance shall have a combined single limit of not less than Two Million Dollars ($2,000,000.00). BORROWER's commercial automobile insurance shall be in the amount of One Million Dollars ($1,000,000.00) per occurrence. BORROWER's worker's compensation insurance shall be in the amount of One Million Dollars ($1,000,000.00) or such greater amount as may be required by law. CITY shall be named as an additional insured for BORROWER's work and completed operation on the commercial general liability (including any excess or umbrella coverage) and commercial automobile insurance policies. The additional insured endorsements naming CITY shall be attached to the certificates of insurance. All coverage provided hereunder by BORROWER shall be primary insurance and shall not be contributing with any insurance, self-insurance, or joint self-insurance maintained by CITY, and the policy shall contain such an endorsement. To the maximum extent permitted by the policies maintained by BORROWER, BORROWER hereby releases CITY from liability and waives all right to recover against CITY for any loss for perils insured against under BORROWER's insurance policies, including any extended coverage and endorsement to said policies. The "all risk" property insurance, when applicable, shall include fire and extended coverage, sprinkler leakage, vandalism, and malicious mischief coverage, providing for one hundred percent (100%) of the then current replacement value of all buildings, equipment, fixtures, and materials used or stored for use by BORROWER. This insurance shall contain a loss payee provision providing that all proceeds allocated to the buildings, fixtures, and any other property that is not BORROWER's personal property shall be paid to CITY. BORROWER shall take out and maintain during the term of this Loan Agreement Flood Insurance in the amount of funds loaned through this Agreement. Upon request of CITY, renewal policies representing all of the above provisions of insurance shall be delivered by BORROWER to CITY at least ten (10) days before the expiration of the insurance which said policies are to renew, and each policy of insurance delivered by BORROWER to CITY shall bear an endorsement of, or be accompanied by, evidence of a receipt of payment of the premium thereon. Each policy, or certificate of insurance issued, shall provide that CITY receive at least thirty (30) days prior written notice of any cancellation or reduction as to the amount of coverage provided under said policy. Said insurance verification must be attached to this Agreement as Exhibit C.

XII. RIGHTS AND REMEDIES NOT WAIVED

In no event shall any payment by CITY or any acceptance of payment by BORROWER hereunder constitute or be construed to be a waiver by CITY or BORROWER of any breach of covenants or conditions of this Agreement or any default which may then exist on the part of CITY or BORROWER, and the making of any such payment while any such breach or default shall exist, shall in no way impair or prejudice any right or remedy available to CITY or BORROWER with respect to such breach or default.

XIII. MISCELLANEOUS PROVISIONS

A. The Captions

The captions of the various sections, paragraphs, and subparagraphs of this Agreement are for convenience only and shall not be considered nor referred to for resolving questions of interpretation.

B. No Third Party Beneficiary

This Agreement shall not be construed or deemed to be an Agreement for the benefit of any third party or parties, and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.

C. Severability Clause

In case any one or more of the provisions contained herein shall, for any reason, be held invalid, illegal, or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

D. Applicability of Federal Requirements to BORROWER

The provisions of Federal Office of Management and Budget Circular A-102 (as revised March 11, 1988) are hereby incorporated herein by this reference, where appropriate, to GRANTEE. Said revisions to Circular A-102 are for the express purpose of promulgating "standards for establishing consistency and uniformity among Federal agencies in the administration of grants to State and Local . . . governments." The provisions of Circular A-102 (as revised) are intended to apply to GRANTEE designated as subgrantee in said circular.

E. Davis-Bacon Requirements

Any construction work performed under this Agreement shall comply with the requirements of the Davis-Bacon Act and the Federal Labor Standards. BORROWER shall include in the bid documents forms relating to the Davis-Bacon Act and the Federal Labor Standards. CITY shall provide BORROWER with the appropriate material for inclusion in the bid documents.

F. Notification of Bid

BORROWER shall publish a notice in the local newspaper seeking bids for the proposed construction work. This notice shall encourage the participation of minority and women-owned businesses.

BORROWER shall also notify all local or interested builders exchanges, including the California Small Business Alliance.

BORROWER shall give CITY at least three (3) weeks prior notice of BORROWER putting the contract out to bid.

G. CITY'S Forms in Bid Documents

BORROWER shall include in the bid documents forms and information required by CITY.

Upon completion and submission of these forms by the contractors, BORROWER shall provide them to CITY.

H. Hiring of Contractors and Architects

BORROWER shall hire all contractors and architects using an open and competitive process.

BORROWER shall use a "Request for Proposal" (RFP) process to select an architect. This RFP shall comply with the requirements of 24 CFR 85, and CITY.

BORROWER shall utilize a "sealed bid" process to select a contractor. BORROWER shall award contract to the lowest responsible bidder. The "sealed bid" process shall comply with the requirements of 24 CFR 85, and CITY.

CITY assumes no responsibility or liability for any contract or agreement executed by BORROWER if BORROWER fails to comply with the terms and conditions of this Agreement.

I. Environmental Review

BORROWER shall request in writing that CITY conduct an environmental review of any proposed activity to be funded in whole or in part with Federal funds, (that is, CDBG). This request shall be made, and the environmental review completed, prior to the implementation of any such Federally-assisted activity, (i. e., purchase or rehabilitation of real property).

XIV. TERM OF AGREEMENT

The term of this Agreement shall commence on the date entered on page one of this document and end on December 31, 2017.

XV. AUTHORITY

The person(s) signing this Agreement for BORROWER hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of BORROWER.

XVI. ATTACHMENTS

Attached hereto and made a part of this Agreement are the following attachments:

Exhibit A - Scope of Services, Fiscal Year 2006/2007 through December 31, 2017

Exhibit B - Legal Description

Exhibit C - Evidence of Insurance

Exhibit D - Report Forms

(SIGNATURES ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto, acting by and through their duly authorized representatives, have executed this Agreement in triplicate on the day and year set below each of the parties.

REYNAISSANCE FAMILY CENTER, INC.,
a California non-profit public benefit corporation

By:______________________________

Its:______________________________

Date:______________________________

By:______________________________

Its:______________________________

Date:______________________________

CITY OF VALLEJO, a municipal corporation

By:______________________________
Joseph M. Tanner, City Manager

Date:______________________________

ATTEST:

By:______________________________
Mary Ellsworth, Interim City Clerk

(City Seal)

APPROVED AS TO INSURANCE REQUIREMENTS:

____
William R. Venski, Risk Manager

APPROVED AS TO CONTENT:

____
Craig Whittom, Assistant City Manager/Community Development

APPROVED AS TO FORM:

____
Frederick G. Soley, City Attorney

EXHIBIT "A"

REYNAISSANCE FAMILY CENTER, INC.
- PURCHASE/REHABILITATION OF TRANSITIONAL HOUSING

SCOPE OF SERVICES
FISCAL YEAR 2006/2007 THROUGH DECEMBER 31, 2017

Goal

Acquisition/rehabilitation of sixteen (16) bed transitional housing facility for homeless persons for up to a two (2) year stay.

Objective

To provide transitional housing and supportive services to sixteen (16) unduplicated homeless persons in each fiscal year (or portion thereof) in which program services are provided until at least December 31, 2017.

EXHIBIT "B"

REYNAISSANCE FAMILY CENTER, INC.
- PURCHASE/REHABILITATION OF TRANSITIONAL HOUSING

LEGAL DESCRIPTION

EXHIBIT A LEGAL DESCRIPTION

PARCEL NO. ONE:

LOTS 15 AND 16, AND THE NORTHWESTERLY ONE-HALF (1/2) FRONT AND REAR MEASUREMENTS OF LOT 14, ACCORDING TO THE MAP ENTITLED: "NEW HOME SUBDIVISION, VALLEJO, SOLANO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SOLANO COUNTY, CALIFORNIA ON JULY 27, 1940 IN BOOK 9 OF MAPS, PAGE 42.

PARCEL NO. TWO:

BEGINNING AT THE MOST NORTHERN CORNER OF LOT 15, AS SAID LOT IS SHOWN AD DESIGNATED ON THAT CERTAIN MAP ENTITLED: "NEW HOME SUBDIVISION, VALLEJO, SOLANO COUNTY, CALIFORNIA", FILED IN THE OFFICE OF THE RECORDER OF SOLANO COUNTY, CALIFORNIA ON JULY 27, 1940 IN BOOK 9 OF MAPS, PAGE 42, SOLANO COUNTY RECORDS; THENCE, ALONG THE NORTHEASTERLY EXTENSION OF THE NORTHWESTERN LINE OF LOT 15, NORTH 39 DEGREES 47' 30" EAST, 37.97 FEET; THENCE SOUTH 47 DEGREES 14' 51" EAST, 211.68 FEET TOT HE NORTHERN LINE O THE LAND NOW OR FORMERLY OWNED BY CALIFORNIA-NEVADA BROADCASTING COMPANY, SOUTH 86 DEGREES 22' WEST 41.28 FEET TO A POINT ON THE NORTHEASTERN LINE OF SAID NEW HOME SUBDIVISION; THENCE, NORTHWESTERLY ALONG SAID NORTHEASTERN LINE OF NEW HOME SUBDIVISION, ALONG A CURVE TOT HE LEFT HAVING A RADIUS OF 340 FEET, 30.99 FEET; THENCE CONTINUING ALONG SAID NORTHEASTERLY LINE OF NEW HOME SUBDIVISION, NORTH 50 DEGREES 12' 30" WEST, 150.39 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THAT PORTION THEREOF DESCRIBED IN THE DEED FROM JACK CANNON TO CONSTANTIONOS CASSINOS, ET UX, DATED JANUARY 5, 1965 AND RECORDED JANUARY 6, 1965 IN BOOK 1316 OF OFFICIAL RECORDS, PAGE 165, INSTRUMENT NO. 294.

PARCEL NO. THREE:

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 16, AS SHOWN ON THE MAP OF NEW HOME SUBDIVISION, FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER OF SOLANO COUNTY ON JULY 27, 1940 IN BOOK 9 OF MAPS, PAGE 42; THENCE NORTHEASTERLY ALONG THE NORTHEASTERLY EXTENSION OF THE NORTHWESTERLY LINE OF LOT 16, TO A POINT ON THE SOUTHWESTERLY LINE OF TRACT OF LAND DESCRIBED IN THE DEED FROM E.E. ROSE, ET UX, TO VALLEJO SANITATION AND FLOOD CONTROL DISTRICT, RECORDED OCTOBER 4, 1947 AS INSTRUMENT NO. 16099, THENCE SOUTH 47 DEGREES 14' 51" EAST ALONG SAID SOUTHWESTERLY LINE TO THE MOST SOUTHERLY CORNER OF THE TRACT OF LAND DESCRIBED IN THE DEED REFERRED TO; THENCE SOUTH 39 DEGREES 47' 30" WEST 37.97 FEET, MORE OR LESS, TO THE MOST NORTHERLY CORNER OF LOT 15 OF SAID NEW HOME SUBDIVISION; THENCE NORTH 50 DEGREES 43' WEST ALONG THE NORTHEASTERLY LINE OF LOT 16, 50 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

END OF DOCUMENT

EXHIBIT "C"

REYNAISSANCE FAMILY CENTER, INC.
- PURCHASE/REHABILITATION OF TRANSITIONAL HOUSING

EVIDENCE OF INSURANCE

[To Be Attached]

EXHIBIT "D"

REYNAISSANCE FAMILY CENTER, INC.
- PURCHASE/REHABILITATION OF TRANSITIONAL HOUSING

REPORT FORMS

[To Be Attached]

Agenda No. CONSENT E

COUNCIL COMMUNICATION

Date: March 13, 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

SUBJECT: APPROVAL OF RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH METROPOLITAN PLANNING GROUP INC. TO PROVIDE PLANNING SERVICES FOR THE KB HOME PROJECT AND TO EXECUTE A REIMBURSEMENT AGREEMENT BETWEEN KB HOME AND THE CITY OF VALLEJO FOR SAID SERVICES.

RECOMMENDATION

Adopt the resolution authorizing the City Manager to enter into a consultant and professional services agreement between the City of Vallejo and Metropolitan Planning Group Inc. for planning services and authorizing the City Manager to execute a reimbursement agreement between KB Home and the City of Vallejo.

SUMMARY

KB Home is proposing to prepare and submit planning applications. The City staff has determined that the hiring of a contract planner to manage this project is necessary and desirable to provide fast-tracked review and processing of this project. A reimbursement agreement is necessary to secure the funding.

