



**CITY OF HUGHSON  
CITY COUNCIL MEETING  
CITY HALL COUNCIL CHAMBERS  
7018 Pine Street, Hughson, CA**

**AGENDA  
TUESDAY, MAY 26, 2015 – 7:00 P.M.**

**CALL TO ORDER:** Mayor Matt Beekman

**ROLL CALL:** Mayor Matt Beekman  
Mayor Pro Tem Jeramy Young  
Councilmember Jill Silva  
Councilmember George Carr  
Councilmember Harold Hill

**FLAG SALUTE:** Mayor Matt Beekman

**INVOCATION:** Hughson Ministerial Association

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**1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):**

Members of the audience may address the City Council on any item of interest to the public pertaining to the City and may step to the podium, state their name and city of residence for the record (requirement of name and city of residence is optional) and make their presentation. Please limit presentations to five minutes. Since the City Council cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

**2. PRESENTATIONS:**

**2.1:** A Proclamation of the Hughson City Council Declaring June as Disability Awareness Month.

**3. CONSENT CALENDAR:**

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.

- 3.1: Approve the Minutes of the Regular Meeting of May 11, 2015.
- 3.2: Approve the Warrants Register.
- 3.3: Review and Approve the City of Hughson Treasurer's Report: Investment Portfolio Report for March 2015.
- 3.4: Accept the Quarterly City of Hughson Legislative Report.

**4. UNFINISHED BUSINESS:**

- 4.1: Discuss and Consider Direction to City staff on the City Owned Property Located on Leedom Road near the Waste Water Treatment Facility.

**5. PUBLIC HEARING TO CONSIDER THE FOLLOWING:**

- 5.1: Introduce and Waive the First Reading of Ordinance No. 2015-03, amending Title 8, Chapter 8.30, Section 130 of the Hughson Municipal Code – Urban Water Quality Control.
- 5.2: Introduce and Waive the First Reading of Ordinance No. 2015-04, amending the Development Agreement by and between the City of Hughson and Feathers Glen, LLC, EF Communities, Inc., and Adeline Feathers relating to the development known as Feathers Glen.
- 5.3: Introduce and Waive the First Reading of Ordinance No. 2015-05, amending the Hughson Municipal Code (HMC) Chapter 17.03.060 – Parking.
- 5.4: Consider Resolution No. 2015-16, determining that Right-of-Way on Fourth Street between Hughson Avenue and Charo Street is unnecessary for present and prospective public use; and vacate said right-of-way (ROW) through resolution, contingent on the installation of the referenced public improvements as well as commencement of building construction on the proposed site as approved by the City Hughson.
- 5.5: Introduce and Waive First Reading of the Ordinance No. 2015-06, amending Hughson Municipal Code Title 13 Chapter 13.04.340 - Water Conservation and Prohibition on Water Waste.

**6. NEW BUSINESS: None.**

**7. CORRESPONDENCE:**

7.1: Update of the Hatch Road and Santa Fe Avenue Signal Project.

7.2: Parks and Recreation Commission Agenda, May 12, 2015.

**8. COMMENTS:**

8.1: Staff Reports and Comments: (Information Only – No Action)

**City Manager:**

**City Clerk:**

**Community Development Director:**

**Director of Finance:**

**Police Services:**

**City Attorney:**

8.2: Council Comments: (Information Only – No Action)

8.3: Mayor’s Comments: (Information Only – No Action)

**9. CLOSED SESSION TO DISCUSS THE FOLLOWING:**

9.1: **PUBLIC EMPLOYEE PERFORMANCE EVALUATION** pursuant to Government Code Section 54957:

Title: City Manager

**10. REPORT FROM CLOSED SESSION:**

**ADJOURNMENT:**

**WAIVER WARNING**

If you challenge a decision/direction of the City Council in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior to, the public hearing(s).

**UPCOMING EVENTS:**

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this Agenda will be made available at the City Clerk’s counter at City Hall located at 7018 Pine Street, Hughson, CA.

<b>May 28</b>	▪ Hughson Farmer's Market, Downtown Hughson, Charles St, 4:00-8:00 p.m.
<b>June 6</b>	▪ Hughson's Concert Series: Downtown, Hughson Avenue, 6:00-9:00 p.m.
<b>June 8</b>	▪ City Council Meeting, City Hall Chambers, 7:00 p.m.
<b>June 9</b>	▪ Parks and Recreation Commission Meeting, City Hall Chambers, 6:00 p.m.
<b>June 11</b>	▪ Hughson Farmer's Market, Downtown Hughson, Charles St, 4:00-8:00 p.m.
<b>June 13</b>	▪ Hughson's Concert Series: Downtown, Hughson Avenue, 6:00-9:00 p.m.
<b>June 16</b>	▪ Planning Commission Meeting, City Hall Chambers, 6:00 p.m.
<b>June 20</b>	▪ Hughson's Concert Series: Downtown, Hughson Avenue, 6:00-9:00 p.m.
<b>June 20</b>	▪ Hughson Fire Protection District Centennial, Charles St., TBD
<b>June 22</b>	▪ City Council Meeting, City Hall Chambers, 7:00 p.m.
<b>June 25</b>	▪ Hughson Farmer's Market, Downtown Hughson, Charles St, 4:00-8:00 p.m.

**RULES FOR ADDRESSING CITY COUNCIL**

Members of the audience who wish to address the City Council are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

**AFFIDAVIT OF POSTING**

**DATE:** May 22, 2015                      **TIME:** 7:00pm  
**NAME:** Dominique Spinale Romo                      **TITLE:** City Clerk

**AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT  
NOTIFICATION FOR THE CITY OF HUGHSON**

This Agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

**Disabled or Special needs Accommodation:** In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at (209) 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

**Notice Regarding Non-English Speakers:**

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is

Any documents produced by the City and distributed to a majority of the City Council regarding any item on this Agenda will be made available at the City Clerk's counter at City Hall located at 7018 Pine Street, Hughson, CA. 4

required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

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**General Information:** The Hughson City Council meets in the Council Chambers on the second and fourth Mondays of each month at 7:00 p.m., unless otherwise noticed.

**Council Agendas:** The City Council agenda is now available for public review at the City's website at [www.hughson.org](http://www.hughson.org) and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

**Questions:** Contact the City Clerk at (209) 883-4054



**PROCLAMATION**  
**Disability Awareness Month**  
**June 2015**

*WHEREAS, the City Council of the City of Hughson have recognized healthy communities as a priority; and*

*WHEREAS, disabilities can affect all people, regardless of race, age, gender, or social status and the essence of life is not embodied by physical or mental perfection, but it is an integral part of the human spirit; and*

*WHEREAS, increasing public awareness about diverse abilities is vital to fighting the stigma and discrimination that often serve as a barrier to employment, socialization, and individual well-being; and*

*WHEREAS, there are an estimated 4,268,000 people with disabilities in the State of California, and over 87,000 people over the age of 5, with disabilities in Stanislaus County; and*

*WHEREAS, within the next year, at least one out of eight Californians will experience a disability personally or through a family member; and*

*WHEREAS, the Society for Disabilities will commemorate June 2015, and each June hereafter, as Disability Awareness Month.*

*NOW, THEREFORE, LET IT BE PROCLAIMED by the City Council of the City of Hughson that June 2015 is Disability Awareness Month within the City of Hughson and we urge all our citizens to become aware of the needs and capabilities of persons with disabilities.*

*Presented on this 26th day of May, 2015*

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*MATT BEEKMAN, Mayor*



## **CITY OF HUGHSON AGENDA ITEM NO. 3.1**

### **SECTION 3: CONSENT CALENDAR**

**Meeting Date:** May 26, 2015  
**Subject:** Approval of the City Council Minutes  
**Presented By:** Dominique Spinale Romo, Assistant to the CM/City Clerk

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Approve the Minutes of the Regular Meeting of May 11, 2015.

#### **Background and Overview:**

The draft minutes of the May 11, 2015 meeting are prepared for the Council's review.



**CITY OF HUGHSON  
CITY COUNCIL MEETING  
CITY HALL COUNCIL CHAMBERS  
7018 Pine Street, Hughson, CA**

**MINUTES  
MONDAY, MAY 11, 2015 – 7:00 P.M.**

**CALL TO ORDER:** Mayor Matt Beekman

**ROLL CALL:**

Present: Mayor Matt Beekman  
Mayor Pro Tem Jeramy Young  
Councilmember Jill Silva  
Councilmember George Carr  
Councilmember Harold Hill

Staff Present: Raul L. Mendez, City Manager  
Daniel J. Schroeder, City Attorney  
Jaylen French, Community Development Director  
Shannon Esenwein, Finance Director  
Larry Seymour, Chief of Police Services  
Dominique Spinale Romo, Assistant to the CM/City Clerk  
Sam Rush, Public Works Superintendent  
Jaime Velazquez, Utilities Superintendent  
Juan Padilla, City Treasurer  
Marilyn Castaneda, Management Intern

**FLAG SALUTE:** Mayor Matt Beekman

**INVOCATION:** Hughson Ministerial Association

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**1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):**

No Public Comments.

## **2. PRESENTATIONS:**

- 2.1:** A Proclamation of the Hughson City Council Declaring May 17 through May 23, 2015, as National Public Works Week, and recognition of the Hughson Public Works Staff for Nine (9) years of No Loss Time Injuries.

**City Clerk Spinale Romo presented the Proclamation and recognized the Public Works Staff for nine years of no loss time injuries. The Public Works staff present included Sam Rush, Jaime Velazquez, Neil Raya, and Jose Vasquez.**

- 2.2:** AED Presentation by Jeff Serpa, Hughson Fire Protection District.

**Jeff Serpa presented a PowerPoint to the City Council on the need for AED's throughout the City of Hughson, including at the schools and city buildings. The Fire District is asking for donations to provide them at these locations.**

**The City Council requested that staff work with the Fire District on a recommendation to bring to the City Council for consideration at a future meeting.**

## **3. CONSENT CALENDAR:**

**All items listed on the Consent Calendar are to be acted upon by a single action of the City Council unless otherwise requested by an individual Councilmember for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by roll call vote.**

- 3.1:** Approve the Minutes of the Regular Meeting of April 27, 2015 and the Minutes of the April 13, 2015 Meeting that was Adjourned to April 27, 2015, pursuant to Government Code Section 54955, regarding Agenda Item 5.2.
- 3.2:** Approve the Warrants Register.
- 3.3:** Approve the City of Hughson Treasurer's Report for March.
- 3.4:** Adopt Resolution No. 2015-10, adding Finance Director Shannon Esenwein and removing former Community Development Director Thom Clark, as a signatory on the City of Hughson bank accounts at the Bank of the West, effective May 12, 2015.
- 3.5:** Waive the Second Reading and Adopt Ordinance No. 2015-02, amending Chapter 2.20 of the Hughson Municipal Code – Emergency Services to include revisions to the Disaster Council organizational structure.
- 3.6:** Adopt Resolution No. 2015-12, waiving fees for Hughson's Concerts Series - Downtown for June 6, 13, and 20, 2015.

- 3.7:** Adopt Resolution No. 2015-13, awarding the Tully Road Railroad Crossing Project under the Burlington Northern Santa Fe (BNSF) Rail Line to Rolfe Construction in the amount of \$216,724.00 and authorizing a 10% construction contingency as well as a 6% set-Aside for construction testing and inspection.
- 3.8:** Adopt Resolution No. 2015-14, awarding the Tully Road Reconstruction Project to George Reed, Inc. in the amount of \$353,978.00 and authorizing a 10% construction contingency as well as a 4% set-aside for construction testing and inspection.

**BEEKMAN/HILL 5-0 motion passes to approve the Consent Calendar as presented.**

#### **4. UNFINISHED BUSINESS:**

- 4.1:** Approve the Franchise Agreement with Gilton Solid Waste Management, Inc. for the Collection and Transportation of Garbage and Refuse in the City of Hughson, Authorize the City Manager, inclusive of any final edits by the City Attorney, to Execute the Franchise Agreement with Gilton Solid Waste Management, Inc. for the Collection and Transportation of Garbage and Refuse in the City of Hughson, and Authorize the City Manager to execute an amendment, prepared by the City Attorney, to the current Franchise Agreement with Waste Management to extend the agreement until June 30, 2015 or the end of the current fiscal year.

**City Manager Mendez presented the Staff Report on this Item.**

**Dennis Shuler with Gilton Solid Waste Management, Inc., presented a PowerPoint to the City Council on their services.**

**Mayor Beekman advised staff to look into providing a collection facility for recyclables in the City so residents have access to one locally, as the City will be moving from the three cart system (refuse, green waste, recycling), to a two cart system (refuse and mixed compostable waste).**

**City Attorney Schroeder advised the City Council that Proposition 218 does not allow for special rates on such services, which would include a 10% senior discount and a discounted rate for 15 “grandfathered” residences, in which the City currently provides. All rate payers must pay equal rates for equal services. These special rates will no longer be active when the new rates are implemented.**

**SILVA/CARR 5-0 motion passes to Approve the Franchise Agreement with Gilton Solid Waste Management, Inc. for the Collection and Transportation of Garbage and Refuse in the City of Hughson, Authorize the City Manager, inclusive of any final edits by the City Attorney, to Execute the Franchise Agreement with Gilton**

**Solid Waste Management, Inc. for the Collection and Transportation of Garbage and Refuse in the City of Hughson, and Authorize the City Manager to execute an amendment, prepared by the City Attorney, to the current Franchise Agreement with Waste Management to extend the agreement until June 30, 2015 or the end of the current fiscal year.**

- 4.2:** Adopt the City of Hughson Water Rate Study and move forward with a recommended rate increase in order to access Safe Drinking Water State Revolving Funds (SDWSRF) for the Well No. 7 Replacement Project, Initiate Proposition 218 process and set July 13, 2015 as the public hearing date for consideration of the proposed water rate increase, and Adopt Resolution No. 2015-15, reaffirming the Notice of Acceptance of Application (NOAA) based on revised terms and conditions, including the revised project cost estimate, for the Safe Drinking Water State Revolving Fund Project Funding for the City of Hughson, Project No. 50100008-011C.

**City Manager Mendez presented the Staff Report on this Item.**

**Doug Dove with Bartle Wells & Associates reviewed the 2015 Water Rate Study Draft Report and presented a PowerPoint on the water rate options for the well replacement project. The Council deliberated on this item and asked for further clarifications from staff.**

**CARR/HILL 5-0 motion passes to Adopt the City of Hughson Water Rate Study and move forward with the recommended rate increase to Base Case: Fully Funded System Depreciation Rate of \$69.58 (2019/2020-end of 5 year phase-in) in order to access Safe Drinking Water State Revolving Funds (SDWSRF) for the Well No. 7 Replacement Project, Initiate Proposition 218 process and set July 13, 2015 as the public hearing date for consideration of the proposed water rate increase, and Adopt Resolution No. 2015-15, reaffirming the Notice of Acceptance of Application (NOAA) based on revised terms and conditions, including the revised project cost estimate, for the Safe Drinking Water State Revolving Fund Project Funding for the City of Hughson, Project No. 50100008-011C.**

**5. PUBLIC HEARING TO CONSIDER THE FOLLOWING: NONE.**

**6. NEW BUSINESS:**

- 6.1:** Adopt Resolution No. 2015-11, directing the filing of the Annual Reports for Fiscal Year 2015-2016 for the Special Assessment Districts (Benefit Assessment Districts and Landscape and Lighting Districts) in the City of Hughson.