BACKGROUND AND DISCUSSION

KB Home has approached the City with conceptual proposals to develop the Vallejo City Unified School District and Syufy Properties, which in conjunction with an adjacent City owned property designated for recreational use encompasses approximately 30 acres located at the southwest 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 the Planned Development District, approval of a Planned Development Master Plan/Unit Plan and preparation of an Initial Study and potentially an Environmental Impact Report (EIR). KB Home has also proposed an ambitious schedule for project processing. For these reasons, City staff has determined that the hiring of a contract planner is desirable and necessary to manage this project. The contract planner would work for the City of Vallejo and under the direction of the Planning Manager.

To secure the funding for the services of the contract planner, 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 contract planning services.

Seven different contract planning consultants were contacted and interviewed by the Development Services Director. The Metropolitan Planning Group, Inc. was selected based on their experience performing similar roles, and their ability to meet City contracting requirements.

ENVIRONMENTAL REIVEW

The proposed contract for planning 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.

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 planning consultant. Since the costs will be borne by them, the contract for planning services will have no fiscal impact to the City.

ATTACHMENTS

1. Draft City Council Resolution
2. Consultant and Professional Services Agreement, including the following attachments:
   Exhibit A – Proposal to the City of Vallejo for on-call planning consulting services from the Metropolitan Planning Group Inc.
   Exhibit B – Compensation
   Exhibit C – Insurance Requirements for Consultant
3. Reimbursement Agreement

PREPARED BY / CONTACT

Brian Dolan, Development Services Director – 707-649-5458

RESOLUTION NO. _______N.C.

A RESOLUTION TO 1) APPROVE A CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT WITH METROPOLITAN PLANNING GROUP INC. TO PROVIDE CONTRACT PLANNING SERVICES FOR MANAGEMENT OF THE KB HOME PROJECT, 2) APPROVE A REIMBURSEMENT AGREEMENT WITH KB HOME AND THE CITY FOR SIAD SERVICES, AND 3) 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, in summer 2006, KB Home approached the City with conceptual proposals to develop the Vallejo City Unified School District and Syufy properties, which in conjunction with an adjacent City owned property encompasses approximately 30 acres. The KB Home project involves the proposed development of over 200 residential units and a neighborhood park, which would be accessed from Benicia Road and Rollingwood Drive; 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 is currently limited in the staff that is available to process and manage this project. City staff has determine that the hiring of a contract planner to process and manage this project is desirable and necessary; and

WHEREAS, the Development Services Department has received a proposal for planning services from Metropolitan Planning Group Inc., planning consultant. This proposal outlines services and tasks that would be needed to manage the KB Home project through the City's planning and environmental review process. The proposal is structured for charges and payment on a time and material basis (in-lieu of a not-to-exceed fixed fee); and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approved a consultant and professional services agreement with Metropolitan Planning Group Inc. and authorizing the City Manager to sign the agreement 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 of this agreement that do not require the expenditure of City funds, as may be necessary to carry out the purpose of this agreement.

K/Public/AI/PL/KB Home Resolution

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

This Agreement ("AGREEMENT") is made at Vallejo, California, on the 13th day of March, 2007, by and between the CITY OF VALLEJO, a Municipal Corporation ("CITY"), and Metropolitan Planning Group Inc., 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:	Brian Dolan Development Services Director 555 Santa Clara Street Vallejo, CA 94590
If to CONSULTANT:	Metropolitan Planning Group Inc. 400 West Evelyn Avenue Sunnyvale, CA 94086

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 "Proposal to The City of Vallejo For On-Call Planning Consulting Services"
    B. Exhibit B, entitled "Compensation"
    C. Exhibit C, entitled "Insurance Requirements For Consultant"

(SIGNATURES ARE ON FOLLOWING PAGE)

Attachment 2

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

CITY OF VALLEJO,
A Municipal Corporation

By:________________________
Joe Tanner
City Manager

By:________________________
Geoff Bradley
Metropolitan Planning Group, Inc.

ATTEST:
By:________________________
Mary Ellsworth
Acting City Clerk

APPROVED AS TO CONTENT:

____
Brian Dolan
Development Services Director

(City Seal)

APPROVED AS TO FORM:

____
Frederick G. Soley
City Attorney

Attachment 2
Exhibit A

PROPOSAL TO THE CITY OF VALLEJO
FOR ON-CALL PLANNING CONSULTING SERVICES

SUBMITTED TO:

CITY OF VALLEJO
COMMUNITY DEVELOPMENT DEPARTMENT
555 SANTA CLARA STREET, SECOND FLOOR
VALLEJO, CALIFORNIA 94590

400 west evelyn avenue
sunnyvale california 94086

T. 408 730 4106
F. 408 730 5186

www.mplanninggroup.com

M E T R O P O L I T A N   P L A N N I N G   G R O U P

January 25, 2007

Brian Dolan
Development Services Director
City of Vallejo
Vallejo City Hall – Second Floor
555 Santa Clara Street
Vallejo, CA 94590

RE: Planning Consulting for Development Projects

Dear Brian:

Subsequent to our last conversation, we have developed a strategy for providing planning consulting services for the City of Vallejo. Under the direction of myself and Whitney McNair, AICP, we propose to have our Associate Planner; Judie Gilli provide day-to-day project management for the KB Home project currently under consideration. We would also like to be able to utilize staff or sub-consultants who may already be "in position" to perform a specific task or objective.

In order to make this feasible for us, we have made three adjustments to our cost structure since we talked last, namely:

- M-Group would charge the rates we normally charge private sector clients since this is a cost recovery project;
- M-Group would charge for driving mileage from our locations to Vallejo; and,
- M-Group would bill for driving time.

We would endeavor to deliver excellent service and be strategic about our trips to the City in order to maximize value and be most efficient.

I have also included a detailed Proposal/Statement of Qualifications for On-Call Planning Consulting Services for your review.

Please do not hesitate to contact me to discuss in more detail.

Sincerely,

G. Bradley

Geoff I. Bradley
Principal

400 west evelyn avenue
sunnyvale california 94086

T. 408 730 4106
F. 408 730 5186

www.mplanninggroup.com

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CHAPTER 1
PROPOSAL SUMMARY

Metropolitan Planning Group proposes to provide on-call planning consultant services to the City of Vallejo. Contained herein are the firm's qualifications illustrating how we have provided similar services to other municipalities and private companies.

This proposal includes the following:

- Profile of Firm
- Qualifications of Firm
- Work Plan
- Project Staffing with Resumes of Key Staff
- M-Group Rate Schedule

metropolitan planning group inc
400 west evelyn avenue sunnyvale california
94086

CHAPTER 2
PROFILE ON THE PROPOSING FIRM

FIRM

Metropolitan Planning Group, Inc. (M-Group), was created in order to bring innovative and effective planning solutions to a wide range of public and private clients. We work throughout the Bay Area metropolitan region to bring extremely high caliber professional planning services to the communities where we live and work.

The company brings together experienced city planners under one roof so that we can effectively offer a range of services including:

- **Urban Design**
- **Policy Planning**
- **Transit Oriented Development**
- **Development Review**
- **Entitlement Processing.**

All of the planners in M-Group have a blend of private and public sector experience that adds value and perspective to our work. Taken together, the five M-Group city planners have worked for the following public agencies and private firms:

Public Agency Experience
City of Campbell
Campbell Redevelopment Agency
City of Cupertino
City of Hayward
City of Milpitas
City of Monte Sereno
City of Mountain View
City of Palo Alto
City of Saratoga
City of Sunnyvale
San Jose Redevelopment Agency
Santa Clara Valley Water District
Town of Los Gatos

Private Sector experience
BKF
Crawford, Multari & Starr
KB Home South Bay
Morris Skenderian & Associates
RRM Design Group
SMWM

This blend of experience creates a dynamic and multifaceted approach that spans the range of city planning experience. This allows us to offer innovative & effective city planning solutions.

The People

- Whitney McNair, AICP - Principal
- Geoff I. Bradley – Principal
- Heather Bradley – Senior Planner
- Judie Soo Gilli – Associate Planner
- Jeanette Warne – Assistant Planner

We also have a network of high performing sub-consultants we can call on to expand our capabilities on an as-needed basis to execute city planning and architecture solutions.

We are committed to working with the best people in the industry. Our culture is one of teamwork, collaboration, and open communication.

The Place

Our office at 400 West Evelyn Avenue in Sunnyvale was the Greyhound Bus Station from 1966 through 2004. The building is a perfect example of post-war modern/international style architecture. Built by the City of Sunnyvale as a "Public Accommodation Building", the building was sitting empty, awaiting an adapted reuse to come around that would do it justice. Similar to the Glass House by Phillip Johnson, the bus station is a pure expression of space, form and structure. A 500 square foot solid piece of the building penetrates a 1,000 s.f. glass box of a building, creating a symmetrical composition complete with 14 inch white glass globes centered in each six foot glass opening.

Located under the Mathilda Avenue overcrossing, the station is also an excellent example of innovative land use planning and efficient use of limited land resources. The CalTrain station is right across the street and offers convenient service north to San Francisco and south to Downtown San Jose. The M-Group is committed to transit oriented development and sustainability, and our office is a daily reminder of the principles we seek to uphold in both our public and private work.

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SERVICES

Urban Design – M-Group provides design services to help plan proposed developments within existing developed settings. Whether it is design for a new infill housing development, or redevelopment of an existing industrial complex, we can help you with site design and feasibility studies. We also offer streetscape urban design services to bring unique, pedestrian-friendly environments to our communities.

Policy Planning – The planners at M-Group have real world experience crafting general plans, zoning codes, design guidelines, area plans and precise plans that help communities achieve their established goals and projections.

Transit Oriented Development – As the Bay Area continues to evolve from a low-density suburban environment to a more dynamic urban area, Transit Oriented Development will play a key role. We have on-the-ground knowledge and experience with Transit Oriented Development to make these projects a reality. From the cutting edge projects in Mountain View such as the Crossings, Whisman Station, Downtown and Mayfield Mall to smaller, custom tailored projects in Campbell, our people can help you get from here to there with TOD.

Development Review – With our depth of experience in 12 Bay Area public agencies, we know first hand what the issues are that drive a successful development review process. With a focus on efficient, timely delivery of services, and a commitment to quality results, our experienced staff can plug into any planning department in the Bay Area and provide a seamless extension of staff resources.

Entitlement Services –We offer a full range of entitlement services for all types of projects, including residential, commercial, industrial and mixed-use. We understand the balancing act cities must perform in order to attract new development while minimizing impacts to existing residents and infrastructure. We work on behalf of national and local developers to craft high-quality developments that meet the needs and expectations of the developer, the City and the community.

CLIENTS

We are proud to be working on behalf of a diversified range of clients, in both the public and private sectors. Our clients are committed to quality, customer satisfaction and community benefit.

Public Clients
- City of Cupertino (former client)
- City of Fremont
- City of Mountain View
- City of Palo Alto
- City of Saratoga
- City of Sunnyvale

Selected Private Clients
- DBI Construction
- Sand Hill Property Company
- Taylor Woodrow Homes
- Skip Reid Builders, Inc.
- Trinity Church of Sunnyvale
- SRM Development, LLC

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CONTACTS

Metropolitan Planning Group, Inc.
400 west evelyn avenue
sunnyvale, california 94086

P 408.730.4106
F 408.730.5186

Whitney McNair, AICP	whitney@mplanninggroup.com
Geoff I. Bradley	geoff@mplanninggroup.com
Heather Bradley	heather@mplanninggroup.com
Judie Soo Gilli	judie@mplanninggroup.com
Jeanette Warne	jan@mplanninggroup.com

FINANCIAL STABILITY, CAPACITY AND RESOURCES

Metropolitan Planning Group is a fully incorporated firm. We have the financial stability, capacity and resources to meet the planning consultant needs of the City of Vallejo.

Metropolitan Planning Group was formed by two experienced city planners; Whitney McNair, AICP and Geoff I. Bradley. Both have over 14 years of city planning experience in both the private and public sectors. The firm is well diversified with currently four public sector clients and eight private sector clients. The business was carefully planned and is based on a detailed business plan. The firm is financially secure in terms of monthly cash flow as well as working capital. Bank lines of credit of over $300,000 are available to insure smooth financial operation of the firm.

CHAPTER 3
QUALIFICATIONS OF THE FIRM

WORK EXAMPLE 1

Project name: Current Planning/Development Review

Clients: **City of Mountain View**

Description of work performed: Principals Geoff Bradley and Whitney McNair perform a wide array of development review and long range planning services to the City. Projects include:

- Satake Nursery Site – very controversial rezoning from AG to R1 for 31 single-family homes.
- 685 Clyde Avenune – Rezoning to Transit Zone to allow high density office near transit
- 333 West Evelyn Avenue – 96 unit condo and rowhouse project near transit station
- South Whisman Area Plan – major conversion of industrial land to a new residential neighborhood requiring a full EIR.
- Google Master Plan – cutting-edge expansion of a high profile firm requiring a full EIR

Period work was completed: Ongoing (Since February 2006)

Client contact information: Elaine Costello, Community Development Director (650) 903-6306

WORK EXAMPLE 2

Project name: Residential Single Family Design Review

Client: **City of Cupertino**

Description of work performed: Principal Geoff Bradley and Associate Planner Judie Gilli have been responsible for the majority of Administrative Single Family Design Review applications for the City. We work closely with homeowners, architects, engineers and neighbors to facilitate successful implementation of the City's Single-Family Design Review program. We coordinate the work of a consulting architect, arborist and geologist.

Period work was completed: January 2006 – November 2006.

Client contact information: Ciddi Wordell, City Planner or Steve Piasecki,
Community Development Director (408) 777-3308

WORK EXAMPLE 3

Project name: Residential Single Family Design Review and Public Counter

Client: **City of Sunnyvale**

Description of work performed: Senior Planner Heather Bradley has been responsible for managing all administrative single family design review projects and has staffed the City of Sunnyvale's innovative One-Stop counter for two to three shifts per week.

Period work was completed: Ongoing (Since 2002)

Client contact information: Gerri Caruso, Senior Planner (408) 730-7591 or Trudi Ryan Planning Officer (408) 730-7435

WORK EXAMPLE 4

Project name: Palo Alto Zoning Ordinance Update

Clients: **City of Palo Alto**

Description of work performed: Principal, Whitney McNair, has worked with Palo Alto planning staff on the Zoning Ordinance Update (ZOU) of the commercial zones, definitions and the development of new performance standards. This work requires coordination of input from a wide range of stakeholders, including homeowners, developers, city staff, planning commissioners and City Councilmembers.

Also working on the proposed Stanford University hospital project and related Stanford Shopping Center expansion. Major project of region wide signifigance. Full EIR required. High level of community involvement.

Period work was completed: On-going since August 2006

Client contact information: Curtis Williams, Assistant Director, (650) 329-2321

CHAPTER 4
WORK PLAN OR PROPOSAL

Metropolitan Planning Group proposes to provide On-Call Planning Consulting Services to the City of Vallejo on an as needed basis. The firm would provide private development review and long range planning services as specified by the Planning Division and will comply with any and all time lines that are set by State law and City ordinances or policies.

Metropolitan Planning Group understands the scope of service is primarily project review for development projects.

For Current planning projects the key staff would assume project management of assigned files, including coordination of review with other Departments or outside Agencies and coordination of environmental review as necessary. Upon completion of review key staff would present projects to all public review boards as necessary.

For long-range planning projects key staff would help to develop or modify area plans and would update zoning or other municipal code regulations and Comprehensive Plan amendments. In managing or assisting with the management of long-range projects key staff would co-ordinate with City staff and other consultants, prepare the necessary documents and reports and make presentations to City Staff, the public, review boards and City Council as necessary.

CHAPTER 5
PROJECT STAFFING

Metropolitan Planning Group proposes to provide staff to the City of Vallejo as projects arise and the firm has experienced staff available to meet the City's need. The following profiles of the firm' personnel provide necessary identification of all potential staff. An organizational chart for the project team and resumes are included.

PERSONNEL

Principals

Whitney McNair, AICP

Mrs. McNair has over 12 years of professional planning experience, including over 10 years with the award winning, progressive City of Mountain View Planning Division, where she served as both Zoning Administrator and Planning Manager. Mrs. McNair was instrumental in all of the major development projects and award winning planning policy documents produced by the City of Mountain View during her time there. She also has extensive downtown revitalization, complex entitlements, mixed-use, high-density residential infill and citywide economic development experience.

Mrs. McNair has established herself as an effective consensus builder with strong interpersonal skills and a solid foundation in implementation of complex planning endeavors.

Education
B.A. Environmental Studies; Emphasis in Planning, Univ. of California, Santa Barbara
Master's of Urban and Regional Planning, San Jose State University

Geoff I. Bradley

Mr. Bradley has over 14 years of professional public and private experience working with a variety of architectural, planning, development firms and public agencies. This includes over 10 years of public sector experience with Bay Area planning and redevelopment agencies. Most recently, as the Senior Planner for the City of Campbell, Mr. Bradley was highly involved in the on-going revitalization of downtown Campbell as well as responsible for major commercial, mixed-use, transit oriented projects through out the city and a comprehensive update of the entire General Plan and Zoning Code.

Mr. Bradley combines creative problem solving with the ability to work with a wide variety of stakeholders on achieving goals of community wide concern.

Education
B.S. City and Regional Planning, Cal Poly, San Luis Obispo
M.S. Architecture, Cal Poly, San Luis Obispo

Senior Planner

Heather Bradley

Mrs. Bradley has over 10 years of private and public sector planning experience. Her Public agency experience includes the Cities of Saratoga, Sunnyvale and Milpitas where she has gained valuable experience in development and design review, annexation processing and historic preservation. Her private sector experience includes work with the former Crawford, Multari & Starr, where she was involved with zoning code updates and GIS mapping. Areas of expertise include residential and commercial design review, hillside development and public counter service.

Education
B.S. City and Regional Planning, Cal Poly, San Luis Obispo

Associate Planner

Judie Gilli

Mrs. Gilli has over 8 years of professional planning experience, working with a wide range of public agencies and a civil engineering firm. This includes 3 years with the San Jose Redevelopment Agency where she was highly involved with a number of high profile, fast moving downtown redevelopment projects. More recently, she gained 3 years of experience working with the Town of Los Gatos, where she honed her design review and consensus building skills.

Education
B.S. City and Regional Planning, Cal Poly San Luis Obispo

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Assistant Planner

Jeanette Warne

Mrs. Warne has an extensive background in community outreach efforts, development review and policy development. Mrs. Warne is currently pursuing her Master's Degree in Urban & Regional Planning and has experience with the Santa Clara Valley Water District. She has a varied skill set that is an asset to any project, including GIS and 3-D computer modeling.

Education

B.A. Economics, University of California, Santa Cruz
M.S. Communications, University of California, Santa Cruz
Master's of Urban and Regional Planning, San Jose State University (in progress)

METROPOLITAN PLANNING GROUP, INC.
ORGANIZATIONAL CHART

Whitney McNair, AICP Principal		Geoff Bradley Principal
	Heather Bradley Senior Planner	
	Judie Soo Gillie Associate Planner	
	Jan Warne Assistant Planner	

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CHAPTER 7
PROPOSAL COST SHEET AND RATES

M-Group Rate Schedule

Principal	$195/hour
Senior Planner	$165/hour
Associate Planner	$145/hour
Assistant Planner	$95/hour
Planning Tech/Admin.	$80/hour

1) Reimbursables billed separately.
2) Travel time billed for locations outside of Santa Clara County.
3) Mileage billed at a rate of 48.5 cents per mile.

Effective January 1, 2007

Rates subject to adjustment.

Scope of Work

Metropolitan Planning Group, Inc.

Perform development review for selected development projects:

- Project review and circulation to other city departments and outside agencies.
- Compilation of comments and conditions of approval
- Coordinate with applicant
- Review projects for completeness and consistency with adopted city regulations and policies
- Review architectural designs; conduct design review
- Prepare staff reports
- Coordinate environmental review in compliance with CEQA
- Attend Community Meetings as needed
- Present the project to Planning Commission and City Council, and other boards and commissions as required
- Perform Planning plan check function for plans submitted for building permits

400 west evelyn avenue
sunnyvale california 94086

T. 408 730 4106
F. 408 730 5186

www.mplanninggroup.com

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 "Proposal to the City of Vallejo for On-Call Planning Consulting Services". 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:

Brian Dolan
Development Services Director
555 Santa Clara Street
Vallejo, CA 94590

5. Accounting Records of CONSULTANT.

CONSULTANT shall maintain for three (3) years after completion of all services hereunder, all records under this AGREEMENT, including, but not limited to, records of CONSULTANT'S direct salary costs for all Services and Additional Services performed under this AGREEMENT and records of CONSULTANT'S Reimbursable Expenses, in accordance with generally accepted accounting practices 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.

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.

Attachment 3

KB Home
Reimbursement Agreement

THIS AGREEMENT is entered into this______ day of March, 2007, (the "Effective Date"), between KB Home, Inc., a California Corporation ("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 approached the City with conceptual proposals to develop the Vallejo City Unified School District and Syufy Properties, which in conjunction with an adjacent City owned property designated for recreational use encompasses approximately 30 acres located at the southwest 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).

B. It is expected that the project will require approval of a general plan amendment, rezoning to the Planned Development District, approval of a Planned Development Master Plan/Unit Plan and preparation of an Initial Study and potentially an Environmental Impact Report (EIR). KB Home has also proposed an ambitious schedule for project processing. A legal description of the Property is attached to this Agreement as Exhibit "A" and incorporated herein by reference.

C. Developer desires to fast track its plan review for the Project on a time frame that is beyond the capacity of the City's in house planning staff.

D. The City is willing to hire additional contract staff to expedite the review of Developer's Project on the condition that developer reimburse the City for its expense in contracting with an outside vendor ("Contract Planner").

E. The parties contemplate that they may enter into a later Development Agreement regarding the construction of the Project pursuant to the authorities set forth in Government Code Section 65864 et seq. However, the parties acknowledge that this agreement is not a development agreement, and does not commit them to enter a development agreement at some later date or provide any land use entitlements.

F. The Parties further acknowledge that the California Fair Political Practices Act requires that Developer have no direction or control over the response times, selection, supervision, activities, recommendations or decisions of the Contract Planner.

NOW THEREFORE, the parties agree as follows:

1. Contract Planner/Reimbursement. City will contract directly with a Contract

Planner to provide review services for the Project. Developer will reimburse City for all costs associated with or arising out of the contract with the Outside Planner to the extent that they relate to the Project.

2. Deposit. Developer shall deposit $XX,000.00 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 Contract Planner. The City will hold the deposit and charge invoices received from the Contract Planner against the deposit. In the event that the deposit is drawn down by the Contract Planner's charges to a balance of less than $XX,000.00, Developer shall deposit additional funds to maintain an evergreen balance of at least $30,000.00("KB Deposit"). Developer shall deposit the KB 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 Developer is such that Developer 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 Contract Planner; or direct the work, response times, recommendations or approvals of the Contract Planner

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:
Brian Dolan
Development Services Director
City of Vallejo
555 Santa Clara St.
Vallejo, CA, 94591

Notice to Developer:

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 a Contract Planner 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.

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

THE CITY OF VALLEJO,
By:____________________________
Joseph Tanner, City Manager
Attest:____________________________
Mary Ellsworth, City Clerk

DEVELOPER:
KB Home
By:____________________________
[Title]

Approved as to Form

____
Frederick G. Soley
City Attorney

RESOLUTION NO. _______ N.C.

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

THAT WHEREAS, there is a lawsuit pending in the United States District Court, Eastern District of California entitled *Georgia Mae Garrett, et al. v. City of Vallejo, et al.*; and

WHEREAS, Section 401 of the City Charter provides that the City Council may appoint or empower the City Attorney, at his request, to retain special legal counsel necessary for the handling of pending litigation, proceedings or other legal matters; now, therefore

BE IT RESOLVED that the City Attorney is hereby authorized and empowered to associate and employ the law firm of Jones & Dyer as counsel in the representation of the City of Vallejo, its officials, employees and agents, with respect to all legal proceedings involving the *Georgia Mae Garrett, et al. v. City of Vallejo* lawsuit, with compensation for their services to be at the firm's customary rates for attorneys' fees and reimbursement of costs and other expenses necessarily incurred in this matter.

BE IT FURTHER RESOLVED that the fees for professional services and expenses necessarily incurred for this purpose are to be made payable from the Public Liability and Workers' Compensation Reserve Fund of the City of Vallejo.

March 13, 2007
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CONSENT

Agenda Item No. G

COUNCIL COMMUNICATION

Date: March 13, 2007

TO: Honorable Mayor and Members of the City Council

FROM: Gary A. Leach, Public Works Director

SUBJECT: APPROVAL OF A RESOLUTION AUTHORIZING CHANGE ORDER NO. 1 TO THE EXISTING CONTRACT WITH VALLEY POWER SYSTEMS NORTH, INC. OF SAN LEANDRO, CALIFORNIA TO PERFORM FERRY DIESEL ENGINE OVERHAULS

BACKGROUND

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

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

Upon disassembly, inspection, and measurement of the first engine (Serial #2094), it was noted and verified by a Blue and Gold maintenance technician that due to the effects of wear and tear, that the engine block no longer meets minimum material tolerances for overhaul or re-use.

In addition, the sea water pump, oil cooler housings, and the exhaust manifold also do not qualify for rebuild and re-use. The City has replacement spare parts for these particular components on the shelf and will be providing these to VPSN for use in the overhaul, in lieu of having VPSN purchase new parts for the engine. Substituting City stock parts will result in significant cost savings relative to the cost of new parts in addition to saving time and eliminating additional shipping costs.