**Director French presented the Staff Report on this Item.**

**BEEKMAN/SILVA 5-0 motion passes to Adopt Resolution No. 2015-11, directing the filing of the Annual Reports for Fiscal Year 2015-2016 for the Special Assessment Districts (Benefit Assessment Districts and Landscape and Lighting Districts) in the City of Hughson.**

**7. CORRESPONDENCE:**

**7.1:** Update of the Hatch Road and Santa Fe Avenue Signal Project.

**7.2:** Parks and Recreation Commission Agenda, May 12, 2015.

**8. COMMENTS:**

**8.1:** Staff Reports and Comments: (Information Only – No Action)

**City Manager:**

**City Manager Mendez provided an update on the success of the LOVE Hughson and the City-wide Clean-Up Events.**

**City Clerk:**

**Community Development Director:**

**Director French updated the Council on the Starn Park Play Structure and the Hatch and Santa Fe Signal Project.**

**Director of Finance:**

**Police Services:**

**Chief Seymour updated the Council on recent events in town that have needed police involvement.**

**City Attorney:**

**8.2:** Council Comments: (Information Only – No Action)

**Councilmember Hill updated the Council on his attendance at the City-wide Clean-Up the Fire District’s Chicken BBQ, and the Turlock Government Night Events.**

**Mayor Pro Tem Young updated the Council on his attendance at the Perks Coffee Company Grand Opening Event.**

**Councilmember Silva updated the Council on her attendance at the SJVAPCD Special City Selection Committee Meeting.**

**Councilmember Carr provided a reminder about mosquitos in the area and how to protect against them, as well as reminding the Council that the Stanislaus County Fair is approaching quickly.**

**8.3: Mayor's Comments: (Information Only – No Action)**

**Mayor Beekman updated the Council on the progress of the Hughson Farmer's Market and asked staff to reach out to Samaritan Village so they may participate. He requested that staff bring back the Noeller Lease item at the next meeting, and advised that he will be attending a special LAFCO meeting later in the week.**

**9. CLOSED SESSION TO DISCUSS THE FOLLOWING: NONE.**

**10. REPORT FROM CLOSED SESSION: NONE.**

**ADJOURNMENT:**

**BEEKMAN/CARR motion passes to adjourn the meeting at 8:45 P.M.**

\_\_\_\_\_  
**MATT BEEKMAN, Mayor**

\_\_\_\_\_  
**DOMINIQUE SPINALE ROMO, City Clerk**



## CITY OF HUGHSON AGENDA ITEM NO. 3.2

### SECTION 3: CONSENT CALENDAR

**Meeting Date:** May 26, 2015  
**Subject:** Approval of Warrants Register  
**Enclosure:** Warrants Register  
**Presented By:** Shannon Esenwein, Director of Finance

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Approve the Warrants Register as presented.

#### **Background and Overview:**

The warrants register presented to the City Council is a listing of all expenditures paid from May 12, 2015 through May 21, 2015.

#### **Fiscal Impact:**

There are reductions in various funds for payment of expenses.

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REPORT.: May 21 15 Thursday  
 RUN....: May 21 15 Time: 16:29  
 Run By.: MARTHA SERRATO

City of Hughson  
 Cash Disbursement Detail Report  
 Check Listing for 05-15 Bank Account.: 0100

PAGE: 001  
 ID #: PY-DP  
 CTL: HUG

Check Number	Check Date	Vendor Number	Name	Net Amount	-----Payment Information-----	
					Invoice #	Description
46441	5/15/2015	EMP01	STATE OF CALIFORNIA	1292.70	B50518	PAYROLL TAXES
46442	5/15/2015	HAR02	THE HARTFORD	679.66	B50518	DEFERRED COMPENSATION
46443	5/15/2015	PER01	P.E.R.S.	8802.98	B50518	RETIREMENT
46444	5/15/2015	STA23	CaIPERS SUPPLEMENTAL INCO	370.00	B50518	DEFERRED COMPENSATION
46445	5/15/2015	UNI07	UNITED WAY OF STANISLAUS	29.00	B50518	UNITED WAY
46446	5/18/2015	HUB00	HUB INTERNATIONAL INSURAN	344.35	B50518	INSURANCE PREMIUM FOR HUGHSON FARMERS MARKET
46447	5/18/2015	SPI00	SPINALE, DOMINIQUE	970.32	B50518	IPADS FOR FINANCE AND PUBLIC WORKS
46448	5/21/2015	SCH06	SCHNEIDER SIGNS	430.50	B50521	BANNERS- CONCERT IN THE PARKS
46449	5/21/2015	ABS00	ABS PRESORT	904.60	98692	PRINTING OF UTILITY BILLS MAY/2015
46450	5/21/2015	ADK00	ADKINS ELECTRIC	3885.00	600	CONTROL PANEL FOR TULLY & WHITMORE SEWER LIFT STATION
46451	5/21/2015	AFL01	AFLAC	880.70	32436	AFLAC
46452	5/21/2015	ALL07	ALLEY INSURANCE SERVICE,	592.00	1006	HEALTH PLAN CONSULTING 6/15
46453	5/21/2015	ARR00	ARROWHEAD MOUNTAIN SPRING	54.15	15E002564	DRINKING WATER FOR WWTP
46454	5/21/2015	ATT01	AT&T	3308.10 21.60	B50521 B50522	PHONE PHONE
			Check Total:	3329.70		
46455	5/21/2015	BRE01	W.H. BRESHEARS	921.63	263160	DIESEL
46456	5/21/2015	CEN14	CENTRAL JANITOR'S SUPPLY	1279.30 21.75	608159 608166	SANITARY SUPPLIES FOR PARKS & BLDG. & STREET SUPP. SANITARY SUPPLIES FOR PARKS & BLDG & STREET SUPPLY
			Check Total:	1301.05		
46457	5/21/2015	CHA01	CHARTER COMMUNICATION	65.82	B50521	IP ADDRESS - PW SHOP
46458	5/21/2015	CLA03	CLARK'S PEST CONTROL	204.00 114.00	16962213 16985750	PEST CONTROL PEST CONTROL
			Check Total:	318.00		
46459	5/21/2015	CON14	CONDOR EARTH TECHNOLOGIES	580.00 2902.50 1154.11	70922 70948 71058	GROUNDWATER MONITORING & REPORTING MS4 GENERAL PERMIT SUPPORT GW MONITORING & REPORTING

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	Payment Information	
					Invoice #	Description
Check Total:				4636.61		
46460	5/21/2015	DEL08	DELTA WIRELESS & NETWORK	1251.45	61338	REPLACEMENT/REPAIR OF SECURITY CAMERA ON ELEC. BLG
46461	5/21/2015	DET01	DETROIT INDUSTRIAL TOOL	899.36	519955	STREET REPAIR & MAINTENANANCE SUPPLIES
46462	5/21/2015	EME00	E&M ELECTRIC & MACHINERY,	1011.24	267604	TECH SUPPORT FOR SOFTWARE FOR WATER DEPT.
46463	5/21/2015	ENV02	ENVIRONMENTAL SYSTEMS	1788.93	27128	STREET SWEEPING
46464	5/21/2015	EZN00	EZ NETWORK SOLUTIONS	303.86	29553	OFF SITE DATE STORAGE
46465	5/21/2015	GEO01	GEOANALYTICAL LABORATORIE	55.00	B5D2101	MONITORING OF WASTEWATER PERMIT
				502.03	B5D2210	MONITORING OF WASTEWATER PERMIT
				440.78	B5D2212	MONITORING OF WASTEWATER PERMIT
				30.00	B5D2910	LAB TESTING FOR WATER
Check Total:				1027.81		
46466	5/21/2015	GOL07	GOLDEN BY PRODUCTS, INC	950.00	99674	TIRE REMOVAL FOR CLEAN UP DAY
46467	5/21/2015	HER06	HERTZ EQUIPMENT RENTAL	285.32	852001	RENTAL EQUIPMENT FOR CLEAN UP DAY
46468	5/21/2015	HOF01	HOFFMAN, DANA & BONNIE DO	210.00	B50521	SENIOR CENTER RENTAL REFUND 5/16/15
46469	5/21/2015	HUG03	HUGHSON CHRONICLE	179.25	106629	PARK & REC. COMMISSION VACANCY WEEK OF 4/21/15
				79.60	106719	LEGAL #9938 WEEK OF 5/5/15
				99.50	106748	LEGAL #9988 WEEK OF 5/12/15
				69.65	106749	LEGAL #9987 WEEK OF 5/12/15
				169.15	106751	LEGAL #9986 WEEK OF 5/12/15
				278.60	106752	LEGAL #9970 WEEK OF 5/12/15
				104.48	106753	LEGAL #9958 WEEK OF 5/12/15
Check Total:				980.23		
46470	5/21/2015	HUG11	HUGHSON FARM SUPPLY	91.50	H133880	MISC TOOLS & SUPPLIES
				64.42	H134125	MISC TOOLS & SUPPLIES
				25.79	H135269	MISC TOOLS & SUPPLIES
				20.42	H136646	MISC TOOLS & SUPPLIES
				56.93	H136955	MISC TOOLS & SUPPLIES
				16.41	H136959	MISC TOOLS & SUPPLIES
				5.78	H136976	MISC TOOLS & SUPPLIES
46.24	H137232	MISC TOOLS & SUPPLIES				

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	-----Payment Information-----	
					Invoice #	Description
				84.90	H137413	MISC TOOLS & SUPPLIES
				3.28	H137415	MISC TOOLS & SUPPLIES
			Check Total:	415.67		
46471	5/21/2015	LEG01	LEGAL SHIELD	25.90	B50521	LEGAL SERVICES
46472	5/21/2015	MCR01	MCR ENGINEERING, INC	3815.00	10929	TULLY & SANTA FE
46473	5/21/2015	MEN20	MENDEZ, RAUL	284.37	B50521	EDCM FOOD, CITY CLEAN UP SUPPLIES REIMB.
46474	5/21/2015	MIN00	MINTIERHARNISH PLANNING C	6700.42	HUGHHEU05	HOUSING ELEMENT UPDATE
46475	5/21/2015	MOD01	THE MODESTO BEE	777.72	B50521	PUB HEARING & ADVERTISE ACCOUNTING TECH. I/II
46476	5/21/2015	MUN00	MUNIQUIP	2305.93	103123	TRANSDUCER REPLACEMENT
46477	5/21/2015	MYB01	MY BARK CO.	2017.97	8698	PLAYGROUND MATERIAL FOR STARN PARK
46478	5/21/2015	NEU01	NEUMILLER & BEARDSLEE	1200.00	268157	LEGAL SERVICES 4/15
				460.00	268158	LEGAL SERVICES 4/15
				320.00	268159	LEGAL SERVICES 4/15
				10424.80	268643	LEGAL SERVICES 4/15
			Check Total:	12404.80		
46479	5/21/2015	OFF06	OFFICE TEAM	299.20	43028566	EXTRA HELP 5/1/15
				748.00	43031028	EXTRA HELP 05/08/15
			Check Total:	1047.20		
46480	5/21/2015	OPE01	OPERATING ENGINEERS LOCAL	329.00	B50521	LOCAL UNION #3 DUES
46481	5/21/2015	PAC05	PACIFIC PLAN REVIEW	74.71	101815	CONTRACT SRVCS PLANNING/BLDG
				170.00	B50521	CONTRACT SRVCS PLANNING/BLDG
				1912.50	B50522	CONTRACT SRVCS PLANNING/BLDG
				2926.25	H101415	CONTRACT SRVCS PLANNING/BLDG
				117.21	H101515	CONTRACT SRVCS PLANNING/BLDG
				117.21	H101615	CONTRACT SRVCS PLANNING/BLDG
				225.20	H101915	CONTRACT SRVCS PLANNING/BLDG
			Check Total:	5543.08		
46482	5/21/2015	PLA03	PLATT	415.76	G437658	DISPOSAL BOXES FOR FLOURESCENT LIGHT DISPOSAL
				189.42	G536925	BATTERIES FOR PLC PROTECTION
				94.71	G558024	BATTERY FOR EUCLID AVE LIFT STATION
			Check Total:	699.89		
46483	5/21/2015	QUI03	QUICK N SAVE	63.58	1-1003	DIESEL
46484	5/21/2015	REG00	REGIONAL GOVERNMENT SERVI	1464.25	4632	CONTRACT SERVICES
				2328.16	4951	CONTRACT SERVICES
			Check Total:	3792.41		

Check Number	Check Date	Vendor Number	Vendor Name	Net Amount	-----Payment Information-----	
					Invoice #	Description
46485	5/21/2015	RIC04	RICOH USA, INC	1340.15	94712538	COPIER LEASE
46486	5/21/2015	STA47	STANISLAUS COUNTY SHERIFF	93769.64	1415-189	LAW ENFORCEMENT SERVICES & VEHICLE REPLACE. 3/15
46487	5/21/2015	SYN02	SYNAGRO WEST, LLC	4707.98	30-103360	SLUDGE REMOVAL
46488	5/21/2015	TID01	TURLOCK IRRIGATION DIST.	29407.18	B50521	ELECTRIC
46489	5/21/2015	UNI11	UNIVAR USA, INC	591.69	SJ671436	SODIUM HYPOCHLORITE
				626.12	SJ676547	SODIUM HYPOCHLORITE
				626.12	SJ680249	SODIUM HYPOCHLORITE
				554.91	SJ682054	SODIUM HYPOCHLORITE
			Check Total:	2398.84		
46490	5/21/2015	USA01	USA BLUE BOOK	4.08	604894	NO-SPILL CURB MARKER
46491	5/21/2015	USA03	USA WASTE OF CALIFORNIA,	112359.25	B50521	FRANCHISE FEES (JAN/FEB/MARCH)
46492	5/21/2015	WAS01	WASTE MANAGEMENT	532.22	758605425	DISPOSAL OF DEBRIS FOR LOVE HUGHSON DAY
				422.59	758705423	DISPOSAL OF DEBRIS FOR LOVE HUGHSON DAY
			Check Total:	954.81		
46493	5/21/2015	WIL14	WILLDAN ENGINEERING	507.50	318922	ENGINEERING SERVICES
				797.50	319101	ENGINEERING SERVICES
				5094.58	319303	ENGINEERING SERVICES
			Check Total:	6399.58		
			Cash Account Total:	330081.42		
			Total Disbursements:	330081.42		

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## **CITY OF HUGHSON AGENDA ITEM NO. 3.3 SECTION 3: CONSENT CALENDAR**

**Meeting Date:** May 26, 2015  
**Subject:** Approval of the Treasurer's Report: Investment Portfolio Report – March 2015  
**Presented By:** John Padilla, City Treasurer  
**Approved By:** \_\_\_\_\_

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### **Staff Recommendation:**

Review and approve the City of Hughson Treasurer's Report: Investment Portfolio Report for March 2015.