A replacement engine block has a lead time of 3-4 weeks coming from the factory in Germany, in addition to the time for shipping and customs clearance. VPSN has indicated that delivery by sea will take up to 6 weeks, and air freight would take 1-2 weeks. The net schedule effect for the work is as follows:

- Sea Freight option, the redelivery of Engine Serial #2094 would be delayed until August 15, 2007
- Air Freight option, the redelivery of Engine Serial #2094 would be delayed until July 6, 2007, with a $6,500 shipping premium

As all scheduled engine overhauls run consecutively and depend upon redelivery of the preceding engine, the delivery dates for the next three engines will be likewise extended.

The air freight option is recommended because the scheduled engines in the overhaul sequence will be running above the 12,000 engine hour threshold for overhaul. These thresholds are used as a part of the factory engine warranty provisions. MTU (the engine manufacturer) and our maintenance subcontractor were contacted to assess any additional maintenance that would need to be provided in order to minimize the risk of going over 12,000 hours. The projected additional cost was between $2,000 and $14,000 per currently scheduled engine, depending on the hours placed on the engines. Every week saved in completing this first overhaul means fewer hours are accrued, and less extra preventative maintenance has to be performed on the scheduled engines above the factory recommended interval for preventative maintenance.

Fiscal Impact

The cost for the new engine block via air freight is $86,759.24. This cost is reflected in the change order to the contract. Additionally, the cost to replenish the City's stock of spare parts used in this overhaul will be $13,923.90. Utilizing City spare parts instead of the new parts (proposed cost – $30,949.31) will result in a cost savings of approximately $17,000. Total cost impact will be $100,683.14.

The actual contract price to VPSN totaled $1,477,588 for overhaul of four engines, or $369,397 per engine. The additional cost of $100,683.14 will bring the total overhaul cost for Engine #2094 to $470,080.

Due to delays in contract execution, and the delays incurred by Change Order No. 1, it is estimated that all engine overhaul costs will be incurred in FY 2008. Transportation Division Staff will make the requisite adjustments to the respective fiscal year budgets.

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

RECOMMENDATION

Staff recommends approval of a resolution authorizing Change Order No. 1 to the existing contract with Valley Power Systems North, Inc. of San Leandro, California to perform ferry diesel engine overhauls.

ALTERNATIVES CONSIDERED

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

The 4000 Series engine puts out 400 more horsepower at the same rated RPM of the 396 Series engine. This would result in unbalanced drive trains on the vessel. In order to balance output with a more powerful engine, the other components of the drive train including the reduction gear and the waterjet would have to be replaced and modified. Including the structural modifications, changes to the engine foundation, ventilation and exhaust systems, piping connections, electrical connections, and the alarm & monitoring connections; Staff estimates that the vessel modifications required to accept the 4000 Series engine would approach $325,000 in addition to the cost of the new engine. These modifications would require the vessel to be out of service for 9-12 months. Also, due to the added weight of the 4000 Series engine there would be a requirement to ballast the vessel. The sum effect of the weight additions would be higher fuel consumption of about 5%, or 100 gallons of fuel per day of operation.

ENVIRONMENTAL REVIEW

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

PROPOSED ACTION

Approval of a resolution authorizing Change Order No. 1 to the existing contract with Valley Power Systems North, Inc. of San Leandro, California to perform ferry diesel engine overhauls.

DOCUMENTS ATTACHED

a. A resolution authorizing the City Manager to execute Change Order No. 1 to the contract with Valley Power Systems North, Inc. of San Leandro, CA to perform ferry diesel engine overhauls.

b. Change Order Proposal No. 1 from Valley Power Systems North dated February 16, 2007.

CONTACT PERSONS

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

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

MARCH 13, 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 the M/V INTINTOLI and M/V MARE ISLAND which are part of a fleet of ferries that operates the Ferry service between the City of Vallejo and the City of San Francisco; and

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

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

WHEREAS, the funds to complete this work are included in the ferry maintenance line item of the Transportation Fund budgets for FY 2007 and 2008 with this work is eligible for grant reimbursement and

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

WHEREAS, the conditions found on Engine Serial #2094 have rendered that engine block unsuitable for overhaul and continued use.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby authorizes the City Manager to approve Change Order No.1 to the contract with Valley Power Systems North, Inc. of San Leandro, CA to in the amount of $86,759.24 and extend the redelivery date of Engine Serial #2094 to July 6, 2007.

MARCH 13, 2007
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Valley
POWER SYSTEMS, INC.
1755 Adams Ave., San Leandro, CA 94577 (510) 635-8991 (800) 635-8991 Fax (510) 635-9284

February 16, 2007

Mr. Martin J. Robbins
Marine Services Manager
Baylink
P.O. Box 2287
Vallejo, CA 94592-2287

Subject: Change order proposal number one (1) Reference engine overhaul agreement between City of Vallejo and Valley Power Systems North, Inc. dated January 2, 2007.
MTU engine serial number 2094.

Dear Mr. Robbins;

We have performed an initial disassembly and inspection on the subject engine, please see below our findings and recommendations,

Cylinder block, the fire deck of the block has previously been machined and the upper cylinder bores have liner inserts installed. The fire deck has a .011 of an inch stamp from the previous work performed.

A-bank inspection reveled cylinders A7 & A8 have a deviation at the fire deck surface, lower area of deck .0014 and upper at .002

A-bank also has a deviation between cylinder numbers A4 & A5 at the insert area, A4 protrusion is .0035 A5 protrusion .0005

The above values do not meet MTU specifications for reuse, recommendation new cylinder block casting.

New block casting & applicable sales tax..$80.259.24

Lead-time on a new block casting from Germany is approximately 3-4 weeks before the unit can ship.

Standard shipping time, sea freight six (6) weeks, no freight charge.

Airfreight form Germany, 1-2 weeks, approximately.......... $6,500.00

Oil cooler housings, found both housings with cavitation damage, one housing has been previously repaired, recommend both housings be replaced with new.

New oil cooler housings..$7,026.01

Oil cooler housing elbow; found cavitation erosion similar to the oil cooler housings, recommend elbow be replaced with new.

New elbow..$1,164.66

Seawater pump, found excessive pump shaft wear, bearing housing wear, inlet elbow wear, impeller cavitation and a cracked housing,

Replacement parts as detailed $14,213.98

Exhaust manifold, A bank exhaust manifold cracked, recommend replace with new.

Exhaust manifold..$8,044.66

Air freight, components as listed not including the block approximately $500.00

Crankshaft, found pitting at the thrust collar area, sent to machine shop for evaluation.

Will follow up with written report.

Note: several components are now at the machine shop and various venders for inspection and evaluation. If there are any concerns with these additional items we will forward a report for your review. The above pricing includes all applicable sales tax.

If the City approves the recommended components at the March 6 meeting our revised completion date would change as follows,

Option A, standard sea freight on the cylinder block casting from the factory. This method will take approximately 9-10 weeks to arrive at our local facility. New estimated delivery date, August 3, 2007

Option B, airfreight cylinder block from the factory. This method will take an additional five (5) weeks. New delivery date, June 29, 2007.

Please review this information and call me if you should have any questions at all.

Thank you for the opportunity to serve you.

Sincerely,
Valley Power Systems, Inc.

M. Smith

Mickey Smith
Marine Product Manager

cc: Mike Sanford
Tom Eastman
Mike Wheeler
Dean Cullup

VALLEJO CITY COUNCIL
MINUTES
FEBRUARY 13, 2007

CONSENT H

The City Council met in a special meeting to interview applicants for the Sister City Commission. The meeting was called to order at 6:32 p.m. by Mayor Anthony J. Intintoli, Jr. All Councilmembers were present.

1. CALL TO ORDER

A regular meeting of the Vallejo City Council was held on the above date in the Council Chambers of the Vallejo City Hall. The meeting was called to order at 7:00 p.m. by Mayor Anthony J. Intintoli, Jr.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL

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

Absent: None

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

Mayor Intintoli announced that a public hearing was published stating that a proposed amendment to the Zoning Ordinance related to the Design Review Board would be considered by the City Council this evening. This item was inadvertently omitted from tonight's Council Agenda and will not be considered this evening. A new public hearing notice will be published and the matter will be considered by the City Council at the meeting of February 27, 2007. He apologized for any inconvenience this omission may have caused.

Mayor Intintoli noted that there have been a number of instances recently in which the agenda has been amended/revised and asked for the public's patience. He stated that an effort is being made by staff to make the agenda more readable.

4. PRESENTATIONS AND COMMENDATIONS - None

5. PUBLIC COMMENT REGARDING CONSENT CALENDAR ITEMS - None

6. CONSENT CALENDAR AND APPROVAL OF AGENDA

Councilmember Bartee stated that he would be abstaining on Consent Item 6B due to a conflict of interest.

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

A. RESOLUTION NO. 07-24 N.C. AUTHORIZING THE CITY MANAGER TO EXECUTE CONSULTANT SERVICES AGREEMENT WITH NEW POINT GROUP, INC. FOR A

PERIOD OF TWO YEARS, WITH THE OPTION FOR TWO ADDITIONAL YEARS, AT A NEGOTIATED COST OF $33,000, TO COMPLETE THE REVIEW OF THE VALLEJO GARBAGE SERVICE SOLID WASTE AND RECYCLING RATE APPLICATION, FOR RATE YEAR BEGINNING OCTOBER 1, 2007

B. RESOLUTION NO. 07-25 N.C. CONSIDERATION OF AGREEMENT BETWEEN CITY OF VALLEJO, GENERAL MILLS, INC., AND BROOKS STREET CONSENTING TO GENERAL MILLS' ASSIGNMENT OF LEASE TO BROOKS STREET FOR LEASEHOLD INTEREST IN CITY OWNED PROPERTY AT 800 DERR STREET AND A RIGHT OF ENTRY AGREEMENT BETWEEN THE CITY

C. APPROVAL OF MINUTES FOR THE MEETING OF JANUARY 30, 2007

The above resolutions and minutes were approved by the following vote:

AYES:	Mayor Intintoli, Vice Mayor Cloutier, Councilmembers Bartee (on Items 6A and 6C), Davis, Gomes, Pearsall and Sunga
NOES:	None
ABSENT:	None
ABSTAINING:	Councilmember Bartee on Item 6b

7. PUBLIC HEARINGS

A. CONSIDERATION OF RESOLUTIONS ADOPTING 1) AN ADDENDUM TO THE VALLEJO STATION PROJECT AND WATERFRONT PROJECT FINAL ENVIRONMENTAL IMPACT REPORT, 2) AN ORDINANCE AMENDING THE WATERFRONT PLANNED DEVELOPMENT MASTER PLAN AND DESIGN GUIDELINES, AND 3) AN AMENDMENT TO THE DEVELOPMENT AGREEMENT TO IMPLEMENT THE REQUIREMENTS OF THE SETTLEMENT AGREEMENT WITH THE VALLEJO WATERFRONT COALITION

The Final EIR for the Vallejo Station and Waterfront projects was certified by the City Council in November of 2005. The Vallejo Waterfront Coalition subsequently filed a lawsuit challenging the EIR. After almost a year of negotiation, the Coalition, Callahan De Silva Vallejo, LLC, and the City reached an agreement to settle the lawsuit contingent upon several modifications to the project Planned Development Master Plan (PDMP) and Development agreement (DA). The Settlement Agreement was approved by the City Council on November 28, 2006. Although the overall scope of the project, land use pattern, and general design of the project is not proposed to be changed, the terms of the Settlement Agreement require several modifications to the PDMP and the DA.

Mayor Intintoli announced that at the request of staff, this matter will be continued to the February 27, 2007 meeting. He opened the public hearing and called for speakers.

Speaker: Robert Rowe, 1825 Sonoma Boulevard, asked for clarification on the motion.

Craig Whittom, Assistant City Manager/Community Development explained that this is an implementing action relating to the Settlement Agreement between the City and the Waterfront Coalition that was approved by Council in November, 2006.

RESOLUTION NO. 07-26 N.C. offered by Councilmember Davis continuing the matter to February 27, 2007.

The resolution was adopted by the following vote:

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

B. CONSIDERATION OF AN APPEAL FROM DANA DEAN (REPRESENTING CLAYTON RANCH INVESTORS/HAL BOEX) OF THE PLANNING COMMISSION'S FAILURE TO APPROVE USE PERMIT APPLICATIONS 06-0011, 06-0012

Mayor Intintoli announced that at the request of staff, this matter will be continued to the March 13, 2007 meeting. He opened the public hearing and called for speakers. There were no speakers.

RESOLUTION NO. 07-27 N.C. offered by Mayor Intintoli continuing the matter to the meeting of March 13, 2007.

The above resolutions and minutes were approved by the following vote:

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

8. POLICY ITEMS - None

9. ADJOURN TO A SPECIAL JOINT MEETING WITH THE VALLEJO REDEVELOPMENT AGENCY

The Council adjourned to a joint special meeting with the Vallejo Redevelopment Agency at 7:14 p.m. All members were present.

10. ADMINISTRATIVE ITEMS

A. CONSIDERATION OF THE 3RD AMENDED AND RESTATED DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE REDEVELOPMENT AGENCY AND CALLAHAN DESILVA VALLEJO LLC FOR THE WATERFRONT PROJECT

RESOLUTION NO. 07-28 N.C. offered by Mayor Intintoli continuing the item to February 27, 2007.

The resolution was approved by the following vote:

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

B RESOLUTION AMENDING THE GENERAL FUND BUDGET AND AUTHORIZING THE CITY MANAGER/ EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH MUNIFINANCIAL FOR CONSULTANT SERVICES RELATED TO THE FORMATION OF A NEW LANDSCAPE MAINTENANCE DISTRICT IN THE WATERFRONT, DOWNTOWN AND SURROUNDING NEIGHBORHOOD AREAS

At the Council meeting of February 6, 2007 staff presented an overview of the process and issues to be discussed with the public during the formation of this new Landscape Maintenance District (LMD) for the Waterfront, Downtown and surrounding neighborhood areas. The purpose of tonight's agenda item is to amend the General Fund Budget and authorize the City Manager/ Executive Director to execute a contract with MuniFinancial for consultant services related to the formation of this LMD.

Councilmembers Bartee, Davis and Gomes recused themselves from participating in this matter due to a conflict of interest. They left the dais at 7:14 p.m.

RESOLUTION NO. 07-29 N.C. amending the General Fund Budget to appropriate $35,000 and authorizing the City Manager to execute a contract with MuniFinancial for consultant services related to the formation of a new landscape maintenance district in the waterfront, downtown and surrounding neighborhood areas. It is also recommended that the Agency approve a resolution authorizing the Executive Director to execute this contract with MuniFinancial.

The resolution was adopted by the following vote:

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

11. RECONVENE THE CITY COUNCIL MEETING

The joint meeting was adjourned at 7:15 p. m.

12. ADMINISTRATIVE ITEMS (CONTINUED)

C. CONSIDERATION OF A RESOLUTION OF INTENTION TO AMEND THE FISCAL YEAR (FY) 2006/2007 FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM BUDGET

There are two approved projects that need additional funds in order to be completed: the Reynaissance Family Center (RFC) Facility Rehabilitation Project, which will provide sixteen beds of transitional housing at 2160 Sacramento Street, and the 100 Block of Benson Avenue in the Vallejo Heights Target Area. Because sufficient funds are not available to complete both projects, it is appropriate for the City to decide how and whether to proceed with these projects as described in the staff report.

The Community Development Commission and staff recommend the City amend the FY 2006/2007 CDBG Program Budget to: (1) allocate $450,000 to the RFC Project, in the form of a loan, and (2) delay the Benson Avenue project, temporarily, but not later than April 30, 2007, by which time the City Council would consider whether sufficient funding is available to complete the project.

Councilmember Bartee recused himself from participating in this item due to a conflict of interest. He left the dais at 7:15 p.m.

Guy Ricca, Community Development Analyst, made a brief power point presentation on the project. He stated that the City's consolidated plan has identified that since 2000 there is an unmet need in the community for transitional and long-term housing for homeless families in Vallejo. Further, the agency has received funding on a competitive basis and the funds have gone unused. If the project doesn't proceed soon they risk loosing other funds which could harm efforts by the City and agencies in the City to obtain grants from HUD in the future.

Mr. Ricca explained the options for the Benson Avenue project stating that Staff's and the Commission's recommendation for Benson Avenue is to delay the project temporarily, but not later than April 30, 2007, by which time the City Council would consider whether sufficient funding is available to complete the project. A brief delay will not effect the City's compliance.

Mayor Intintoli stated that a letter was received from Rev. Bernardes, dated February 8, 2007, with supporting recommendations from Kaiser Permanente, Southern Solano Alcohol Council, and Catholic Social Service.

Speakers: Rev. Rey Bernardes, Reynaissance Family Center, described the need for the facility and spoke in support of the project. Robert Rowe spoke in support of the project.

Mr. Ricca responded to questions of Councilmembers Davis and Pearsall concerning why it has taken so long to get this project started, is this a grant or a loan, has the bid been reviewed by City staff and deemed to be responsive, and the terms of the loan.

Mr. Ricca stated that it is a CDBG loan, that it is deferred for ten years at simple three percent interest. At the end of ten years the city has the option to renew it for an additional term if the facility is being used for the same purpose. Mr. Kleinschmidt, City Engineer, replied that the project is in the design process; the project has not been bid.

Councilmember Pearsall referred to the staff report which states that there is a chance that there might be monies available from unused money from other projects and asked for a prediction from staff on what the chance might be of getting the money, noting that the amount is $325,000. Mr. Ricca replied "50/50."

Councilmember Pearsall commended and thanked Rev. Bernardes on the outstanding job he has done the Christian Help Center and other projects he has been involved with in the community.

Councilmember Gomes stated that she will vote in favor of the item because she does not want to jeopardize HUD funding. However, she has concern about the delay of the project and the shortfall of $474,000 and stated that this is not a comfortable position to be in. She emphasized the need to provide Council enough time to review the item before having to vote on it.

Craig Whittom, Laura Simpson, Housing Program Manager, and Mr. Ricca explained the delay and the change in the scope of work which is adding cost to the project.

Mr. Ricca addressed Councilmember Gomes' request for clarification on the church and state issues that HUD staff raised in their letter, and when the grant term expires, would this be a permanent facility. Mr. Ricca replied that it would be a permanent facility that will remain in use for this purpose.

Vice Mayor Cloutier asked if this would be the only facility like this in Vallejo. Mr. Ricca replied yes, it would be the only facility like this for the homeless population.

At the request of Vice Mayor Cloutier, Rev. Bernardes explained the unmet needs for this type of facility.

Councilmember Sunga asked if more shortfalls were anticipated? Mr. Ricca replied no. Councilmember Sunga commended Rev. Bernardes on the great job he is doing.

<u>RESOLUTION NO. 07-30 N.C.</u> offered by Councilmember Pearsall approving the resolution of intention to amend the Fiscal Year 2006/2007 Federal Community Development Block Grant (CDBG) Program Budget, allocating additional funds to the Reynaissance Family Center Project, and delaying consideration of the Benson Avenue Project not later than April 30, 2007.

The resolution was adopted by the following vote:

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

Councilmember Bartee returned to the dais at 7:35 p.m.

D. APPROVE THE RESOLUTION AUTHORIZING THE CITY CLERK TO PUBLISH OR TEN (10) DAYS IN THE LOCAL NEWSPAPER A NOTICE OF VAILABILITY

FOR REVIEW OF THE ASSOCIATION OF BAY AREA OVERTMENTS' (ABAG) REPORT *TAMING NATURAL DISASTERS* AND ASSOCIATED DOCUMENTS (LOCAL HAZARD MITIGATION PLAN ANNEX AND MITIGATION STRATEGIES) IN PREPARATION FOR ADOPTION BY THE COUNCIL AT A LATER DATE OF SAID REPORT AND ASSOCIATED DOCUMENTS AS THE CITY OF VALLEJO'S LOCAL HAZARD MITIGATION PLAN

The Federal Disaster Mitigation Act of 2000 requires all cities, counties and special districts to have a Local Hazard Mitigation Plan in place before any disaster mitigation funding can be received from the Federal Emergency Management Agency (FEMA). On March 17, 2005, ABAG adopted *Taming Natural Disasters* as the Local Hazard Mitigation Plan for the San Francisco Bay Area. The next logical step for the City of Vallejo is to adopt the same plan, including our local annex and strategy documents, for our use.

Fire Chief Don Parker addressed the document and explained its development, stating that by adopting this plan, the City will be in a position to receive recovery funds for a disaster.

Chief Parker responded to a question of Councilmember Sunga concerning how this is related to the Alert Project.

RESOLUTION NO. 07-31 N.C. adopting the Resolution authorizing the City Clerk to publish for ten (10) days a notice of availability for review of the ABAG report *Taming Natural Disasters* and associated documents (the Local Hazard Mitigation Plan ANNEX and Mitigation Strategies) in the Vallejo City Clerk's Office or the Vallejo Fire Prevention Division, in preparation for adoption of said report and associated documents as the City of Vallejo's Local Hazard Mitigation Plan.

The resolution was approved by the following vote:

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

E. CONSIDERATION OF A RESOLUTION OF INTENTION TO ADOPT AN INTERIM ORDINANCE ALLOWING TEMPORARY CONDITIONAL USE REGULATIONS WITHIN THE GEORGIA STREET CORRIDOR OF THE DOWNTOWN SPECIFIC PLAN AREA.

Councilmembers Bartee recused himself from participating in this discussion because he owns property in the area; Councilmember Gomes recused herself from participating in this matter because her personal residence is within the sphere of influence. They left the dais at 7:47 p.m.

Staff is seeking authorization to prepare an interim ordinance for temporary conditional use regulations for the Downtown Georgia Street corridor. Certain specified conditional uses would be permitted to establish occupancy on the ground floor during an initial three (3) year period, and once established, would be allowed to continue for an additional three (3) year period before the ordinance would sunset and the Downtown Plan regulations would become fully effective once again. The draft Ordinance will be forwarded to the Planning Commission for their consideration and recommendation to the City Council within the next 60 days.

Mayor Intintoli asked if this matter would need to go before the Planning Commission. Mr. Dolan replied yes.

Don Hazen, Planning Manager, presented background information using a power point presentation. He stated that a number of meetings were held between various groups with downtown interest, Economic Development staff and Planning staff. He summarized the two proposals presented to staff: business owners felt the City should relax the regulations for a period of three years to allow the non-retail users to occupy the ground floor and at the end of the three years, they would be grandfathered in. The other proposal is to allow the three-year window of opportunity and at the end of the three years they would not be grandfathered in. The premises would have to be vacated.

Mr. Hazen stated that Staff's recommendation is that the owners with specific non-retail uses be given a three-year window of opportunity to occupy and when that time period has ended, they would be granted an additional three years to conduct their business. Mr. Hazen stated that staff believes the uses could generate pedestrian activity. The resolution of intention would require a minor use permit, which is an administrative action that provides notice to the surrounding businesses and allows staff to impose conditions. He further stated that the City Attorney has recommended that the City enter into a recorded agreement between the City, the business owner and the tenant acknowledging that there are certain time frames in which this lease would be allowed to operate and then revert back.

Speakers: David Fischer, 312 Georgia Street, owner of property on Georgia Street, compared the cost of having a business on Tennessee Street versus Georgia Street stressing that the cost for the downtown is too expensive. He stated that the grandfather clause is needed.

Daisy Villanueva, owner of 419 Georgia Street, spoke in support of the grandfather clause.

Judy Schilling, 410 El Dorado Street, Chairman of the Downtown Retail Corridor Task Force, stated that in response to a survey conducted by the Task Force, 18 of 26 property owners supported the task force plan of three years for the non-conforming uses and at the end of three years would be grandfathered in. If the tenant moved, the use would revert back to retail corridor. She stated that a minor use permit costs approximately $800 for the Georgia Street corridor and asked that lowering this be considered.

Joanne Schivley asked that the three plus three that has been offered and the grandfather clause be considered, plus the second third year be extended to the completion of Phase II of the Downtown Project or the three years which ever comes later. Consider the people who have put their money into the City.

Chris Austin, Triad Communities, 1095 Hiddenbrooke Parkway, stated that Triad supports relief for property owners; they support staff's proposal.

Vice Mayor Cloutier stated that he believes the property owners are entitled to some type of interim relief. However the City is trying to achieve a retail corridor on Georgia Street that would serve the needs of the people. We need to be cautious about grandfathering in businesses because we don't know what kind of businesses will be coming into that retail corridor if we grant this relief. He questioned the issue and cost of the minor use permit.

Mr. Hazen replied that it was the City Attorney's opinion that the use permit is needed as a mechanism of tying the uses to a temporary basis to avoid potential litigation by a tenant who would say they had vested rights to occupy the building. Council has the authority to stipulate that the fee be adjusted, waived, etc.

Mr. Dolan stated that another option that can be considered is an administrative process that doesn't involve public notification and has a lower fee; however, it may not meet the needs that the City Attorney expressed.

Vice Mayor Cloutier agreed that the use permit option should be reviewed, stating that the fee we are talking about is definitely prohibitive. He went on to say that he would be inclined to grant a three-year period, possibly four.