### **Summary:**

The City Treasurer is required to review the City's investment practices and approve the monthly Treasurer's report. Enclosed is a summary of the City of Hughson's Investment Portfolio for March 2015 and is provided as a supplementary document to the monthly Treasurer's report. As of March 2015, the City of Hughson's investment total is \$2,553,236.29 and has a total cash and investment balance of \$12,652,552.74. All investment actions executed since the last report have been made in full compliance of the City of Hughson's Investment Policy. The City of Hughson meets its expenditure obligations for the next six months as required by California Government Code Section 53646 (b) (2) and (3) respectively.

### **Background and Overview:**

The Investment Portfolio Report is intended to provide supplementary documentation of the City of Hughson's investment practices. According to the City of Hughson's Investment Policy, the City Treasurer shall submit to the City Council a quarterly investment report containing a complete description of the portfolio, the type of investments, the issuers, maturity dates, par and dollar values, and the current market values of each component of the portfolio. It is the goal of the City Treasurer however, to provide the investment report on a monthly basis as a supplement to the Treasurer's Report. Furthermore, when dealing with investment activities, the City of Hughson primary objectives, in order of priority, are safety, liquidity, and return on investments.

According to Michael DeGeeter, the City's MBS Account Executive, the City of Hughson utilizes a 5 year Certificate Deposit (CD) laddering approach for its investment practices. This approach layers various CDs depending on interest rates and timing, which allows for reduced portfolio rates and a continuous stream of maturity dates. Mr. DeGeeter states that this CD approach has always spread positively for the City of Hughson and has had the highest yield of any spread thus far.

Enclosed is the City of Hughson's Treasurer's Report: Investment Portfolio Report for March 2015 along with supplementary graphs depicting the percentage of the City's portfolio of investments. After review and evaluation of the report, City staff submits the following detailed explanation for investments displaying significant variances:

### ***Multi-Bank WWTP – Cash, Money, Funds, and Bank Deposits***

The Cash, Money, Funds, and Bank Deposits account reflects a balance of \$206,092.77. This balance is higher than usual, accounting for 14.27% of this account's portfolio. The difference is the result of the Doral Bank closures. As of March 5, 2015, Doral Bank investments paid out, releasing \$205,000.00 to the City's cash account. Such amount however has been reexamined by City Staff and has been reallocated to Wells Fargo (\$100,000.00) and JP Morgan (\$100,000.00) CDs. While the current portfolio summary does not yet reflect such changes, adjustments are expected to show in upcoming portfolio statements and reports. Based on the recent discussion at the Budget and Finance Subcommittee on May 20, 2015, City staff has been directed to re-evaluate reinvestment practices as CDs mature or are paid out as a strategy to reduce the City's debt service.

### ***L.A.I.F. Investments***

The reported Local Agency Investment Fund (L.A.I.F.) investments reflect the City's most current balance statement as of April 15, 2015. The two L.A.I.F. accounts share a combined balance of \$78,718.21, comprising of only 3.08% of the City's total portfolio of investments. L.A.I.F. investments are reported on a quarterly basis. City Staff will continue to report the most recent L.A.I.F. investments and will proceed to update the funds on a quarterly basis.

### **Fiscal Impact:**

As of March 2015, the total investments balance for the City of Hughson is \$2,553,236.29 accounting for 20.18% of the City's total cash and investments. The total cash and investment amount is \$12,652,552.74. Of the amounts invested, 0.23% is invested in Cash, Money, Funds, and Bank Deposits, 3.10% is invested in L.A.I.F. investments, and 96.67% is invested in Certificate Deposits. As the year progresses and market values and interest rates increase, City staff will continue to monitor and report the City of Hughson's investment practices.

**City of Hughson  
Portfolio of Investments  
March 2015**

	MONEY MARKET	GENERAL	REDEVELOPMENT*	TOTAL
<b>Bank Statement Totals</b>	\$ 8,780,394.33	\$ 1,154,677.16	\$ 206,402.72	\$ 10,141,474.21
Adjustment-Direct Deposit Payroll	\$ -			\$ -
Outstanding Deposits +				\$ -
Outstanding Checks/transfers -	\$ 21,354.82	\$ (63,512.58)	\$ -	\$ (42,157.76)
<b>ADJUSTED TOTAL</b>	\$ 8,801,749.15	\$ 1,091,164.58	\$ 206,402.72	\$ 10,099,316.45
Investments: Various				\$ 1,030,739.13
Multi-Bank WWTP				\$ 1,443,779.95
Investments: L.A.I.F.		\$ 39,421.29	\$ 39,295.92	\$ 78,717.21
<b>Total Investments</b>				\$ 2,553,236.29
<b>Total Cash &amp; Investments</b>				\$ 12,652,552.74

All investment actions executed since the last report have been made in full compliance with the Investment Policy. The City of Hughson will meet its expenditure obligations for the next six months as required by California Government Code Section 53646 (b)(2) and (3) respectively.

**Breakdown of Investments**

<b>Investments: Various - ***850</b>							
Description	Maturity Dates	Quantity	Opening Balance	Closing Balance	Interest Accrued	% of Portfolio	
<b>Cash, Money, Funds, and Bank Deposits:</b>			\$ 2,676.9400	\$ 4,403.88	\$ -	0.43%	
<b>Total:</b>			\$ 2,676.9400	\$ 4,403.88	\$ -		
Fixed Income (Certificate of Deposits)	Maturity Dates	Months til Maturity	Quantity	Market Price	Market Value	Interest Accrued	% of Portfolio
GE Money BK Draper Utah INSTL CTF DEP	10/08/10 - 10/08/15	≈ 5 mo.	\$ 75,000.000	\$ 100.8040	\$ 75,603.00	\$ 715.07	7.33%
BMW BK North Amer Salt Lake City Utah	11/12/10 - 11/12/15	≈ 6 mo.	\$ 100,000.000	\$ 100.9360	\$ 100,936.00	\$ 761.64	9.79%
Ally Bank Midvalue Utah CTF DEP ACT/365	02/04/11 - 02/04/16	≈ 9 mo.	\$ 70,000.000	\$ 101.2910	\$ 70,903.70	\$ 210.96	6.88%
GE Cap Finl Inc Retail CTF Dep	09/30/11 - 09/30/16	≈ 16 mo.	\$ 115,000.000	\$ 101.9150	\$ 117,202.25	\$ 6.30	11.37%
Goldman Sachs BK USA New York CTF DEP DTD	11/16/11 - 11/16/16	≈ 18 mo.	\$ 53,000.000	\$ 102.0500	\$ 54,086.50	\$ 401.86	5.25%
Discover BK Greenwood Del	05/02/12 - 05/02/17	≈ 23 mo.	\$ 110,000.000	\$ 101.3390	\$ 111,472.90	\$ 785.82	10.81%
GE Cap Inc Retail CTF Dep Program Book	05/04/12 - 05/04/17	≈ 23 mo.	\$ 100,000.000	\$ 101.5430	\$ 101,543.00	\$ 700.00	9.85%
American Express Centurion BK CTF DEP	05/09/13 - 05/09/18	≈ 35 mo.	\$ 100,000.000	\$ 99.9910	\$ 99,991.00	\$ 437.95	9.70%
Belmont SVGS BK Mass	11/13/14 - 11/13/18	≈ 42 mo.	\$ 27,000.000	\$ 100.8100	\$ 27,218.70	\$ 158.23	2.64%
State BK India York NY	09/11/14 - 09/11/19	≈ 51 mo.	\$ 55,000.000	\$ 100.6020	\$ 55,331.10	\$ 64.79	5.37%
American Express Fed SVGS BK CTF DEP	10/16/14 - 10/16/19	≈ 53 mo.	\$ 30,000.000	\$ 100.8590	\$ 30,257.70	\$ 293.34	2.94%
Discover BK Greenwood Del CTF	10/16/14 - 10/16/19	≈ 53 mo.	\$ 100,000.000	\$ 100.8590	\$ 100,859.00	\$ 977.81	9.79%
American Express Centurion BK CTF DEP	12/04/14 - 12/04/19	≈ 54 mo.	\$ 80,000.000	\$ 101.1630	\$ 80,930.40	\$ 564.16	7.85%
<b>Total CDs</b>					\$ 1,026,335.25	\$ 6,077.93	99.57%
<b>Total Investments: Various Holdings</b>					\$ 1,030,739.13	\$ 6,077.93	100.00%
<b>Total Portfolio Investment</b>							40.37%

<b>Multi-Bank WWTP - ***934</b>							
Description	Maturity Dates	Quantity	Opening Balance	Closing Balance	Interest Accrued	% of Portfolio	
<b>Cash, Money, Funds, and Bank Deposits:</b>			\$ 3,144.0000	\$ 206,092.77	\$ -	14.27%	
<b>Total:</b>			\$ 3,144.0000	\$ 206,092.77	\$ -		
Fixed Income (Certificate of Deposits)	Maturity Dates	Months til Maturity	Quantity	Market Price	Market Value	Interest Accrued	% of Portfolio
State BK India Chicago ILL CTF DEP	09/29/10 - 09/29/15	≈ 4 mo.	\$ 116,000.000	\$ 100.8910	\$ 117,033.56	\$ 14.30	8.11%
BMW BK North Amer Salt Lake City Utah	11/26/10 - 11/25/15	≈ 6 mo.	\$ 75,000.000	\$ 101.1180	\$ 75,838.50	\$ 513.70	5.25%
GE CAP Finl Inc Retail CTF DEP	09/30/11 - 03/30/16	≈ 10 mo.	\$ 31,000.000	\$ 101.9150	\$ 31,593.65	\$ 1.70	2.19%
Goldman Sachs BK USA New York CTF DEP DTD	11/23/11 - 11/23/16	≈ 18 mo.	\$ 107,000.000	\$ 102.0590	\$ 109,203.13	\$ 769.23	7.56%
Discover BK Greenwood DEL	05/08/13 - 05/08/18	≈ 36 mo.	\$ 40,000.000	\$ 99.9940	\$ 39,997.60	\$ 180.22	2.77%
American Express Centurion BK CTF DEP	05/09/13 - 05/09/18	≈ 36 mo.	\$ 57,000.000	\$ 99.9910	\$ 56,994.87	\$ 249.63	3.95%
Firstbank P R Santuce	05/10/13 - 05/10/18	≈ 36 mo.	\$ 250,000.000	\$ 99.9880	\$ 249,970.00	\$ 151.03	17.31%
State BK India Chicago ILL CTF DEP	12/18/13 - 12/18/18	≈ 43 mo.	\$ 25,000.000	\$ 101.4390	\$ 25,359.75	\$ 144.62	1.76%
GE CAP Retail BK Draper Utah Instl	01/10/14 - 01/10/19	≈ 44 mo.	\$ 95,000.000	\$ 101.3370	\$ 96,270.15	\$ 395.62	6.67%
First Sentry BK Inc Huntington West VA	03/08/13 - 03/08/19	≈ 46 mo.	\$ 46,000.000	\$ 98.0090	\$ 45,084.14	\$ 33.33	3.12%
GE CAP Retail BK Draper Utah Instl	03/21/14 - 03/21/19	≈ 46 mo.	\$ 80,000.000	\$ 101.1870	\$ 80,949.60	\$ 38.47	5.61%
Barclays BK Del Wilmington CTF Dep	05/28/14 - 05/28/19	≈ 48 mo.	\$ 40,000.000	\$ 100.3570	\$ 40,142.80	\$ -	2.78%
Goldman Sachs BK USA New York CTF UT CTF DEP	06/04/14 - 06/04/19	≈ 49 mo.	\$ 80,000.000	\$ 100.7480	\$ 80,598.40	\$ 512.88	5.58%
Sallie Mae BK Salt Lake City UT CTF DEP	10/08/14 - 10/08/19	≈ 53 mo.	\$ 50,000.000	\$ 100.9320	\$ 50,466.00	\$ 512.47	3.50%
State BK India Chicago ILL	10/14/14 - 10/15/19	≈ 53 mo.	\$ 54,000.000	\$ 100.9080	\$ 54,490.32	\$ 521.95	3.77%
Sallie Mae BK Salt Lake City UT CTF DEP	10/22/14 - 10/22/19	≈ 53 mo.	\$ 83,000.000	\$ 100.8370	\$ 83,694.71	\$ 782.25	5.80%
<b>Total CDs</b>			\$ 1,229,000.000	\$ 1,611.7100	\$ 1,237,687.18	\$ 4,821.40	85.73%
<b>Total Multi-Bank WWTP Holdings</b>					\$ 1,443,779.95	\$ 4,821.40	100.00%
<b>Total Portfolio Investment</b>							56.55%

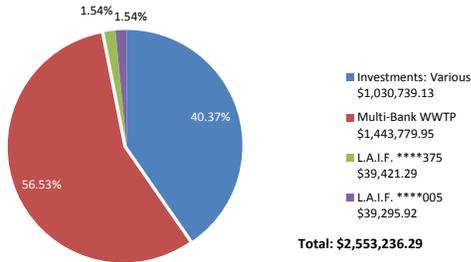
<b>L.A.I.F. Investments</b>					
Account #	Quarter End Principal Balance as of 04/15/2015	Quarterly Interest Earned as of 04/15/2015	Interest Rate	Total	% of Investment
****375	\$ 39,396.02	\$ 25.27	0.26%	\$ 39,421.29	50.08%
****005	\$ 39,270.74	\$ 25.18	0.26%	\$ 39,295.92	49.92%
<b>Total L.A.I.F Investments Holdings</b>				\$ 78,718.21	100.00%
<b>Total Portfolio Investment</b>					3.08%

John Padilla, Treasurer

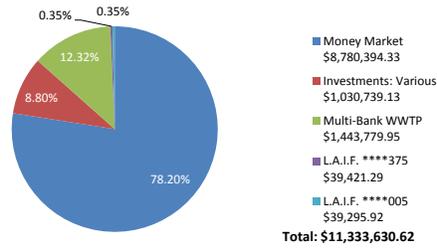
Date

Charts and Graphs

**Total Portfolio of Investments by Account  
March 2015**



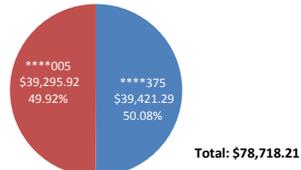
**Total Portfolio of Investment  
(Including Money Market Cash)  
March 2015**