Councilmember Pearsall stated that the temporary uses (administrative offices) need to be more detailed. He stressed that retail is needed on the ground floor and language needs to be added that states all other uses are prohibited on the ground floor other than what we decide on. Although he is not in favor of a six-year lease in the area we are trying to revitalize, he realizes that we need to provide some leeway for the people who have spent money in the downtown.

Councilmember Sunga stated that this issue has to be studied further. He does not believe this is good for downtown business owners. He is not prepared to vote on this tonight.

Mayor Intintoli stated that he has very serious concerns about restricting people who are on leases to such a short period.

Mr. Dolan explained that if the business is operating now, they are grandfathered under the current rules and will continue to be. This proposal will not affect them.

Councilmember Davis stated that he is in favor of three years plus three years and then grandfathered until there is a change in that particular business at which time it will revert to retail.

Mr. Soley suggested referring the subject of a temporary use regulation to the Planning Commission for a recommendation to Council and perhaps in the process develop something that comes closer to what would be acceptable to a majority of the Council.

City Manager Tanner suggested that the Council take no action and refer this matter back to staff for further review.

The matter was referred to staff. Councilmembers Bartee and Comes returned to the Dais at 8:35 p.m.

F. COMMUNITY DEVELOPMENT DEPARTMENT REORGANIZATION UPDATE

Mr. Whittom made a power point presentation on the reorganization of the Community Development Department. He addressed the initiatives that are currently underway, the development team, the development team priorities and project criteria, the development team's current project list, performance standards, web-site enhancements, new special revenue fund for Development Services, and enhancing services to development and building permit clients.

Mr. Whittom and Mr. Dolan responded to questions of Councilmember Bartee concerning the status of the permit streamlining process. Mr. Whittom stated that staff is looking at ways to make the permit application experience easier. They are trying to get as close to a one-stop system as possible.

Councilmember Bartee suggested that including people with both planning and engineering background would help with the plan checking process. Councilmember Bartee asked to see a cost benefit analysis on this.

13. APPOINTMENTS TO BOARDS, COMMISSIONS, AND COMMITTEES

A. APPOINTMENTS TO SISTER CITY COMMISSION

Mayor Intintoli reported that applicants were interviewed earlier this evening. He asked for nominations. Vice Mayor Cloutier nominated Myra Holmes, Brenda Diane McNeill, and Manny Solano, Jr. Councilmember Sunga nominated Domingo Moran. A roll call vote resulted in Myra Holmes, Brenda Diane McNeill and Manny Solano, Jr. receiving the majority votes.

RESOLUTION NO. 07-32 N.C. offered by Councilmember Gomes appointing Myra Holmes, Brenda Diane McNeill and Manny Solano, Jr. to the Sister City Commission for a term ending December 31, 2010.

The resolution was adopted by the following vote:

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

14. WRITTEN COMMUNICATIONS

Mayor Intintoli reported that correspondence was received from the following individuals: Willi Paul concerning general issues regarding business sustainability; email from Sharon Sword opposing WalMart; David Cates on behalf of the Vallejo Neighborhood Association concerning the appeal on the denial of Use Permits 06-0011 and 06-0012 property located at 912 and 915 Wilson Avenue. These letters will be referred to the City Manager for review and response where appropriate.

15. CITY MANAGER'S REPORT

Mr. Tanner reported that the matter concerning the payment of claims not being on the agenda is being reviewed by staff. A recommendation will be coming to Council in the future.

16. CITY ATTORNEY'S REPORT - None

17. COMMUNITY FORUM

Speaker: Robert Rowe, 1825 Sonoma Boulevard, addressed quality of life issues in the City; and asked Council to consider the natural habitat along Wilson Avenue before developing.

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

19. CLOSED SESSION - None

20. ADJOURNMENT

The meeting adjourned at 9:02 p.m.

ANTHONY J. INTINTOLI, JR., MAYOR

Attest: MARY ELLSWORTH, ACTING CITY CLERK

ADMIN A

Agenda Item No.

REDEVELOPMENT AGENCY COMMUNICATION
COUNCIL COMMUNICATION

Date: March 13, 2007

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

FROM: Robert V. Stout, Finance Director

SUBJECT: CONSIDERATION OF RESOLUTIONS AMENDING THE FISCAL YEAR 2006-2007 BUDGET.

BACKGROUND & DISCUSSION

The purpose of this report is three fold:

- It will briefly discuss the FY 2005-2006 Comprehensive Annual Financial Report (CAFR) and discuss the implications of that report on the current year's projections.
- Staff will brief City Council on the status of the City's financial condition for the current 2006-2007 fiscal year. In that regard, it also proposes amendments to the Fiscal Year 2006-2007 budget as requested by departments to address specific operating requirements needed to complete the fiscal year.
- Finally it also updates General Fund financial projections for the upcoming 2007-2008 fiscal year. These projections will create the framework for upcoming policy and program discussions over the next few months during development of the 2007-2008 Budget.

GENERAL FUND

Year Ended June 30, 2006

The City has published its audited Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2006. The ending General Fund unreserved, undesignated ("available") fund balance was $7.8 million, or $283,169 higher than anticipated at the time the Fiscal Year 2006-2007 budget was prepared. The following is a summary of key 2005-2006 actual results as compared to projections:

General Fund
Summary of Final 05-06 Results
(vs. Projections used for FY 06-07 Budget/Beginning Balance)

			Favorable/ (Unfavorable)
Revenues:			
Taxes/general sources:			
Supplemental Property Taxes	954,000		
Other	(36,441)		
		917,559	
Departmental		155,662	
			1,073,221
Departmental expenditures:			
Salaries/benefits		(51,326)	
Service/Supplies			
Expenditures	2,298,216		
Encumbered	(214,779)		
		2,083,437	
Interfund allocations		455,512	
			2,487,623
Interfund Transfers:			
Transportation		(2,627,000)	
Other		(758,884)	
			(3,385,884)
Reserves			108,209
Net Results vs. Projection			283,169

To recap, the City utilized $1 million in surplus revenues, along with $2.5 million in expenditure savings, to cover a cumulative $2.6 million deficit in the Transportation Enterprise Fund. In budget reports during March and June of 2006, City Council approved inter-fund loans to the Transportation Fund in the amount of $2.4 million to provide working capital on an interim basis until funding solutions could be implemented. However, subsequent analysis and projections indicate that the ultimate ability of the fund to repay such loans is uncertain. Generally Accepted Accounting Principals require that such loans be treated as transfers. Accordingly, the $2.6 million advance made during the year to cover the actual Transportation Fund deficit has been reported as a General Fund operating transfer in the City's audited financial statements.

Two-year General Fund Projections

During the past two months, each City department has reviewed their respective revenue and expenditure trends to provide input for this midyear financial report. As a result, the City has updated General Fund financial projections for both the current and upcoming fiscal years.

- **Revenues** In total, revenues are expected to approximate the budget for 2006-07, but may drop by $2.7 million from earlier projections in 2007-08. While 2006-07 property taxes are projected to increase to $900,000 over budget, Marine World (Six Flags Discovery Kingdom) revenues are expected to drop below budget by $1.2 million. An economic slowdown in Development Services activity is also expected to result in a revenue loss of $850,000 from budget. Detailed revenue projections for both years are included as **Attachment #4.** Revenue projections will be updated again after the County's April property tax distribution and after the State Board of Equalization releases the next quarter of sales tax results.

- **Expenditures** Departments have proposed $2 million of 2006-07 General Fund expenditure budget increases, offset by $700,000 in expected savings, for a net expenditure increase of $1.3 million. A detailed list of proposed adjustments is presented as **Attachment #5**. Key General Fund increases include:
    - $750,000 Fire Overtime
    - $850,000 Employee leave bank distributions at retirement

- **2006-07 Net Results** Including both updated revenues and expenditures, the General Fund is now projected to operate at a $4.6 million loss during 2006-07, with ending available fund balance projected at $3 million. This ending balance represents a reserve of 4% of annual operating expenditures, and is sufficient to cover only one bi-weekly General Fund payroll. The average bi-weekly payroll cost is $2.8 million.

The following chart is a summary of the 2006-07 General Fund projection:

	06-07		
	Original Budget	Projection 12-06 Council	Midyear 3/6/2007
Beginning Available Balance	7,468,654	7,468,654	7,751,823
Annual Operating Activity:			
Revenues	84,755,966	84,948,466	84,865,200
Expenditures			
Salaries and benefits	74,418,044	74,110,900	74,992,057
Service and supplies	18,837,561	18,047,561	19,234,002
Interfund allocations	(6,353,961)	(6,798,961)	(7,169,461)
Transfers	1,854,322	1,854,322	2,429,322
	88,755,966	87,213,822	89,485,920
Proposed reductions	(4,000,000)		
Adjusted expenditures	84,755,966	87,213,822	89,485,920
Annual Operating Results	0	(2,265,356)	(4,620,720)
Reserve Transactions			17,000
Net Annual Change	0	(2,265,356)	(4,603,720)
Ending Available Balance, With Proposed Reductions	7,468,654	5,203,298	3,148,103
% annual expenditures	9%	6%	4%

- **<u>2007-08 Projections</u>** Projected results for 2007-08 are of grave concern. Revenue growth of 2% cannot cover expected expenditure growth of 5%. The annual operating deficit, for current programs and services, is projected to grow from $4.6 million in 2006-07 to $7.5 million in 2007-08, which is 8% of expenditures. Ending fund balance, at the current deficit rate, would use all reserves and would create a negative $4 million ending balance. Without corrective action, the General Fund is projected to run out of cash for operations in May, 2008.

  The following is a summary of 2007-08 projections. A consolidated three-year summary is presented as **Attachment #6**.

	FY 07-08		
	Projection 06-07 Budget	**Projection 12-06 Council**	**Midyear 3/6/2007**
Beginning Available Balance	7,468,654	5,203,298	3,148,103
Annual Operating Activity:			
Revenues	88,146,205	89,081,205	86,336,700
Expenditures			
Salaries and benefits	79,999,397	77,505,397	77,800,000
Service and supplies	19,214,312	17,999,285	19,284,285
Interfund allocations	(6,544,580)	(7,169,580)	(7,540,080)
Transfers	1,854,322	1,854,322	4,354,322
	94,523,452	90,189,425	93,898,528
Proposed reductions	(4,000,000)		
Adjusted expenditures	90,523,452	90,189,425	93,898,528
Annual Operating Results	(2,377,247)	(1,108,220)	(7,561,828)
Reserve Transactions			
Net Annual Change	(2,377,247)	(1,108,220)	(7,561,828)
Ending Available Balance, With Proposed Reductions	5,091,407	4,095,078	(4,413,725)
% annual expenditures	6%	5%	-5%

- **<u>Next Steps</u>**

  The 2007- 2008 Proposed Budget is scheduled for presentation to City Council by May 15th, consistent with the City Charter timeline requirement of 45 days before the beginning of the fiscal year. All city departments have started the budget development process to identify risks, opportunities, and strategies to support the City's ongoing economic viability.

  It should be understood that the changes required to close the large General Fund deficit discussed above will be difficult and will almost certainly entail significant reductions in the levels of services the City is able to provide. It is expected that these reductions will, by necessity, include public safety. Therefore, staff is planning a series of workshops to discuss, in depth, our recommendations and the effect of those recommendations on service levels prior to adoption of the budget.

OTHER FUNDS

Proposed Budget Amendments

Proposed budget adjustments for funds other than the General Fund are also presented as **Attachment #5**. Adjustments are presented for the following programs:

- #107 Mare Island Leasing Fund – North Island CFD levy and services in support of the North Island Exclusive Right to Negotiate
- #129 Outside Services Fund – Developer service charges
- #133 Gas Tax Fund – Transfer to Equipment Fund
- #15x Police Grants
- #161 Landscape Maintenance Funds
  - Allocation of 3 positions, transferred from General Fund on 12-19-06, to individual districts
  - FEMA repairs and other operating items
- #404 Water Capital Fund – Capital program
- #420/1 Transportation Enterprise Fund – Capital program
- #502 Equipment Replacement – Insurance proceeds/Replacements
- #206 Arts and Convention Fund – Empress Theater
- #211 I-80 Overpass Fund – Empress Theater
- #723/33 Redevelopment – Empress Theater

Fiscal Impact

The proposed amendments to the Fiscal Year 2006-2007 budget, as noted on Attachment 5, will decrease General Fund revenues by $0.984 million and increase expenditures by $1.346 million, for a net negative fund balance impact of $2.3 million. The net impact of the recommendations on all other funds will be to increase revenues by $2.6 million and expenditures by $4.5 million.

RECOMMENDATION

Staff proposes that Council adopt the attached two (2) resolutions amending the 2006-07appropriations for both the City and for the Redevelopment Agency. Without these adjustments, the various agencies and departments would not have sufficient resources to continue operations at the current service levels for the remainder of the year fiscal year. On a go-forward basis, staff is working diligently to prepare a Fiscal Year 2007-2008 budget that will make recommendations to address the fiscal issues facing the City.

PROPOSED ACTION

Staff proposes that the Council and Redevelopment Agency:

- **City Council**
  1. Adopt a Resolution amending the City's budget for Fiscal Year 2006-2007 for revenues in the amount of $1.6 million and approved expenditures in the amount of $5.8 million.

- **Redevelopment Agency**
  1. Adopt a Resolution amending the Redevelopment Agency's budget for Fiscal Year 2006-2007 for City loans in the amount of $1,468,000 and approved expenditures in the amount of $1,468,000.

ENVIRONMENTAL REVIEW

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

DOCUMENTS ATTACHED

1. Resolution amending the City's budget for Fiscal Year 2006-2007

2. Resolution amending the Redevelopment Agency's budget for Fiscal Year 2006-2007

3. N/A

4. Revenue Projections – Fiscal Years 2006-07 and 2007-08

5. Proposed Budget Amendments – Fiscal Year 2006-07

6. General Fund Balance Projections – Fiscal Years 2006-07 and 2007-08

PREPARED BY:

Susan Mayer, Assistant Finance Director (707) 648-4486

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 AMENDING THE FISCAL YEAR 2006-2007 BUDGET

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; 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, the City Council adopted a Notice of Intention to amend the budget at the regular City Council meeting of March 6, 2007; and

WHEREAS, staff is proposing that revenue budgets be increased by $1.6 million and expenditures appropriations be increased in the amount of $5.8 million per the attached recommendations for Fiscal Year 2006-2007; and,

WHEREAS, the Council has considered the report and recommendations of the City Manager on the proposed Mid-Year Financial Report for Fiscal Year 2006-2007 based upon the City Manager's estimate of expenditures, revenues and transfers and has determined that the Mid-Year Financial Report is both fair and appropriate; now, therefore:

IT IS HEREBY RESOLVED BY THE COUNCIL OF THE CITY OF VALLEJO, CALIFORNIA, AS FOLLOWS:

Section 1. That the City Council, pursuant to Charter Section 703, hereby amends the City's budget for Fiscal Year 2006-2007, by increasing expenditures, transferring unencumbered appropriations, increasing certain revenue estimates, transferring certain costs to both General Fund and non-General Fund accounts, and approves Inter fund loans as set forth in **Attachment #5** to this Staff Report and by this reference incorporated herein.

Section 2. The City Manager, pursuant to Charter Sections 501 and 717, is authorized to purchase or enter into contracts for materials, supplies, equipment and services of a value of $25,000 or less for which funding is included in the Budget for Fiscal Year 2006-2007.

ATTACHMENT 2

RESOLUTION NO. _____

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO AMENDING THE FISCAL YEAR 2006-2007 BUDGET

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

WHEREAS, in June 2006, the Agency did adopt a budget for the Fiscal Year 2006-2007; and

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

WHEREAS, the Redevelopment Agency adopted a Notice of Intention to amend the budget at the regular City Council meeting of March 6, 2007; and

WHEREAS, staff is proposing that revenue budgets be increased by $1,438,000 and expenditures appropriations also be increased in the amount of $1,438,000 per the attached recommendations for Fiscal Year 2006-2007; and,

WHEREAS, the Agency has considered the report and recommendations of the Executive Director on the proposed Mid-Year Financial Report for Fiscal Year 2006-2007 based upon the Executive Director's estimate of expenditures, revenues and transfers and has determined that the Mid-Year Financial Report is both fair and appropriate; now, therefore:

IT IS HEREBY RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF VALLEJO ("AGENCY"), AS FOLLOWS:

Section 1. That the Agency, pursuant to Charter Section 703, hereby amends the Agency's budget by increasing expenditures, transferring unencumbered appropriations, and approves Inter fund loans as set forth in **Attachment #5** to this Staff Report and by this reference incorporated herein.

ATTACHMENT 4

As of March 1, 2007

City of Vallejo General Fund
Revenue Trends
(Net of Mare Island Allocations)

	2003-04	2004-05		2005-06		2006-07			2007-08	
	Actual	Actual	% Change	Actual	% Change	Budget as of 2-20-07	As Projected 2-20-07	% Change	As Projected 2-20-07	% Change
General Revenues										
Property Taxes										
CURRENT SECURED TAXES	11,139,400	12,392,646	11%	14,027,383	13%	15,549,442	16,188,350	15%	17,750,000	10%
CURRENT UNSECURED TAXES	364,039	480,508	32%	474,469	-1%	508,230	535,000	13%	590,000	10%
SUPPLEMENTAL TAXES	832,937	1,522,815	83%	2,056,575	35%	1,202,042	1,400,000	-32%	700,000	-50%
HOMEOWNERS EXEMPTN TAX	103,451	197,884	91%	199,849	1%	192,608	200,000	0%	220,000	10%
UNITARY TAXES	241,179	235,580	-2%	305,430	30%	306,059	300,000	-2%	330,000	10%
TAX INCREMENT PASS-THROUGH							44,000		49,000	11%
	12,681,006	14,829,433	17%	17,063,706	15%	17,758,381	18,667,350	9%	19,639,000	5%
SB 1096 ERAF	0	(1,205,898)		(1,205,898)	0%					
	12,681,006	13,623,535	7%	15,857,808	16%	17,758,381	18,667,350	18%	19,639,000	5%
Sales Tax										
SALES TAX	12,145,303	12,617,179	4%	13,819,405	10%	13,510,440	13,700,000	-1%	13,500,000	-1%
ONE TIME CATCH-UP	0	538,836								
	12,145,303	13,156,015	8%	13,819,405	5%	13,510,440	13,700,000	-1%	13,500,000	-1%
Motor Vehicle License Fees										
MOTOR VEHICLE FEES/SB 1096	5,688,734	7,689,334	35%	8,592,520	12%	9,368,000	9,582,750	12%	10,491,885	9%
STATE VLF LOAN	0	1,834,360			-100%					
	5,688,734	9,523,694	67%	8,592,520	-10%	9,368,000	9,582,750	12%	10,491,885	9%
Transit Occupancy Tax	1,447,810	1,402,835	-3%	1,405,410	0%	1,350,000	1,460,000	4%	1,500,000	3%
Real Property Excise Tax	842,302	2,054,766	144%	256,438	-88%	904,000	900,000	251%	900,000	0%
Franchise	2,289,454	2,344,994	2%	2,538,051	8%	3,052,157	3,256,834	28%	3,536,978	9%
UUT	11,707,589	11,749,465	0%	12,328,597	5%	13,134,268	12,977,200	5%	13,470,278	4%
Property Transfer Tax	4,020,260	5,481,108	36%	5,106,488	-7%	4,350,000	4,000,000	-22%	4,000,000	0%
Business License	1,218,595	1,323,987	9%	1,298,046	-2%	1,268,800	1,300,000	0%	1,300,000	0%
Subtotal, Taxes	52,041,053	60,660,399	17%	61,202,763	1%	64,696,046	65,844,134	8%	68,338,141	4%

	2003-04	2004-05		2005-06		2006-07			2007-08	
	Actual	Actual	% Change	Actual	% Change	Budget as of 2-20-07	As Projected 2-20-07	% Change	As Projected 2-20-07	% Change
Revenue From Use of Money										
RENTALS	176,100	357,412	103%	187,859	-47%	1,000	12,000	-94%	12,000	0%
INVESTMENT INCOME	58,394	202,966	248%	315,289	55%	250,000	150,000	-52%	0	-100%
	234,494	560,378	139%	503,148	-10%	251,000	162,000	-68%	12,000	-93%
Misc										
WATER RETURN TO BASE	2,732,820	2,662,096	-3%	2,762,722	4%	2,867,434	2,867,434	4%	2,973,192	4%
ASSMT DIST REF-GLEN COVE	0	398,518	0%	345,642	-13%	0	0			
ASSMT DIST REF-NE QUAD	0	82,487	0%	83,770	2%	0	0			
OTHER	692,316	493,000	-29%	279,681	-43%	136,546	131,003	-53%	120,993	-8%
NEW REVENUES	-	-		0		500,000				
	3,425,136	3,636,101	6%	3,471,815	-5%	3,503,980	2,998,437	-14%	3,094,185	3%
Transfers										#DIV/0!
MARINE WORLD JPA	2,670,338	2,297,339	-14%	2,977,418	30%	2,600,000	1,416,000	-52%	1,420,000	0%
OTHER FUNDS	0	1,322,333	0%	308,770	-77%	15,000	15,000	-95%	15,000	0%
	2,670,338	3,619,672	36%	3,286,188	-9%	2,615,000	1,431,000	-56%	1,435,000	0%
Subtotal, General Revenues	58,371,021	68,476,550	17%	68,463,914	0%	71,066,026	70,435,571	3%	72,879,326	3%

Program Revenues

	2003-04 Actual	2004-05 Actual	% Change	2005-06 Actual	% Change	2006-07 Budget as of 2-20-07	2006-07 As Projected 2-20-07	% Change	2007-08 As Projected 2-20-07	% Change
Development Services										
BUILDING FEES	2,883,118	4,218,364	46%	2,672,397	-37%	3,182,100	2,535,158	-5%	1,503,375	-41%
PLANNING FEES	475,338	597,211	26%	671,568	12%	660,510	457,461	-32%	450,625	-1%
CODE ENFORCEMENT FEES	285,663	341,100	19%	199,933	-41%	250,000	253,311	27%	350,000	38%
	3,644,119	5,156,675	42%	3,543,898	-31%	4,092,610	3,245,930	-8%	2,304,000	-29%
Finance										
BOND ISSUANCE FEES	50,000	33,250	-34%	0	-100%	20,000	20,000		20,000	0%
Human Resources										
VSFCD	192,474	196,323	2%	202,034	3%	225,000	227,255	12%	227,255	0%
Economic Development										
DOWNTOWN MANAGEMENT DIST	0	140,522	0%	141,941	1%	147,000	150,000	6%	150,000	0%
DOWNTOWN IMPROVEMENT DIST	0	0	0%	22,300		35,000	25,000	12%	25,000	0%
TOURISM BUSINESS IMP DIST	0	0	0%	223,188		225,000	225,000	1%	225,000	0%
MOBILE HOME FEES	0	0	0%	12,840		12,000	12,000	-7%	12,000	0%
	0	140,522	0%	400,269	185%	419,000	412,000	3%	412,000	0%