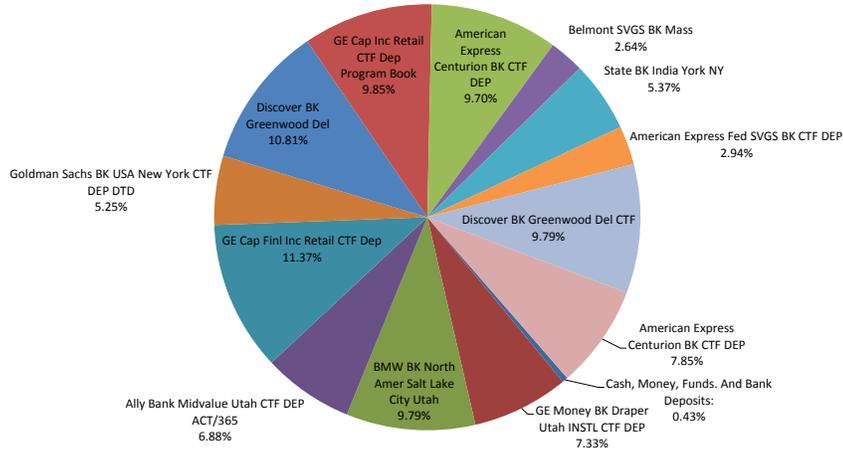
**Total Portfolio of Investments by Type  
March 2015**



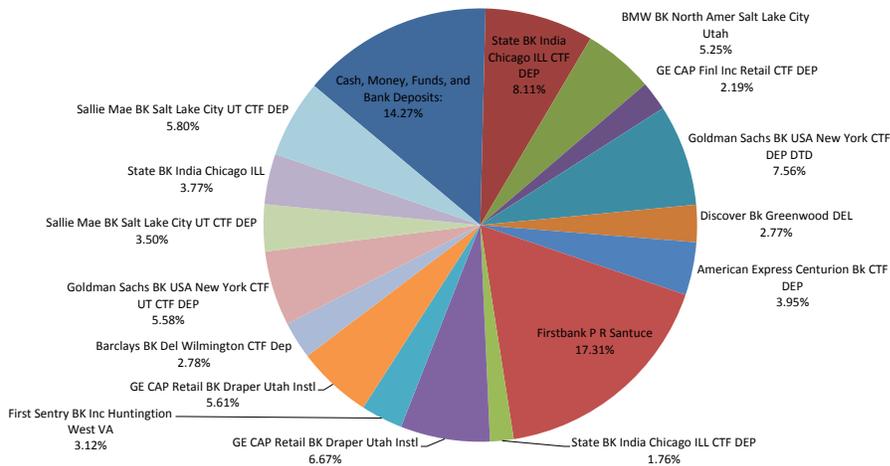
**Breakdown of L.A.I.F. Investments  
March 2015**



**Breakdown of Investments: Various - \*\*\*850  
March 2015**



**Breakdown of Multi-Bank WWTP - \*\*\*934  
February 2015**





## **CITY OF HUGHSON AGENDA ITEM NO. 3.4 SECTION 3: CONSENT CALENDAR**

**Meeting Date:** May 26, 2015  
**Subject:** Consideration of the Quarterly City of Hughson  
Legislative Report  
**Enclosures:** City of Hughson and Central Valley Department Position  
Letters and League of California Cities State Budget and  
Legislation Material  
**Presented By:** Raul L. Mendez, City Manager

**Approved By:** \_\_\_\_\_

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### **Staff Recommendation:**

Accept the Quarterly City of Hughson Legislative Report.

### **Background and Overview:**

On March 24, 2014, the Hughson City Council adopted Resolution No. 2014-10, establishing the City of Hughson's Legislative Program. The Legislative Program contains General Principles (Home Rule, Annexation, Right of Way and Unfunded Mandates) and focuses on key policy areas: Environmental/Utilities and Public Works/Transportations/Telecommunications. The Legislative Program is intended to be a fluid document that is revisited periodically to enable the City Council and staff to react and respond when appropriate to legislative issues as they arise throughout the year in a timely manner. The document is made available to State and Federal elected representatives so that they are made aware of the issues that are important to Hughson and can advocate on those issues on the City's behalf.

Historically, the City of Hughson has conducted legislative advocacy through its work by designated members of the City Council with organizations such as the League of California Cities (LOCC) and the California Local Agency Formation Commission (CALAFCO). Due to limited staffing resources, this model has served the City of Hughson well. Occasionally, the City of Hughson is asked to consider taking positions of support or opposition on Federal and State Legislation and such requests are handled on a case-by-case basis by the Hughson City Council through its regular or special meetings.

Under the new model, the City Manager and staff conduct the initial review of legislative requests. If determine to be consistent with the City's Legislative Program they are further research and then discussed with the Mayor and Mayor Pro Tem prior to bringing forward for consideration by the full City Council. Matters

not brought forward are shared with the City Council in a quarterly legislative report by the City Manager. The work by designated members on the Hughson City Council on the LOCC and CALAFCO continue as traditionally done. This approach ensures that staffing resources are utilized wisely to only conduct extensive work and analysis on those legislative matters consistent with the adopted Hughson Legislative Program.

The following is a summary of key legislative activity since the reporting. City staff will prepare this report on a quarterly basis to keep the City Council and public informed of discussions and actions occurring at the Federal or State level.

### ***May Revise***

On May 14, 2015, Governor Jerry Brown released the Revised Fiscal Year 2015-2016 Budget with State of California General Fund revenue anticipated to be \$6.7 billion higher than the January Budget. Under Proposition 98, the majority of the additional revenue will go to K-12 and community colleges. The Revised Budget comprises \$115.03 billion in the General Fund in a total budget of \$162.5 billion.

Several spending priorities dominated the Governor's May Revise — the creation of an Earned Income Tax Credit (EITC) for California's lowest income residents, tuition freezes at the California State University and University of California systems along with repayment of pension debt and a pension cap for new university hires, climate change and drought response.

The following is a summary of other areas of interest highlighted in the Governor's May Revise:

**Proposition 2 Rainy Day Fund** – Pursuant to Proposition 2, the May Revise deposits \$633 million into the rainy day reserve and makes a payment of \$633 million on the State's debt (for a total of \$1.9 billion). By the end of Fiscal Year 2015-2016, the Governor projects that reserve fund will hold \$3.5 billion.

**Mandate Repayments** – Under Prop. 1A (2004), the State has until Fiscal Year 2020-2021 to repay mandate reimbursements owed to local governments prior to 2004. In January, the budget projected that the State still owed local agencies \$800 million but revised that amount to \$765 in the May Revise based upon updated interest rate calculations.

**Redevelopment Dissolution and Related Proposals** – The Governor's May Revise outlined several changes to the comprehensive redevelopment (RDA) dissolution proposal provisions proposed in January both redevelopment and non-redevelopment in the areas of re-entered agreements, recovering litigation expenses, post-2011 bonds, property tax override revenue, highway infrastructure, negative bailout counties, newly incorporated cities, insufficient ERAF and provisions for San Benito County and Santa Clara County. Given the complexity of the redevelopment issues involved, The League of California Cities has taken a position that none of these provisions can be adequately analyzed until language is available and thoroughly reviewed.

Transportation – While the Governor does not offer a specific transportation funding proposal in the May Revise, he does say that he is working with the Legislature on their proposals to develop a funding package by year end. The League of California Cities continues to be concerned that the Governor is focused on the needs of the state highway system and not the overall system. Local governments continue to argue that the local streets and roads system also needs a statewide funding solution.

Cap and Trade - The May Revise increases the overall allocation from Cap and Trade revenue from \$1 to \$2.2 billion. The updated proposed allocations include Affordable Housing and Sustainable Communities Grant program, low-carbon transportation programs, transit, High-Speed Rail and for energy efficiency and clean energy, natural resources and waste diversion.

Environmental Quality and Drought Response - The January budget proposal allocated \$532.5 million to begin the first year of a multiyear Proposition 1 expenditure plan. Most of these funds were allocated earlier this year when the Legislature passed a series of drought relief measures. The May Revise allocates an additional \$1.8 billion of Prop. 1 funds over the next three years to the State Water Resources Control Board and Department of Water Resource for various initiatives. The May Revise includes \$64.1 million to continue to respond to the drought.

### ***Legislative Outlook***

There is key legislation being tracked by the City of Hughson based on the potential impact to the community or region. These include:

Massage Therapy Establishments – The Stanislaus County District Attorney's Office is working with the County of Stanislaus and the incorporated cities on a model ordinance in light of recently enacted legislation in this area. The City of Hughson has already taken affirmative steps in this regard in early 2014 but both the City Manager and City Attorney are participating in discussions to determine if additional modifications to the Hughson Municipal Code are necessary.

Medical Marijuana – The League of California Cities is continuing to work with the California Police Chiefs Association on legislated related to medical marijuana to fend off efforts to supersede local control and safety concerns. Although not successful last session with SB 1262, new legislation has been authored by Assembly Member Ken Cooley (AB 266). On April 21, 2015, the City of Hughson took a position of support for AB 266 on the basis that it will provide necessary changes to the voted approved Proposition 215: a responsible framework for marijuana distribution that upholds local control, squarely addresses public safety concerns, and includes important health and safety requirements.

Transportation Funding – Senator Jim Beall introduced legislation SB 16 pertaining to transportation funding to improve state and local roadways conditions. The City of Hughson has the highest Pavement Condition Index in Stanislaus County (82)

and took a position of support on April 21, 2015 as this would create an additional revenue source of road preservation and maintenance in the absence of a local transportation sales tax measure.

Redevelopment Clarification – The League of California Cities is analyzing the draft trailer bill on the Redevelopment Dissolution Budget Proposal to determine the impact to municipalities. City staff is reviewing now and will provide additional details during the upcoming quarterly report or sooner if necessary.

The Central Valley Department also submitted position letters on behalf of the represented cities as follows:

Assembly Bill 35 (Chiu and Atkins) Low Income Housing Tax Credits – Support  
Assembly Bill 1335 (Atkins) Building Homes and Jobs Act – Support  
Senate Bill 493 (Cannella) City Council Elections – Support  
Senate Bill 608 (Liu) The Right to Rest Act - Oppose

### ***League of California Cities (LOCC)***

The LOCC has already hosted various events this year for City officials and staff to assist with legislative advocacy and keeping a current pulse on State initiatives. Examples included the New Mayors and City Council Members Academy (January 14-16, 2015) and the City Managers Department Meeting (January 28-30, 2015). Mayor Pro Tem Young and City Manager Mendez attended each event respectively representing the City of Hughson and gathering information and insight on happenings at the State Capitol in preparation for the upcoming calendar year.

Examples of the subject matter obtained (and attached for reference) during the events include:

- California Voters Rights Act;
- Sales Tax Trends; and
- California Pension Retirement System.

The LOCC does an excellent job of sharing current information regarding the State Budget and key legislation of interest to municipalities.

On April 29, 2015, the City Manager Mendez and Finance Director Essenwein attended the LOCC Legislative Action Day in the State Capitol. City staff joined the Central Valley Division delegation of cities which included representatives from Angels Camp, Ceres, Gustine, Lathrop, Lodi, Modesto, Patterson, Riverbank, Stockton and Waterford. The Stanislaus County City Delegation met with State elected officials or their staff (Senator Tom Berryhill and Assemblymember Kristin Olson) to discuss important legislation and policy in the areas local control, transportation, water and economic development and others.

Central Valley Division – Quarterly Meeting – Modesto – June 18, 2015  
Annual Conference - San Jose – September 30 – October 2, 2015.

**Fiscal Impact:**

Implementation of the City of Hughson's Legislative Program is managed by existing staff and through existing budgeted allocations.

May 14, 2015

Issue #48

## Budget Update

### **Governor Releases Revised FY 2015-16 Budget with General Fund Revenues \$6.7 Billion Higher than January Budget**

*Cap and Trade Allocations Rise to \$2.2 Billion; Additional Funds for Drought Relief; Analysis of Revised Redevelopment Proposal Pending Language Review*

Gov. Jerry Brown took to the podium in the Capitol at 10 a.m. this morning to deliver his May Budget Revise for FY 2015-16. As usual, he surrounded himself with large charts illustrating the state's fiscal picture current and historic. Compared to the January projections, revenues for FY 2013-14, FY 2014-15, and FY 2015-16 have increased and the state projects an additional \$6.7 billion through the end of the coming fiscal year. Under Proposition 98, the majority of that money will go to K-12 and community colleges. The Governor presented the upswing in state revenues with caution, warning that the next recession is likely just around the corner. The revised budget comprises \$115.03 billion of General Funding in a total budget of \$162.5 billion.

Several spending priorities dominated the Governor's remarks today — the creation of an Earned Income Tax Credit (EITC) for California's lowest income residents, tuition freezes at the California State University and University of California systems along with repayment of pension debt and a pension cap for new university hires, climate change and drought response.

Expected to benefit 2 million Californians, the EITC would complement the federal program that President Gerald Ford signed into law 1975, when Governor Brown first held California's highest office. It would provide an average household benefit of \$460 with a maximum benefit of \$2,653. "I thought it would be reasonable to establish in California. It is a straight deliverance of funding to people who are working very hard and earning very little money," the Governor told the assembled reporters.

### **Proposition 2 Rainy Day Fund**

Voters in November 2014 tightened criteria to ensure deposits were made into the state's rainy day fund to accumulate reserves and also required payments to be made to reduce existing state debts. Pursuant to Proposition 2, the May Revise deposits \$633 million into the rainy day reserve and makes a payment of \$633 million on the state's debt (for a total of \$1.9 billion). By the end of FY 2015-16, the Governor projects that reserve fund will hold \$3.5 billion.

### **Mandate Repayments**

Under Prop. 1A (2004), the state has until FY 2020-21 to repay mandate reimbursements owed to local governments prior to 2004. In January, the budget projected that the state still owed local agencies \$800 million but revised that amount to \$765 in the May Revise based upon updated interest rate calculations.

As a result of trigger language included with the passage of the FY 2014-15 budget, local agencies are projected to receive the full payment of \$765 million in mandate reimbursements owed to local governments from prior to 2004. This allocation builds upon the \$100 million repayment received by cities, counties and special districts as part of the FY 2014-15 budget, and is \$232 million more than what was estimated in the Governor's January Budget proposal.

Of the \$765 million, approximately 77 percent would be directed to counties, 22 percent (\$168 million) to cities and 1 percent to special districts. Administration officials later announced that payments to local agencies are expected to begin with 45 days.

### **Redevelopment Dissolution and Related Proposals**

The Governor's May Revise outlines several changes to the comprehensive redevelopment (RDA) dissolution proposal provisions proposed in January. Below is a summary of what was contained in the initial documents released on Thursday morning.