	2003-04	2004-05		2005-06		2006-07			2007-08	
	Actual	Actual	% Change	Actual	% Change	Budget as of 2-20-07	As Projected 2-20-07	% Change	As Projected 2-20-07	% Change
Fire										
MARE ISLAND/STATION 9 ALLOCATION	1,915,300	2,012,998	5%	2,149,788	7%	2,603,074	2,603,074	21%	2,824,335	9%
EAST VALLEJO FIRE DIST.	245,072	348,172	42%	458,169	32%	300,000	460,000	0%	475,000	3%
GRANTS	0		0%	221,983		26,731	26,731	-88%		-100%
MISC REIMBURSEMENTS	225,046	156,499	-30%	45,905	-71%	30,000	123,000	168%	30,000	-76%
CONFINED SPACE RESCUE	0	10,000	0%	20,000	100%	10,000	10,000	-50%	10,000	0%
AMBULANCE SAVNGS-SOLNO CO	56,981	113,963	100%	71,559	-37%	77,000	89,916	26%	125,000	39%
PLAN REVIEW FEES	48,202	53,962	12%	55,506	3%	35,000	35,000	-37%	35,000	0%
INSPECTION FEES	33,609	61,866	84%	32,365	-48%	36,400	36,400	12%	36,400	0%
WEED ABATEMENT	28,564	67,396	136%	36,654	-46%	43,000	43,000	17%	43,000	0%
OTHER	1,251	3,204	0%	570	-82%	58,000	500	-12%	500	0%
	2,554,025	2,828,060	11%	3,092,499	9%	3,219,205	3,427,621	11%	3,579,235	4%
Police										
PROP 172 - SALES TAX	402,234	443,287	10%	473,633	7%	479,415	479,415	1%	479,415	0%
MARE ISLAND	531,900	556,700	5%	630,504	13%	923,708	923,708	47%	1,002,223	9%
SCHOOL DISTRICT	0	359,991	0%	446,667	24%	580,000	580,000	30%	629,300	9%
HIGH TECH TASK FORCE	116,869	409,922	0%	435,152	6%	400,000	427,000	-2%	463,295	9%
OFFICE OF TRAFFIC SAFETY	0	67,860		141,057	108%	284,000	340,000	141%	340,000	0%
POST REIMBURSEMENTS	54,318	86,603	59%	97,935	13%	75,000	75,000	-23%	75,000	0%
OVERTIME REIMBURSEMENT	0	83,593	0%	154,519	85%	200,000	160,000	4%	160,000	0%
ANTI-GANG GRANT						125,000	125,000		125,000	0%
VEHICLE FINES - CITY	362,992	379,157	4%	524,137	38%	500,000	500,000	-5%	500,000	0%
PARKING FINES	435,444	516,017	19%	507,013	-2%	620,000	620,000	22%	620,000	0%
ABANDONED VEHICLES	85,265	170,218	100%	103,218	-39%	130,000	130,000	26%	130,000	0%
POLICE IMPOUND FEES	73,754	70,846	-4%	73,356	4%	81,100	90,000	23%	95,000	6%
FALSE ALARM FEES	55,873	51,802	-7%	59,107	14%	143,000	58,000	-2%	58,000	0%
OTHER	425,408	85,467		198,359	132%	132,200	156,400	-21%	157,600	1%
GRANT TRANSFERS - CAD DEBT SERVICE						285,000	285,000		285,000	0%
BOOKING FEES REBATE	416,784	416,784	0%	0	-100%	0	300,000		0	-100%
	2,960,841	3,698,247	25%	3,844,657	4%	4,958,423	5,249,523	37%	5,119,833	-2%
Public Works										
ENGINEERING FEES	1,525,846	1,616,061	6%	1,056,855	-35%	1,350,000	1,350,000	28%	1,350,000	0%
GRADING PERMIT FEES	213,444	434,982	104%	225,520	-48%	150,000	200,000	-11%	200,000	0%
WASTE MANAGEMENT	143,800	143,800	0%	143,800	0%	223,300	223,300	55%	223,300	0%
OTHER	128,507	29,676	-77%	136,112	359%	126,000	74,000	-46%	21,750	-71%
	2,011,597	2,224,519	11%	1,562,287	-30%	1,849,300	1,847,300	18%	1,795,050	-3%
Subtotal, Program Revenues	11,413,056	14,277,596	25%	12,645,644	-11%	14,783,538	14,429,629	14%	13,457,373	-7%
Total	69,784,077	82,754,146	19%	81,109,558	-2%	85,849,564	84,865,200	5%	86,336,700	2%
	-	-		-			-		-	
Other Funds in CAFR	405,987									
Per CAFR, with Transfers	70,190,064									
	-									

J:\FY 06-07\General Fund\Revenue\[06-07 Gen Fund Rev Lead Schedule at 3-1-07.xls]06-07 Midyear Summary

Attachment 5

06-07 Midyear Budget Review
Proposed Budget Adjustments
March 6, 2006

		Revenue	Expenditure	Transfers	Net
General Fund					
General Revenues					
Property Taxes		900,000			
Marine World Revenue Sharing		(1,200,000)			
Remove "new revenue" placeholder budget		(500,000)			
		(800,000)	-	-	
Community Development					
Development Services Fee Revenues		(850,000)			
Business Improvement District					
(Pass-through carryover from FY 05-06)			17,000		
		(850,000)	17,000	-	
Police					
State allocation - Booking Fees		300,000			
Grants and other programs		115,000			
Delayed False Alarm program		(85,000)			
Reduced overtime reimbursements		(40,000)			
		290,000	-	-	
Fire					
East Vallejo Fire District		160,000			
Delayed False Alarm program		(38,000)			
Mutual Aid/other		78,000			
Overtime (net of vacancy savings)			745,000		
Expanded weed abatement program			25,000		
Other service/supplies savings			(45,000)		
		200,000	725,000	-	
Non-Departmental					
Miscellaneous revenue updates		175,636			
Compensated absence/employee leave payments			850,000		
Original budget	1,000,000				
Midyear increase	850,000				
Annual projection	1,850,000				
Utility User Tax - Election Costs			200,000		
Contributions - Unity Day (Pass-through donations)			4,000		
Transfer to Transportation Fund			200,000		
(Substitution of General Fund Transfer for Bridge Fund Advance)					
Original Budget	300,000				
Midyear increase	200,000				
Total FY 06-07	500,000				
Defer capital improvements			(200,000)		
Implement updated 06-07 Cost Plan			(450,000)		
		175,636	604,000	-	
Reclassifications					
Risk Fund Rebate					
To reallocate Risk Fund rebate, included in 12/19/06 budget amendment, to program departments					
Non-department			250,000		
Police Department			(150,000)		
Fire Department			(100,000)		
		-	-	-	
Building Energy Costs					
To reallocate building energy costs/utility bills to corresponding program departments					
Public Works - Building Maintenance			(246,000)		
Police Department			118,000		
Fire Department			128,000		
		-	-	-	
Subtotal, General Fund		(984,364)	1,346,000	-	(2,330,364)
Reconciliation of change in Fund Balance since 12/19 report:					
Fund Balance, per 12/19 report	5,203,298				
Updated beginning fund balance - actual	283,169				
Subsequent action - Downtown LMD	(25,000)				
Proposed midyear adjustments - net	(2,330,364)				
Draw on fund balance reserves	17,000				
Fund Balance projection, at 2/27/07	3,148,103				

	Revenue	Expenditure	Transfers	Net
Mare Island Lease Fund #107				
Charges for Services - North Island ERN	350,000			
Professional Services - North Island ERN		350,000		
City share of 2002 CFD Levy/North Island		240,000		
	350,000	590,000	-	(240,000)
Outside Services Fund #129				
Charges for Services - Development	100,000			
Professional Services		100,000		
	100,000	100,000	-	-
Gas Tax Fund #133				
Transfer to Equipment Replacement Fund - Pavement Grinder			(325,000)	
	-	-	(325,000)	(325,000)
Police Grant Fund				
Grant Revenue	138,000			
"Avoid the 10" Program				
" TEAM" DUI Enforcement Program				
Grant Expenditures		138,000		
Equipment (radios, trailer, motorcycles)				
Services				
	138,000	138,000	-	-
Landscape Maintenance Districts				
Staff Cost Distribution				
To allocate costs for 3 FTEs, transferred from General Fund on 12-19-06, to the individual districts receiving services:				
Administration Fund				
161 Admin Fund District Reimbursements		(140,000)		
For tree trimming services		-		
Fund 168 - Greenmont-Seaport Maint Dist		23,375		
Fund 173 - Somerset I & II Maint Dist		23,375		
Fund 174 - Woodridge Maint Dist		23,375		
Fund 181 - Hunter Ranch I & II		23,375		
For irrigation services				
Fund 163 - Sandpiper Point Landscape Maint Dist		2,000		
Fund 165 - Town & Country Maint Dist		4,000		
Fund 166 - Costa Del Rio Maint Dist		4,000		
Fund 170 - Carriage Oaks Landscape Maint Dist		1,000		
Fund 171 - Cimaron Madigan Maint Dist		5,000		
Fund 172 - Fleming Hill Springtree Maint Dist		2,000		
Fund 173 - Somerset I & II Maint Dist		4,000		
Fund 174 - Woodridge Maint Dist		5,000		
Fund 175 - College Hills Maint Dist		4,000		
Fund 176 - Somerset III Maint Dist		4,000		
Fund 181 - Hunter Ranch I & II		2,500		
Fund 182 - Glen Cove I & II Country Place Maint		4,000		
Fund 185 - Glen Cove III Maint Dist		5,000		
	-	-	-	-

			Revenue	Expenditure	Transfers	Net
Landscape Maintenance Districts , continued						
Other LMD Program Adjustments						
161	Admin Fund	Computer/Network		14,295		
161	Admin Fund	Training/Autocad		1,500		
138	Hiddenbrooke	Repeater		10,000		
138	Hiddenbrooke	Irrigation		10,000		
138	Hiddenbrooke	FEMA repairs		37,000		
162	S Vallejo Bus Pk	Water		7,000		
163	Sandpiper Court	05-06 Rehab		10,000		
	Seaview/Costa	Irrigation		5,000		
170	Carriage Oaks	Hazardous trees		3,500		
178	Norht East Quad	Lawns/Turf		13,200		
180	Garthe Ranch	Planting		6,900		
185	Glen Cove	Eucs & Marina Estates		32,200		
185	Glen Cove	Villa Del Mar clean-up		5,600		
185	Glen Cove	Dam & Controllers		12,000		
188	Garthe Ranch Estates	Formation		7,100		
			-	175,295	-	(175,295)
Arts and Convention Fund #206						
Loan to RDA for Empress Theater					(968,000)	
(Budget for Loan approved by Council June 2005)						
			-	-	(968,000)	(968,000)
I-80 Overpass Capital Fund #211						
Triad Letter of Credit			500,000			
Loan to RDA for Empress Theater					(500,000)	
			500,000	-	(500,000)	-
Water Capital Fund #404						
WT7012 (Water Main ST63 Wilson)				120,000		
			-	120,000	-	(120,000)
Transportation Enterprise Fund #420/1						
One-time STAF grant revenue			1,400,000			
Operating Expenditures				150,000		
Capital Projects:						
TFCAP8	Ferry Engine Overhaul			1,555,000		
TEQUIP	Miscellaneous Support Equipment			50,000		
	Vallejo Station			(355,000)		
			1,400,000	1,400,000	-	-
Corp Yard/Equipment Replacement Fund #502						
Misc Revenue - Insurance Recovery			121,620			
Transfer from Gas Tax - Pavement Grinder					325,000	
Equipment Replacement				481,620		
			121,620	481,620	325,000	(35,000)
Redevelopment Agency/Vallejo Central #723/733						
Loan from City I-80 Overpass Fund					500,000	
Loan from Arts and Convention Fund						
(Budget for Loan approved by Council June 2005)					968,000	
Contribution to Empress Theater				1,468,000		
			-	1,468,000	1,468,000	-
Total			1,625,256	5,818,915	-	(4,193,659)

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3/2/2007 19:00

As of 3-1-07

General Fund
Fund Balance Projection

	05-06			06-07			FY 07-08		
	As Projected 06-07 Budget	Actual	Actual vs. Projection	Original Budget	Projection 12-06 Council	Midyear 3/6/2007	Projection 06-07 Budget	Projection 12-06 Council	Midyear 3/6/2007
Beginning Available Balance	9,878,065	9,878,065	-	7,468,654	7,468,654	7,751,823	# 7,468,654	5,203,298	3,148,103
Annual Operating Activity:									
Revenues									
Total Revenues	80,036,330	81,109,551		84,255,966	84,255,966			87,626,205	
New revenues				500,000	692,500			1,455,000	
	80,036,330	81,109,551	1,073,221	84,755,966	84,948,466	84,865,200	88,146,205	89,081,205	86,336,700
Expenditures									
Salaries and benefits	66,707,374	66,758,700	(51,326)	74,418,044	74,110,900	74,992,057	79,999,397	77,505,397	77,800,000
Service and supplies	18,312,903	16,014,687		18,837,561	18,047,561	19,234,002	19,214,312	17,999,285	19,284,285
Encumbrances		214,779	2,083,437						
Interfund allocations	(5,413,900)	(5,869,412)	455,512	(6,353,961)	(6,798,961)	(7,169,461)	(6,544,580)	(7,169,580)	(7,540,080)
Transfers	3,819,364	7,205,248	(3,385,884)	1,854,322	1,854,322	2,429,322	1,854,322	1,854,322	4,354,322
	83,425,741	84,324,002	(898,261)	88,755,966	87,213,822	89,485,920	94,523,452	90,189,425	93,898,528
Proposed reductions				(4,000,000)			(4,000,000)		
Adjusted expenditures	83,425,741	84,324,002	(898,261)	84,755,966	87,213,822	89,485,920	90,523,452	90,189,425	93,898,528
Annual Operating Results	(3,389,411)	(3,214,451)	174,960	0	(2,265,356)	(4,620,720)	(2,377,247)	(1,108,220)	(7,561,828)
Reserve Transactions	980,000	1,088,209	108,209			17,000			
Net Annual Change	(2,409,411)	(2,126,242)	283,169	0	(2,265,356)	(4,603,720)	(2,377,247)	(1,108,220)	(7,561,828)
Ending Available Balance, With Proposed Reductions	7,468,654	7,751,823	283,169	7,468,654	5,203,298	3,148,103	5,091,407	4,095,078	(4,413,725)
% annual expenditures	9%	9%		9%	6%	4%	6%	5%	-5%
					Midyear Impact:	(2,055,195)		Midyear Impact:	(8,508,803)

P:\07-08 Budget\General Fund\[General Fund at 3-1-07.xls]07 Midyear Projection
3/2/2007 17:28

ATTACHMENT 6

REDEVELOPMENT AGENCY
ITEM 2A

REFER TO CITY COUNCIL
ITEM 10A