*City officials should note that this summary is based upon the Governor's May Revise document; given the complexity of the issues involved, none of these provisions can be adequately analyzed until language is available and thoroughly reviewed.*

#### Changes to Previous RDA Dissolution Proposal

- **Re-Entered Agreements:** Removes a major provision that attempted to retroactively undo reentered agreements that were authorized under AB 26X (2011). These agreements have been upheld in several state appellate courts. On Thursday, the Department of Finance (DOF) announced that it would no longer be contesting litigation filed by local agencies on this matter.
- **Recovering Litigation Expenses:** Slightly alters the previous proposal aimed at undoing existing law that allows successor agencies to recover, as enforceable obligations, the costs associated with due process access to the courts to review DOF decisions. The change still prohibits recovery of such costs as enforceable obligations unless they are paid for from a successor agency's administrative allocation but allows a sponsoring agency to loan money to a successor agency challenging DOF decisions, with the costs recoverable as an enforceable obligation if litigation is successful.

#### New RDA Dissolution-Related Proposals

- **Post-2011 Bonds:** Authorizes access to post-2011 bonds based upon a "tiered process," with remaining funds used to defease outstanding bonds.
- **Property Tax Override Revenue:** Provides access to certain property tax override revenues, under the following paradigm: if the revenues were previously pledged for RDA debt service, they must be used for that purpose; if the revenues were not pledged for debt service, then they are returned to the entity that levies the override. For override revenues pledged for debt service, once debts are repaid or deemed unneeded, the override revenues will be returned to the levying entity.
- **Highway infrastructure:** Agreements between former RDA and its sponsoring entity for state highway infrastructure improvements are recognized as enforceable agreements.

#### Non-RDA Proposals Linked to DOF's RDA Package

- **Negative Bailout Counties:** Provides \$6.9 million in budget relief for four "negative bailout counties."
- **Newly Incorporated Cities:** Assists the four recently incorporated cities that have suffered from the loss of vehicle license fees in 2011. The state would pay a \$24 million debt the cities owe to Riverside County by reducing the payments the county makes to CALFIRE for fire protection services.
- **San Benito County:** Forgives \$3.4 million in debts owed by local agencies in the county due to a previous calculation error that caused underpayments by those agencies to ERAF.
- **Santa Clara County Tax Equity Allocations:** Saves approximately \$2 million annually for several cities in Santa Clara County by suspending for a five-year period the requirement for the cities to reimburse the county for ERAF for property taxes those agencies receive under a tax equity allocations.
- **Insufficient ERAF:** Provides \$5.8 million in backfill payments to several cities and counties where there is insufficient revenue in the county ERAF fund to reimburse the agencies for losses due to the VLF Swap and the "Triple-Flip."

The League will be hosting a webinar on Friday, May 15 at 11 a.m. to brief city officials further on the proposal as more details become available.

## **Transportation**

While the Governor does not offer a specific transportation funding proposal in the May Revise, he does say that he is working with the Legislature on their proposals to develop a funding package by year end. The League continues to be concerned that the Governor is focused on the needs of the state highway system and not the overall system. Local governments continue to argue that the local streets and roads system also needs a statewide funding solution.

There were no changes to other items from the January Budget Proposal related to streamlining highway relinquishments and increasing personnel for project initiation documents. The League notes that the first item, streamlining of highway relinquishments, has been rejected by both Assembly and Senate budget committees. Instead, the Legislature is reviewing the issue through the normal legislative process in SB 254 (Allen).

Changes to the Highway User Tax Account (HUTA) projections are negligible. As such, the League does not plan to release new city-by-city projections. New projections will be published should information should change.

## **Cap-and-Trade Allocations**

The May Revise increases the overall allocation from Cap-and-Trade revenues from \$1 to \$2.2 billion.

The updated proposed allocations include:

- \$400 million for the Affordable Housing and Sustainable Communities Grant program;
- \$350 million for low-carbon transportation programs;
- \$365 million for transit;
- \$500 million for High-Speed Rail; and
- \$622 million for energy efficiency and clean energy, natural resources, and waste diversion as detailed below:
  - \$140 million for energy efficiency upgrades/weatherization and renewable energy projects in low-income dwellings within disadvantaged communities;
  - \$40 million to the Department of General Services for energy efficiency upgrades and weatherization in public buildings;
  - \$60 million for renewable energy and energy efficiency projects in the University of California and California State University systems.
  - \$25 million for the Department of Food and Agricultural for agricultural energy and operational efficiency;
  - \$65 million for the Department of Fish and Wildlife for wetlands and watershed restoration, of which \$40 million will be dedicated to Delta wetland restoration projects;
  - \$30 million to the California Energy Commission (CEC) and Department of Water Resources (DWR) for Water and Energy Technology Program, pursuant to the Drought Executive Order;
  - \$30 million for the CEC and DWR appliance rebate programs pursuant to the Drought Executive Order;
  - \$60 million to the DWR and Department of Food and Agriculture for water and energy efficiency (in addition to the \$30 million allocated with the Drought package earlier this year);
  - \$20 million to the Department of Food and Agriculture for demonstration projects that increase carbon in soil;
  - \$92 million for fire prevention and urban forestry projects; and
  - \$60 million for the Department of Resources, Recycling, and Recovery for waste diversion.

## **Environmental Quality and Drought Response**

## 2014 Water Bond (Prop. 1)

The January budget proposal allocated \$532.5 million to begin the first year of a multiyear Prop. 1 expenditure plan. Most of these funds were allocated earlier this year when the Legislature passed a series of drought relief measures.

The May Revision allocates an additional \$1.8 billion of Prop. 1 funds over the next three years to be as follows:

- \$160 million for the State Water Resources Control Board (SWRCB) for wastewater treatment projects;
- \$180 million for the SWRCB for safe drinking water in disadvantaged communities;
- \$13 million for the DWR for consumer rebates for replacement of inefficient appliances;
- \$100 million for the SWRCB for stormwater management;
- \$13 million for the DWR to provide technical assistance, data collection, and applied research that supports long-term water use efficiency in urban and agricultural sectors;
- \$27 million for lawn replacement in underserved communities;
- \$35 million for Department of Food and Agriculture and Department of Water Resources for agricultural water efficiency programs.
- \$10 million to implement the CalConserve Program, which will enable homeowners and businesses to finance water-efficiency upgrades through a revolving-loan program;
- \$50 million for the DWR for desalination projects;
- \$475 million for the SWRCB for water recycling;
- \$60 million the DWR for groundwater sustainability planning; and
- \$784 million for the SWRCB for groundwater contamination.

## Emergency Drought Response

In addition to Cap-and-Trade revenues, Prop. 1 bond funds, and the \$1.9 billion that has already been allocated since the Governor declared a drought emergency in January 2014, the May Revision includes \$64.1 million to continue to respond to the drought, including:

- \$4 million General Fund to augment the Save Our Water campaign to target the state's largest residential water users with focused information to reduce their water usage;
- \$23 million Special Funds and General Funds for water conservation projects at state facilities;
- \$22.2 million General Fund for the Office of Emergency Services to support local jurisdictions using the California Disaster Assistance Act program for approved drought-related projects, including, but not limited to, restoring and replacing public infrastructure that sustained drought-related damages, and emergency protective measures such as delivering water to individuals without drinking or potable water;
- \$7.5 million General Fund for the Department of Community Services Development to provide emergency assistance to unemployed farmworkers, including job training and assistance;
- \$6 million General Fund for the Department of Housing and Community Development to assist or relocate households without potable water sources due to drought; and
- \$1.4 million General Fund for SWRCB to increase enforcement of water use restrictions and conduct additional inspections of diversion facilities to verify compliance with water rights laws.

## Additional Local Enforcement Authority

The May Revision proposes legislation to enhance local enforcement authority by providing all water agencies and local governments a consistent, minimum set of enforcement authorities to achieve the required water conservation standard. Under the proposed legislation, any monetary penalties from this enforcement will be used for local conservation efforts. Specifically, it allows penalties to be issued administratively by wholesale and retail water agencies, as well as city and county governments, and enables these entities to enforce local water waste restrictions and SWRCB conservation restrictions.

## Department of Toxic Substances Control

The budget proposal allocates an additional \$2.44 million to the Department of Toxic Substances Control for the following:

- \$1.4 million to improve the effectiveness and timeliness of the permitting process and reduce the backlog of permit applications; and
- \$2.1 million increase annually for three years to implement and evaluate approaches to address serious environmental violations that occur in California's most disproportionately impacted communities. This proposal will focus inspection and enforcement resources on metal recycling and hazardous waste transportation activities.

## **Public Safety**

### Funding for Local Law Enforcement

The \$40 million allocation for Front-Line Public Safety (local police departments) remains unchanged from the January Budget.

### Amnesty Program (Traffic Offenses)

The January Budget included an 18-month amnesty program authorizing people with past due court-ordered debt owed before Jan. 1, 2013 for traffic infractions, to pay delinquent debt at 50 percent reduction if they met specified eligibility criteria (projected to generate \$150 million).

May Revise updates this proposal by also allowing people whose drivers licenses have been suspended due to Failure to Appear or Failure to Pay (again related to traffic offenses) to reinstate their licenses as part of the program — facilitating their legal transport to and from work, and payment of their debt to the court. Details are as follows:

- Option to make one payment or sign up for payment plan;
- Supported by wage garnishment agreement in event of non-payment; and
- \$300 court-imposed assessment fee to be waived, and replaced with \$50 amnesty administrative fee for court costs to run the program.

### Community Corrections Performance Incentive Grant

This grant program was created by SB 678 (Chapter 608, Statutes of 2009) to provide incentives for counties to reduce the number of felony probationers returned to state prison.

The May Revise augments this grant program by \$1.1 million for a total allocation of \$125 million in FY 2015-16, to provide incentives to counties to continue decreasing the number of offenders returned to prison.

### California Department of Corrections & Rehabilitation

The May Revise includes \$73.3 million in General Fund savings for FY 2015-16 due to reduction of 4,000 out-of-state contract beds by June 2016. This assumes the total vacation of two out-of-state facilities and reducing use of other out-of-state facilities to achieve a 2700-bed reduction by December 2015, with another 1,300-bed reduction by the following June.

Further reduction in out-of-state beds beyond 4,000 in FY 2015-16 could jeopardize continuing compliance with court-ordered population cap of 137.5 percent of prison design capacity — due to projected increase in prison population in FY 2016-17 and beyond, despite Prop. 47 impacts which are expected to reduce inmate population by 4,600 inmates, and new parole determination process for non-violent second-strikers.

Adjustments (all in General Fund revenues)

- Adult Population: Decrease of \$21.3 million in FY 2014-15, and \$108.5 million in FY 2015-16 for adult inmate and parole population changes.
- Juvenile Population: Decrease of FY \$494,000 in FY 2014-15 and \$2 million in FY 2015-16 for juvenile population changes, reflecting decrease of two wards in the current year, and 32 wards in the budget year.

- Hepatitis C Treatment: Increase of \$51.8 million in FY 2014-15 and \$60.6 million in FY 2015-16 to treat inmates with new Hepatitis C treatments.

#### Commission on Peace Officer Standards and Training

- Allows the Commission to reinstate reimbursement of travel and per diem costs of \$4.4 million (suspended since January 2014). This change will be offset by:
  - Increasing by \$800,000 the planned reduction in administrative costs of \$5.2 million cited in January Budget;
  - Increasing the previous reduction in contracted, non-mandated training courses by \$1.9 million; and
  - Continuing suspension of reimbursements for local law enforcement to backfill positions when officers are participating in training (\$2.5 million).

#### California Conservation Corps

The May Revise contains two items of interest for drought-related high fire risk areas:

- \$5 million in the CAL FIRE budget for projects related to Forest Health Improvement, under which CALFIRE will partner with the Corps on projects in the highest fire risk areas in California.
- Butte County Conservation Camp: An additional \$3 million for CAL FIRE to repair the Butte County fire camp that was closed in 2004, to facilitate re-opening it as a Northern California counterpart to Camarillo Camp in South California, and providing corpsmen with training in fire suppression starting in mid-2016.

#### **State Retiree Health Care Costs**

The May Revise reflects the Governor's continued commitment to address state retiree healthcare and pension costs through both collective bargaining and legislative efforts. This includes the proposal for state retiree health to be prefunded, similar to pensions. This is estimated to save the state's annual payment for retiree health care benefits approximately \$8 billion.

The revised budget also proposes to have costs be controlled by reducing employer contributions for new employees by requiring those employees to work longer before qualifying for retiree health care benefits. Additionally, there is a proposal for increased oversight on the California Public Employees' Retirement System (CalPERS) and increased employee health care options by adding more low-cost plans.

The budget trailer bill would require state agencies and CalPERS do regular reviews of employees enrolling their dependents in their health care plans and that retirees are enrolling in Medicare plans at age 65.

#### **State Retirement Contributions**

The May Revision has updated the expected cost for state retirement contributions, with a \$110 million decrease from the Governor's Budget. The administration has cited the reduction as being a result of "the Public Employees' Pension Reform Act of 2013, strong investment performance, and greater than expected contributions to the system."

#### **Community Services**

##### Literacy

The May Revise includes an increase of \$2 million for the Literacy and English Acquisition Services Program. These funds will be programs in coordination with the adult education consortia.

##### Broadband Expansion

The May Revise increases funding for the California Public Library Broadband Project by \$1.7 million. Of this amount, \$1.5 million is one-time money for grants to public libraries to upgrade broadband equipment and \$225,000 is for continued administration of contracts for broadband services.

#### Library Preservation

The May Revise includes \$521,000 to support the state library's efforts to preserve historical items in its possession.

#### California Arts Council

The May Revise includes a proposal for a permanent funding increase of \$5 million annually to provide grants to local arts organizations. These funds will be used to further the arts in the program areas of Economic and Community Development, Arts Education, Cultural and Community Engagement, and the Creative Economy.

#### Child Care

The May Revise makes the following adjustments to subsidized child care programs as follows:

- An increase of \$46.8 million to reflect an increase in the number of new Stage 2 beneficiaries and an increase in the cost of providing care. Total base cost for Stage 2 is \$395.4 million;
- An increase of \$2 million to reflect minor adjustments in caseload and the cost of providing care. Total base for Stage 3 is \$265.5 million; and
- A net increase of \$17.7 million federal funds to reflect an increase in ongoing base federal funds for child care and development.

#### **Next Steps**

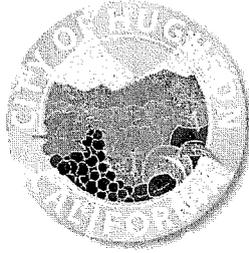
The League will be hosting a webinar for city officials on Friday, May 15 at 11 a.m. to brief city officials further on the redevelopment proposal. Additional information will be distributed as it becomes available.

The constitutional deadline for the legislature to adopt the budget is June 15, a very short 32 days from now. The Legislature will begin hearings on the May Revise next Monday. In addition to May Revise proposals, legislators will need to act on all other budget items not previously closed out. Hearing agendas are often not released until a day or two before hearings.

City officials should be prepared to make calls and travel to Sacramento to testify on priority items on short notice.

In approximately three weeks, the Legislature will convene the Budget Conference Committee to review differences between the Assembly version and Senate version of the budget. It will then go to the floor for a final vote and to the Governor for signature.

City of Hughson  
City Council  
7018 Pine Street \* PO Box 9  
Hughson, CA 95326  
(209) 883-4054 Fax (209) 883-2638



April 21, 2015

Senator Jim Beall  
Member, California State Senate  
State Capitol, Room 2209  
Sacramento, California 95814

RE: **SB 16 (Beall) – Transportation Funding**  
**Letter of Support**

Dear Senator Beall,

The City of Hughson firmly believes that additional funding is required to aid the state and local roadway system over the next several years to address the overwhelming backlog of preservation and maintenance of these roadways; and therefore supports Senate Bill (SB) 16.

As illustrated by a recent statewide assessment of roadway conditions, while the pavement condition index is currently 66—just 4 points away from a 'good' rating—the roadway condition is on a precipice. Without action, the roadway condition will worsen quickly. The cost to repair a roadway grows exponentially as the condition deteriorates. For example, repairs for roadways in 'fair' condition (50 to 25 PCI) cost anywhere from 10 to 20 times more than for roadways in 'good' condition. And up to 50 times more for a roadway in 'poor' condition. Therefore, it is important that action is taken now to address this issue.

Roadways affect the daily lives of travelers and the operations of businesses alike. We rely on roadways to provide access to our destinations such as work, school, shopping, doctors and other daily needs. As well, businesses rely on roadways to ship and receive goods and provide services. To invest in the State's roadways now, while costly, is a shrewd investment—to not only to save a significant amount of money by not deferring improvements, but also for the impact a well maintained roadway system has on the overall economy.

The City would like to reiterate our support for funding to improve state and local the roadway conditions and for Senate Bill 16. Thank you for your leadership on this critical issue.

Sincerely,

Matt Beekman, Mayor  
City of Hughson

Cc: Senate Local Transportation Committee FAX: (916) 445-4688  
Senator Tom Berryhill, 8<sup>th</sup> Senate District  
Assemblymember Kristin Olsen  
Stephen Qualls, League of California Cities  
Tim Cromartie, League of California Cities  
Meg Desmond, League of California Cities

City of Hughson  
City Council  
7018 Pine Street \* PO Box 9  
Hughson, CA 95326  
(209) 883-4054 Fax (209) 883-2638



April 21, 2015

Assemblymember Ken Cooley  
State Capitol – Room 3146  
Sacramento, CA 95814

**RE: AB 266 (Cooley) – Medical Marijuana**  
**Letter of Support**

Dear Assemblymember Cooley:

The City of Hughson supports your medical marijuana legislation, Assembly Bill 266, which will provide necessary changes to the voter approved Proposition 215: a responsible framework for marijuana distribution that upholds local control, squarely addresses public safety concerns, and includes important health and safety requirements.

Most of the previous legislation in this area has often sought to pre-empt local control, only partially addressed the significant public safety concerns raised by medical marijuana, and failed to address important health and safety issues that are inevitably triggered by a regulatory process for any medicine. For this reason, AB 266 with its public safety, local control, and public health provisions represents a shift in focus that began with last year's SB 1262 by Senator Lou Correa.

As a municipal government, we are on the front lines on this issue along with our local police department, and have to cope with the effects of the current chaotic regulatory structure for medical marijuana on a daily basis. We applaud your effort to put a responsible framework in place that protects patient access while protecting local control and addressing public safety issues. We believe local governments should have a prominent role in any framework for medical marijuana, including meaningful enforcement powers, and therefore support the approach in AB 266.

We appreciate the work that went into developing this proposal, including input from city attorneys, law enforcement, patient advocates, the private sector, and consultation with both jurisdictions that allow medical marijuana dispensaries to operate under the control of local ordinances, as well as those that have imposed bans.

Finally, we appreciate the incorporation of health and safety standards into the bill, and stand ready to work with officials at all levels of government to ensure smooth implementation should AB 266 become law.

Once again, thank you for your leadership on this issue.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Beekman".

Matt Beekman, Mayor  
City of Hughson

Cc: Assembly Business and Professions Committee FAX: (916) 319-3306  
Senator Tom Berryhill, 8<sup>th</sup> Senate District  
Assemblymember Kristin Olsen, 12<sup>th</sup> Assembly District  
Stephen Qualls, League of California Cities  
Tim Cromartie, League of California Cities  
Meg Desmond, League of California Cities



## LEAGUE OF CALIFORNIA CITIES CENTRAL VALLEY DIVISION

**CENTRAL VALLEY  
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LOS BANOS  
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MERCED  
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OAKDALE  
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RIPON  
RIVERBANK  
SONORA  
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JoAnne Mounce  
City Council Member  
City of Lodi

League Staff  
Stephen R. Qualls  
[squalls@cacities.org](mailto:squalls@cacities.org)

Regional Public  
Affairs Manager

4/9/15

The Honorable David Chiu  
California State Assembly  
State Capitol, Room 2196  
Sacramento, CA 95814  
FAX: 916-319-2117

**RE: AB 35 (Chiu and Atkins). Low-income Housing Tax credits  
NOTICE OF SUPPORT**

Dear Assemblymember Chiu,  
On behalf of the Central Valley Division of the League of California Cities, I write to inform you of our support for AB 35 which would increase the state's Low Income Housing Tax Credit by \$300 million to build and rehabilitate affordable housing.

We are eager to provide affordable housing but with the loss of redevelopment housing funds we lack the resources to do so. Increasing the available tax credits for low-income housing will leverage additional federal tax credits and tax exempt bond authority. Building more affordable housing will not only help to mitigate our low income housing crisis, but will increase construction jobs and tax revenues.  
Thank you for your leadership on this important issue.

Sincerely,

JoAnne Mounce  
President  
Central Valley Division of the League of California Cities

Cc: Senator Tom Berryhill  
Senator Anthony Cannella  
Senator Cathleen Galgiani  
Assembly Member Frank Bigelow  
Assembly Member Susan Eggman  
Assembly Member Adam Gray  
Assembly Member Kristin Olsen  
Assembly Member Ed Chau, Chair, Assembly Housing and Community  
Development Committee, FAX: 916-319-2149  
Meg Desmond, League of California Cities [mdesmond@cacities.org](mailto:mdesmond@cacities.org)



## LEAGUE OF CALIFORNIA CITIES CENTRAL VALLEY DIVISION

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[squalls@cacities.org](mailto:squalls@cacities.org)

Regional Public  
Affairs Manager

4/9/15

The Honorable Toni G. Atkins  
Speaker, California State Assembly  
State Capitol, Room 219  
Sacramento, CA 95814  
FAX: 916-319-2178

### **RE: AB 1335 (Atkins) Building Homes and Jobs Act** **NOTICE OF SUPPORT**

Dear Speaker Atkins,

On behalf of the Central Valley Division of the League of California Cities, I am pleased to convey our support for your AB 1335. This bill would generate up to \$700 million per year for affordable rental or ownership housing, supportive housing, emergency shelters, transitional housing and other housing needs via a \$75 recordation fee on real estate transactions with the exception of home sales.

Our city is eager to provide affordable housing but we lack the resources to do so.

AB 1335 would provide an ongoing, permanent state source of funding which would allow the state to fund existing programs at dependable levels. This is a more reliable and efficient mechanism than occasional housing bonds. Further, the Building Homes and Jobs Act will help to leverage additional federal, local and private investment.

We appreciate your leadership on this critical issue.  
Sincerely,

JoAnne Mounce  
President  
Central Valley Division of the League of California Cities

Cc: Senator Tom Berryhill  
Senator Anthony Cannella  
Senator Cathleen Galgiani  
Assembly Member Frank Bigelow  
Assembly Member Susan Eggman  
Assembly Member Adam Gray  
Assembly Member Kristin Olsen  
Assembly Member Ed Chau, Chair, Assembly Housing and Community  
Development Committee, FAX: 916-319-2149  
Meg Desmond, League of California Cities [mdesmond@cacities.org](mailto:mdesmond@cacities.org)



# LEAGUE OF CALIFORNIA CITIES CENTRAL VALLEY DIVISION

Central Valley Division of the League of California Cities

**CENTRAL VALLEY  
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5/1/15

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OAKDALE  
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RIPON  
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SONORA  
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TRACY  
TURLOCK  
WATERFORD

**The Honorable Senator Canella  
Member, California State Assembly  
State Capitol Building, Room 5082  
Sacramento, CA 95814**

**RE: SB 493 (Canella): City Council Elections  
Notice of Support**

**Dear Senator Canella:**

**The Central Valley Division of the League of California Cities supports your bills SB 493, which would allow city councils to use the ordinance process to switch from an at-large to a by-district election system. Helping cities save money by avoiding a CVRA lawsuit and the costs associated with gaining voter approval on the ballot.**

**Since the passage of the California Voting Rights Act of 2001 (CVRA) many entities using at-large elections have increasingly found themselves faced with lawsuits asserting that racially polarized voting is occurring and demanding that district-based elections be implemented. Due to generous recovery for attorney's fees provisions in the act we have seen cities incur extremely high legal fees. With numbers ranging from the several hundred thousand to several million.**

**For cities, the only other alternative to litigation is submitting the proposal to the voters for approval. This is not a simple process and running items on a ballot is expensive. Additionally, there is still exposure to litigation under the CVRA if voters were to reject to measure.**

**Central Valley Division of the League of California Cities believes SB 493 would give cities a much-needed tool that can be used to address concerns under the CVRA in a more efficient and cost-effective manner.**

**For these reasons, the Central Valley Division of the League of California Cities supports SB 493.**

**Sincerely,**

**Joanne Mounce  
President, Central Valley Division of the League of California Cities.**

Division President  
JoAnne Mounce  
City Council Member  
City of Lodi

League Staff  
Stephen R. Qualls  
[squalls@cacities.or](mailto:squalls@cacities.or)

Regional Public  
Affairs Manager



# LEAGUE OF CALIFORNIA CITIES CENTRAL VALLEY DIVISION

4/9/15

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MODESTO  
NEWMAN  
OAKDALE  
PATTERSON  
RIPON  
RIVERBANK  
SONORA  
STOCKTON  
TRACY  
TURLOCK  
WATERFORD

The Honorable Senator Carol Liu  
California State Senate  
State Capitol, Room 5097  
Sacramento, CA 95814  
FAX: (916) 651-4925

RE: SB 608 (Liu) The Right to Rest Act  
Notice of Opposition

Dear Senator Liu:

On behalf of the Central Valley Division of the League of California Cities, I write to inform you of our opposition to your SB 608. While the measure is well-intended, we do not believe it would make a positive contribution to combatting homelessness in our state and within our communities.

SB 608 would enact The Right to Rest Act, which would provide homeless persons the right to use public space without discrimination based on their housing status. It would describe basic human and civil rights that may be exercised without being subject to criminal or civil sanctions or harassment, including the right to:

- Use and to move freely in public spaces...without time limitations that discriminate based on housing status;
- Rest in public spaces\* and to protect oneself from the elements in a nonobstructive manner;
- Eat, share, accept or give food in any public space in which having food is not prohibited;
- Perform religious observances in public spaces without discrimination based on housing status; and
- Occupy a motor vehicle or a recreational vehicle legally parked or parked with the permission of the property owner.

The bill defines public spaces as "any property that is owned, in whole or in part, by any state or local government entity of any property upon which there is an easement for public use and that is held open to the public including, but not limited to, plazas, courtyards, parking lots, sidewalks, public transportation facilities and services, public buildings, shopping centers, and parks."

Division President  
JoAnne Mounce  
City Council Member  
City of Lodi

League Staff  
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Regional Public  
Affairs Manager



## LEAGUE OF CALIFORNIA CITIES CENTRAL VALLEY DIVISION

### CENTRAL VALLEY MEMBER CITIES

ANGELS CAMP  
ATWATER  
CERES  
CHOWCHILLA  
DOS PALOS  
ESCALON  
GUSTINE  
HUGHSON  
LATHROP  
LIVINGSTON  
LODI  
LOS BANOS  
MANTECA  
MERCED  
MODESTO  
NEWMAN  
OAKDALE  
PATTERSON  
RIPON  
RIVERBANK  
SONORA  
STOCKTON  
TRACY  
TURLOCK  
WATERFORD

Division President  
JoAnne Mounce  
City Council Member  
City of Lodi

League Staff  
Stephen R. Qualls  
[squalls@cacities.org](mailto:squalls@cacities.org)

Regional Public  
Affairs Manager

SB 608 would exempt conduct that is protected by the bill, as described above, from the definition of the crime of disorderly conduct. Finally it would authorize a person whose rights have been violated pursuant to these provisions to enforce those rights in a civil action in which the court may award the prevailing party injunctive and declaratory relief, restitution, damages, statutory damages of \$1,000 per violation, and attorney's fees and costs.

SB 608 contains no solutions for homelessness. It contains no new programs, no funding for housing, and no effort to improve services. It creates a special set of exemptions and privileges for one group of people and undermines the equal applicability of laws.

With the devastating economic downturn in the economy, the central valley has been disproportionately affected with high unemployment and homelessness.

We believe that real solutions lie in providing resources for affordable housing and for treating underlying problems, not creating a special set of exemptions, privileges and rights for the homeless to occupy public and private property without complying with laws that apply to all others in society. Such an approach would create social disorder and undermine the ability of all others to access clean and non-threatening public spaces, while jeopardizing property rights and the economic viability of local businesses.

While we oppose the approach of SB 608 we share your desire to address the root causes of homelessness. To do so we must work together to provide more resources for affordable housing such as those proposed by AB 35 (Chiu and Atkins) which increases affordable housing tax credits by \$300 million and AB 1335 (Atkins) which would provide a permanent source of funding for affordable housing. These bills represent more constructive approaches to solving this chronic problem.

Sincerely,

JoAnne Mounce  
President  
Central Valley Division of the League of California Cities

Cc: Senator Tom Berryhill  
Senator Anthony Cannella  
Senator Cathleen Galgiani  
Assembly Member Frank Bigelow  
Assembly Member Susan Eggman  
Assembly Member Adam Gray  
Assembly Member Kristin Olsen  
Senator Jim Beall, Chair, Senate Committee on Transportation and Housing,  
Fax: 916-651-4915  
Senator Hannah-Beth Jackson, Chair, Senate Judiciary Committee, Fax: 916-651-4919

## Transportation and Public Works



### 2015 Legislative Action Days

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**Background:** While there has been talk about increasing revenues for transportation, this year, the tone of the discussion has become more focused. There is an effort underway at the California Transportation Commission to test the viability of a road charge using a vehicle-miles-traveled model. But any implementation of such a long-term solution is years away. California can't wait that long. The League has joined many other stakeholders in encouraging the Legislature to act quickly on a revenue package with a focus on preserving the current system. At the same time, the League continues to advocate for lowering the voter threshold for local transportation measures and efforts to decrease the cost of public works projects.

**Support Increased Transportation Revenues:** The League encourages ongoing efforts by both the Assembly and Senate to increase investment in the transportation system. In the Senate, SB 16 (Beall) would provide between \$2.8 and 3.6 billion annually in new transportation revenues for five years. Nearly 50% of the revenues would be allocated to cities and counties for local streets and roads maintenance and preservation. These revenues would be continuously appropriated using existing gas tax formulas.

SB 16 also includes maintenance of effort and performance requirements to ensure that the funding is used appropriately. Revenues would be raised from the following sources:

- 10 cent increase in excise tax on fuel
- 12 cent increase in excise tax on diesel
- \$35 VRF increase for all vehicles
- \$100 VRF increase for electric vehicles
- Payback of outstanding loans over a 3-year period
- Return truck weight fees to transportation programs (20% each year over five years). The general fund would be backfilled by a 0.35 percent increase in the VLF (0.07 percent annual increase for five years).

The revenues would be allocated as follows:

- Two cents of diesel tax increase will be dedicated to trade corridors
- 5% off the top to incentivize local measures in counties that do not currently have a local measure
- Remainder split:
  - 50% to the SHOPP (highway maintenance)
  - 50% to Local Streets and Roads (\$1.33-1.71 billion annually)

#### Key Messages:

- The local roads we all rely on are literally crumbling beneath our feet ... and the tires of our cars, buses, trucks and bicycles. The conditions are getting so bad that if Californians don't commit to prioritizing funding to fix them, we could be facing a catastrophe.
- Bad roads cost California drivers \$44 billion annually – as high as nearly \$2,500 per driver.
- Without further investment, 25% of local roads will be in "failed" condition in 10 years.
- If we wait any longer to fix this problem we are putting everyone at risk because we all use our local road system. If California waits five years to act, the gas tax would have to increase 10 cents more just to make up the additional deterioration in those five years. (\$11 billion cost).

#### Other League-Supported Transportation Proposals:

- **Lowering the Voter Threshold:** ACA 4 by Assembly Member Frazier would lower the voter threshold requirements for special taxes by a local government for the purpose of providing funding for local

### 2015 Legislative Action Days

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**Background:** The League continues to advocate for additional economic development tools, building on last year's successful effort resulting in the enactment of two measures that authorized the use of tax increment authority: SB 628 (Beall), "Enhanced Infrastructure Financing District Law" (EIFD), authorizes local agencies to use tax increment to finance a wide variety of infrastructure, affordable housing, industrial and sustainable development, and SB 614 (Wolk) authorizes a Local Agency Formation Commission to approve a plan to finance infrastructure upgrades in conjunction with the annexation of "disadvantaged unincorporated communities."

In 2015, the League continues to support more tools to help cities address economic development and infrastructure issues, while also opposing a very harmful Department of Finance led redevelopment dissolution budget proposal.

#### League-Supported Economic Development and Infrastructure Proposals:

- **Re-establishing a redevelopment tool.** AB 2 by Assembly Member Luis Alejo (D-Watsonville) represents the latest effort to restore redevelopment authority to cities. The League has been working with Assembly Member Alejo for the past three years on this effort. Although Gov. Brown vetoed last year's bill, AB 2280, his office indicated an interest in it if it was redrafted into a separate statute outside of former redevelopment law. AB 2 accomplishes that goal, so the objective is to get the bill back to the governor's desk.
- **Clean up of SB 628:** Last year's SB 628 (Beall), which created the new EIFD tool, requires some clean up to facilitate implementation. The League drafted amendments to the law and they are contained within AB 313 (Atkins), which the League is supporting.
- **Expanding funding for affordable housing.** This is a top priority for Assembly Speaker Toni Atkins (D-San Diego), author of AB 1335, which seeks to provide a permanent source of funding for affordable housing generating up to \$700 million per year. Another bill, AB 35 (Chiu), would boost affordable housing tax credits by \$300 million.
- **Tax incentives to stimulate private sector investment.** Ensuring there are sufficient incentives to expand private investment in urban areas is the focus of three bills. AB 185 (E. Garcia and Medina) would establish a California New Markets Tax Credit to help attract private capital and matching federal funds to spur investment in low-income communities. AB 771 (Atkins) would provide state income tax credit of up to 25 percent to rehabilitate historic properties, and AB 428 (Nazarian) offers a 30 percent tax credit for seismic rehabilitation of endangered properties.

**Oppose DOF Redevelopment Dissolution Proposal:** In January, the Department of Finance unveiled proposed changes to redevelopment dissolution laws, which include overturning court cases and inserting retroactive provisions which are very harmful to existing cities; this is an effort to turn back the clock and change the rules. The League has led the effort to oppose this proposal and many individual cities have submitted letters of opposition.

#### Key Messages:

- The DOF redevelopment dissolution proposal should be rejected. Enough harm has been done to cities.
- While the passage of last year's tax increment authority was helpful, cities still need a redevelopment tool, affordable housing funding, and incentives to encourage private investment in urban core areas.

**More information:** Dan Carrigg, Legislative Director, [dcarrigg@cacities.org](mailto:dcarrigg@cacities.org) (916) 658-8222.

## 2015 Legislative Action Days

**Background:** There are two “hot” bills moving through the Legislature at the moment, one of which the League is sponsoring, the other, we oppose unless amended. On the critical issue of local control, the two bills could not be more different.

### AB 266 (Cooley) – Medical Marijuana

#### League Position: SPONSOR

- Jointly sponsored by the League of Cities and the California Police Chiefs Association
- Health-based regulatory model, consistent with Proposition 215 (implementing agency is the Department of Consumer Affairs).
- **Protects local control** with a dual-licensing scheme where the state issues a conditional license only. Locals issue the license or permit to operate in their jurisdiction, and have primary role of enforcement.
- **Promotes public safety** by requiring minimum security standards at dispensaries, and establishing transportation and inventorying requirements for marijuana before and after shipment, to prevent diversion.
- **Imposes health and safety standards** by requiring establishment of health and safety standards and mandatory, uniform testing standards for marijuana.
- Requires a physician recommending marijuana to a patient for medical purposes to be that patient’s attending physician, as defined in the Health and Safety Code.

### AB 34 (Bonta) Medical Cannabis: State Regulation

#### League Position: OPPOSE UNLESS AMENDED

- Sends mixed messages on local control: references local police power, but also provides that the state has the “exclusive right” to issue – or revoke – licenses of marijuana businesses.
- Local governments will have no role in licensing.
- Department of Alcoholic Beverage Control (ABC) is the lead agency. This is a major concern because ABC has spotty enforcement record re: licensees who sell to minors.
- Bill further undermines local control by providing that *actions of state licensees are “not unlawful” under state law or local ordinance = State Pre-emption.*
- Conflicting provisions on local control will lead to more litigation.
- Authorizes locals to temporarily suspend a license, but that authorization is granted by ABC, which can attach conditions to or curtail it. Under current law, locals can unilaterally shut down a non-compliant medical marijuana business, so this temporary suspension power is actually a step backwards.

#### Key Messages:

- AB 266 (Cooley) provides the reasonable health-based regulatory structure that California has lacked since the passage of Prop. 215.
- AB 34 (Bonta) is the wrong approach. This measure has flawed and conflicting local control provisions that lean toward state pre-emption, and will likely lead to more litigation on the same issues that the California Supreme Court settled in the *Riverside v. Inland Empire* case.

#### Additional Measures:

### SB 643 (McGuire) Medical Marijuana

#### League Position: WATCH

- Based on AB 266 (Cooley), SB 643 is intended to be comprehensive, but has more extensive regulations on cultivation. The League is working with the author to amend the local control language.

### AB 243 (Wood) Medical Marijuana Cultivation

#### League Position: WATCH

- Provides counties overall authority for licensing all cultivation, and appears to conflict with AB 266. The League is working with the author to resolve conflicts and amend the local control language.

**More Information:** Tim Cromartie, Legislative Representative, [tcromartie@cacities.org](mailto:tcromartie@cacities.org) (916) 658-8252

## Affordable Housing Funding Package



### 2015 Legislative Action Days

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The League has joined a coalition in support of an effort led by Assembly Speaker Toni Atkins (D-San Diego) to dramatically expand state resources for affordable housing. Other coalition members include the California Building Industry Association, the California Housing Consortium and the Western Center on Law and Poverty.

With the loss of redevelopment and the exhaustion of past state affordable housing bond funds, California has virtually no resources to construct affordable housing. AB 35 and AB 1335 propose to fill that void with up to \$1 billion per year in affordable housing funds. AB 35 (Chiu and Atkins) would increase available affordable housing tax credits by \$300 million and AB 1335 (Atkins) would provide a permanent source of funding for affordable housing generating up to \$700 million per year.

AB 35 (Chiu/Atkins), proposes to increase the state's Low Income Housing Tax Credit from \$70 to \$370 million annually, providing a \$300 million boost to this popular program that is always heavily oversubscribed.

AB 1335 (Atkins), the Building Homes and Jobs Act, would establish a permanent source of funding for affordable housing by placing a \$75 fee on real estate transaction documents, excluding home sales. This proposal is similar to SB 391 (DeSaulnier) of the 2013-14 Legislative Session, which the League also supported, and is projected to generate up to \$700 million annually while leveraging billions more in federal, local, and bank investments.

The Building Homes and Jobs Act makes legislative findings about the need for permanent, ongoing funding for affordable housing. Total fees on any transaction are capped at \$225. Revenues from this fee, less county administrative costs, would be sent quarterly to the Department of Housing and Community Development for deposit in the new Building Homes and Jobs Fund and spent for affordable housing, home ownership opportunities, and other housing-related programs. The bill imposes additional auditing and reporting requirements.

AB 35 recently passed the Assembly Housing and Community Development Committee with a 7-0 vote. The bill has been referred to the Assembly Revenue and Taxation Committee. AB 1335 will be heard in the Assembly Housing and Community Development Committee on April 29.

#### Key Points:

- California needs to restore funding streams for affordable housing.
- This funding has evaporated with the loss of redevelopment and exhaustion of state housing bonds.
- AB 35 and AB 1335 provide funding that will begin to rebuild the state's affordable housing resources.



## CITY OF HUGHSON AGENDA ITEM NO. 3.5

### SECTION 3: CONSENT CALENDAR

**Meeting Date:** May 26, 2015  
**Subject:** 2015 Goals and Objectives Update, Economic Development  
**Enclosures:** Proposed 2015 Economic Development Goals Document  
**Presented By:** Raul Mendez, City Manager

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Review City staff's draft update to the Land Use category of the City of Hughson 2015 Goals and Objectives document.

#### **Background and Overview:**

On January 17, 2015, the City Council hosted a public workshop to revisit the City's Goals and Objectives, which were developed in 2010 through a series of Council and public sessions. In the past, updates were provided to the Council quarterly and are thoroughly reviewed annually.

In addition to discussion about the goals and objectives, City staff shared ideas about a reorganization of the document—to better define and delineate the goals and to create clear objectives to help achieve the goals. In addition, City staff expressed interest in adding 'action items', which is a task that supports the attainment of an objective. All this would help to create a hierarchy in the document, so that readers of the document are clear what the City's top goals are, how the City envisions obtaining those goals, and measuring progress towards their completion.

The City Council directed staff to separate the document into the established goal categories and bring forth an updated, draft version of each goal category at future regular meetings.

#### **Discussion:**

Council's direction and staff's desire is to create a document that will truly guide staff's work over time based on the established goals and objectives. In preparing the update to the Land Use category of the Goals and Objectives document which was presented to the Hughson City Council on March 23, 2015, staff determined that an additional category—strategy—should be added to establish clearly what

the City hopes to accomplish and how. This category was included in the Economic Development revision as well.

The updated Economic Development category includes a singular goal and four objectives, which are steps towards achieving that goal. City staff collapse some of the objectives previously developed to bring focus on those objectives that tended to be of highest priority amongst the Council.

City staff shared the new approach and draft goals and objectives with the City's Economic Development Committee during the March and April regular meetings. It was shared that the section referring to the Hughson Economic Development Strategy Plan would be removed since that is a self-contained document that is reviewed annually.

It further includes multiple strategies for each objective, which specifies the various approaches to accomplishing the objective. Finally, it includes multiple action items under each strategy.

City staff will continue to bring addition updates to the City Council for consideration over the subsequent months in the areas of Transportation, Public Safety, Public Services, Public Facilities, Connectivity and Integration and Revenue Generation and Use Allocation.

**Fiscal Impact:**

There is no direct fiscal impact associated with updating the City's Goals and Objectives document. There will however be costs resulting from staff's or consultant's time and materials associated with the 'action items' used to achieve the identified goals.

# ECONOMIC DEVELOPMENT

**GOAL: Maintain and enhance Hughson's economic vitality through promotion of job creation and retention, business enrichment and expansion, and development of retail/commercial/industrial areas.**

## **Objective #1: Support business in commercial/industrial areas.**

**Strategy A:** Improve the economic growth of City's commercial/industrial businesses by understanding their needs and providing programs/services that address them.

Action #A1: Meet with business owners annually, at a minimum, to discuss needs and available local programs/services.

Action #A2: Connect businesses to available resources through organizations such as the Stanislaus Business Alliance, Alliance Worknet, etc.

Action #A3: Develop local programs/enhance services to best meet needs.

**Strategy B:** Promote the economic growth of City's commercial/industrial area through effective business attraction strategies, planning and infrastructure.

Action #B1: Engage Stanislaus Business Alliance to conduct gap analysis to identify and pursue businesses that complement current landscape.

Action #B2: Strengthen planning and zoning to enhance City's marketability.

Action #B3: Explore and pursue construction of adequate infrastructure for business development (roads, water, sewer, storm drain, etc.).

## **Objective #2: Develop and enhance retail business opportunities.**

**Strategy A:** Implement strategies to enhance resident/visitor presence in City's retail areas.

Action #A1: Promote activities in downtown that support and create opportunities.

Action #A2: Develop marketability of City through timely communication and accessibility of current market and demographic information.

**Strategy B:** Foster support of ventures that complement existing business climate.

Action #B1: Conduct and maintain inventory of existing businesses and develop strategies to support new ventures that complement current landscape.

Action #B2: Coordinate with existing businesses and identify or maximize opportunities for expansion.

### **Objective #3: Create a business friendly environment.**

**Strategy A:** Ensure efficient business permitting process.

Action #A1: Conduct annual review of business permitting process for continuous improvement and to maximize efficiency.

Action #A2: Provide flexibility during implementation of the business permitting process to best meet needs of applicant.

**Strategy B:** Ensure adequate and competitive City business/development fee structure.

Action #B1: Review and evaluate business/development fee structure on an annual schedule and recommend modifications if necessary.

Action #B2: As part of the review, conduct comparable study and provide opportunity for input from stakeholders.

### **Objective #4: Create and develop effective business assistance programs.**

**Strategy A:** Proactively market the City's business assistance programs.

Action #A1: Utilize variety of avenues to market local business assistance programs to increase accessibility.

**Strategy B:** Evaluate and develop the City's business assistance programs to ensure effectiveness.

Action #B1: Conduct annual evaluation of entire business assistance programs on an annual basis and recommend modification to increase value.

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## **CITY COUNCIL AGENDA ITEM NO. 4.1**

### **SECTION 4: UNFINISHED BUSINESS**

**Meeting Date:** May 26, 2015  
**Subject:** Discussion and Direction to City Staff on the City Owned Property Located on Leedom Road near the Waste Water Treatment Facility  
**Presented By:** Raul L. Mendez, City Manager

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Discuss and consider direction to City staff on the City owned property located on Leedom Road near the Waste Water Treatment Facility.

#### **Background and Overview:**

On December 9, 2014, the Hughson City Council approved the lease between the City of Hughson and Michael Noeller for approximately twelve (12) acres of City-owned property adjacent to the Waste Water Treatment Facility along Leedom Road to October 31, 2015 or completion of the harvest of the fall 2015 almond crop, whichever occurs later. The lease extension was executed shortly thereafter.

At that time, the City Council directed staff to bring back a discussion in March and April 2015 to begin exploring future options for the 12 acres Leedom property well in advance of the agricultural lease expiration date. Subsequently, further direction was provided to take a look at all available City property adjacent to the Waste Water Treatment Facility (which includes the 40 acre Lower Ponds) to begin developing a more comprehensive plan or approach. City staff began that process during the evaluation of the Noeller agricultural lease last fall.

Some of those details are provided again in summary form for reference. This is the initial discussion to provide some background to this item. It is anticipated that City staff will continue gathering details to discuss all possible options for the best and future use of the subject properties.

City staff also plans to provide an information presentation at the meeting regarding the past and current use of both properties to initiate the discussion.

## **12 Acre Property – “Noeller Lease”**

- Original term of the lease was January 1, 2010 to December 31, 2014.
- Agricultural lease with Michael Noeller extended and now due to expire October 31, 2015 or completion of the harvest of the fall 2015 almond crop, whichever occurs later.
- Butte and Padre portion of the City orchard consists of approximately 3.73 tree acres and the Non Pareil and Price consists of approximately 3.88 tree acres.
- Although the subject property consisted of approximately twelve (12) acres of property not all of that were tree acres and some of the area had been developed as part of the expansion of the Waste Water Treatment Facility.
- Average almond yields in Stanislaus County were 2,240 lbs/acre in 2011; 2,180 lbs/acre in 2012; 2,420 lbs/acre in 2013 (Stanislaus County Crop Reports).
- City’s tree acreage estimated yield of the Butte and Padre at 1,605 lbs/acre and Non Pareil and Price at 1,239 lbs/acre.
- The current agricultural lease provides that the City receives 20% of the almond crop proceeds. To date \$24,095.61 has been received by the City of Hughson although revenue from the 2014 harvest is still pending due to the timing involved from processing to payment.
- Per Carollo Engineers, who assisted the City of Hughson with construction of the new Waste Water Treatment Facility, the twelve acres were value engineered out during design of the facility since capacity of the new plant could be handled with five ponds on other City acreage.
- Carollo Engineers did indicate that if the City chose to sell the subject property it would have no additional capacity for the future growth above what was designed and would not be able to expand the plant until evidence was provided to the Central Valley Regional Water Quality Control Board that capacity to discharge the water was available.
- There is a monitoring well currently in place at the subject property and access and easement needs to be maintained for monitoring use.
- The City contacted the Hughson Unified School District to determine if they would be interested in farming the property similar to the District property near the corner of Seventh Street and Whitmore Avenue and they indicated that they weren’t able to take on additional acreage and in a remote location.
- City staff has confirmed that the purchase of the original 32 acre property for expansion of the Waste Water Treatment Facility was done so using funds in the City’s sewer fund for capital improvements.
- The State Revolving Loan secured by the City of Hughson in the amount of \$23,100,000 for expansion of the Waste Water Treatment Facility, in September 2009, was specifically for infrastructure improvements and property acquisition was not an eligible expense.
- Sale of the subject property is an option as no specific restrictions were identified since the last Council discussion on this item.

**Figure 1 – “Noeller Lease”**



City staff has begun looking at various options for the “Noeller Lease” property including:

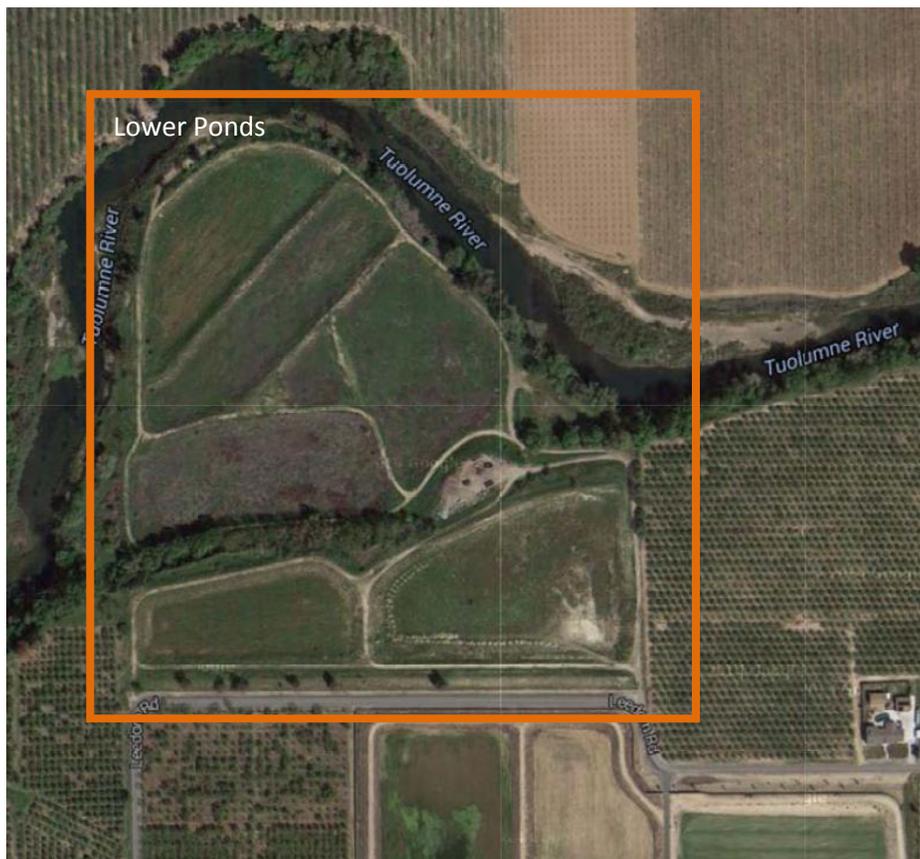
- Sale of the property.
  - Appraisal will be required (estimated at \$5,000).
  - Environmental mitigation.
  - Surplus property sale.
- Lease of the property.
  - Request for Proposals (2-3 months).
  - Terms and conditions.
    - Agricultural
    - Length of time.
    - Replanting.
    - Lease rate (Fixed v. Variable).
- Development of the property (residential, recreation, solar).
  - Zoning (Public Facility)
  - Solar project (OpTerra Energy, Schneider Electric, etc.).

***New Waste Water Treatment Facility and 35 Acre Property – “Lower Ponds”***

- On September 14, 2009, the Hughson City Council awarded the contract for construction of the Wastewater Treatment Plant Upgrade and Expansion to J.R. Filanc Construction Company (Filanc) in the amount of \$15,401,301.

- The project upgraded the existing treatment plant by expanding its capacity to treat 1.9 million gallons per day, increasing efficiency, and addressing the Notice of Violation dated July 29, 2003 from the Central Valley Regional Water Quality Control Board.
- The major elements of the project included expanding the pumping capacity of the Hatch Road Pump Station, the addition of screens at the headworks, a new Oxidation Ditch, two new secondary clarifiers, new solids handling facility, and odor control.
- The City financed the project through a loan under the Clean Water State Revolving Loan Fund Program administered by the State of California.
- The total loan amount authorized was \$21,476,011. This included a little over \$6 million in soft costs and allowances.
- Soft costs include engineering and project management services and allowances were for appurtenances such as the security system, landscaping, signage, etc. about half of that amount was for design services prior to the construction bid award.
- The Notice of Completion for the project was filed on February 27, 2012.
- As part of the planning and construction of new Waste Water Treatment Facility, several lower ponds on approximately 35 acres of property were abandoned. The ponds are located adjacent to the Tuolumne River.

**Figure 2 – “Lower Ponds”**

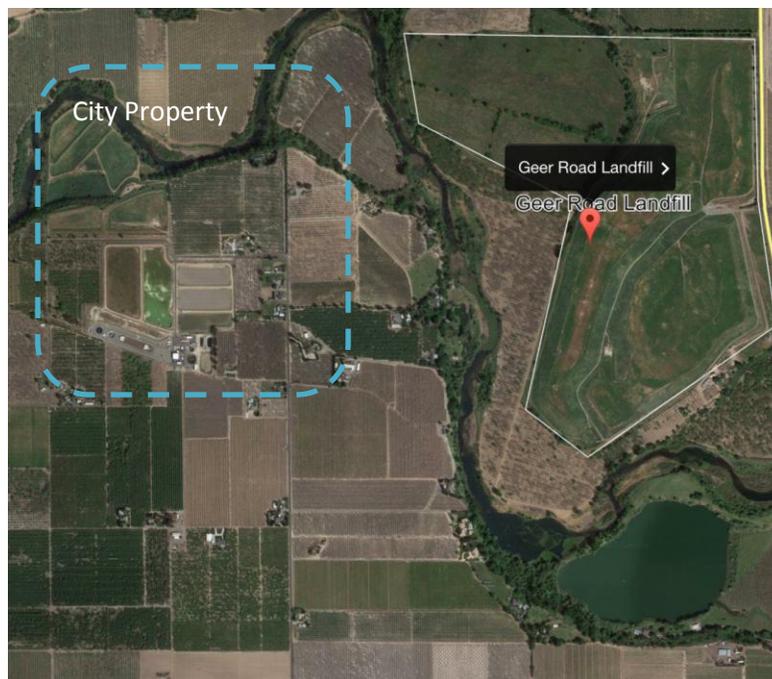


City staff has begun looking at various elements and options for the “Lower Ponds” property including:

- Past use.
  - Gun range.
  - City dump.
  - Wastewater treatment facility.
- Sale of the property.
  - Appraisal will be required (estimated at \$5,000).
  - Environmental mitigation.
  - Surplus property sale.
- Lease of the property.
  - Request for Proposals (2-3 months).
  - Terms and conditions.
    - Agricultural
    - Length of time.
    - Access.
    - Lease rate (Fixed v. Variable).
- Development of the property (residential, recreation, solar).
  - Zoning (Public Facility)
  - Solar project (OpTerra Energy, Schneider Electric, etc.).
  - County partnership for recreation/river access.
  - School partnership for education/natural habitat.

At the March 23, 2015 regular meeting, the City Council inquired as to the location of the Lower Ponds in proximity to the Geer Road Landfill. The following figure shows the location for reference purposes.

**Figure 3 – “Geer Road Landfill”**



**Fiscal Impact:**

There is no fiscal impact associated with this discussion item. As direction is provided on the best and future use of the property currently owned by the City of Hughson near the Waste Water Treatment Facility this financial information relative to the cost-benefit analysis will be provided.



## CITY OF HUGHSON AGENDA ITEM NO. 5.1

### SECTION 5: PUBLIC HEARING

**Meeting Date:** May 26, 2015  
**Subject:** Consideration to Adopt an Ordinance No. 2015-03  
Amending Title 8, Chapter 8.30, Section 130 of the  
Hughson Municipal Code  
**Presented By:** Dominique Spinale Romo, Assistant to the City Manager

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Introduce and Waive the First Reading of Ordinance No. 2015-03, amending Title 8, Chapter 8.30, Section 130 of the Hughson Municipal Code – Urban Water Quality Control – New Development and redevelopment.

#### **Background and Overview:**

The State Water Resources Control Board Water Quality Order No. 2013-0001-DWQ, NPDES General Permit No. CAS000004: WDRs for Storm Water Discharges from Small Municipal Separate Storm Sewer Systems (MS4s) (Phase II Permit) was adopted on February 5, 2013, and became effective July 1, 2013. The purpose of the Phase II Permit is to further reduce adverse water quality and aquatic habitat conditions by instituting the use of controls for the conveyance of storm water run-off into streams, rivers, and creeks.

The MS4 Phase II Permit requires its permittees to develop and implement a Storm Water Management Plan/Program with the goal of reducing the discharge of pollutants to the maximum extent practical (MEP). The program elements include: regulatory guidance; program management; public education and outreach; illicit discharge detection and elimination (IDDE); construction site storm water control; pollution prevention/good housekeeping for municipal operations; post-construction storm water management; water quality monitoring; program effectiveness assessment; Total Maximum Daily Loads (TMDLs) compliance requirements; and anticipated trash reduction program.

The MS4 Phase II Permit tasks and compliance deadlines are spread over a five year program. The City of Hughson has been working with Condor Earth Technologies to assist the City and provide guidance in the processes and procedures in meeting the compliance deadlines as indicated by the State. One of

the items needed to meet the compliance for the Year 2 requirements is to review and if necessary, amend the City of Hughson Municipal Code, Title 8, Chapter 8.30 - Urban Water Quality Control.

Section E.6.a of the MS4 Phase II Permit advises that development sites that exceed one acre are required by State Law to secure a Construction General Permit from the State Water Board. The City of Hughson Municipal Code, Title 8, Chapter 8.30.130 should be amended as follows to comply with the criteria specified in the MS4 Phase II Permit (Permit) that requires local permitting for development sites less than one acre:

### **8.30.130 New development and redevelopment**

To minimize the discharge and transport of pollutants, the city may require, in its discretion, a new development or redevelopment project, ~~greater~~ less than one acre, to control the volume, rate and quality of storm water runoff from the project site so as to prevent any deterioration of water quality which would impair the beneficial uses of water. The director may establish standards and guidelines implementing BMPs designed to control the rate and volume of storm water runoff from new development and redevelopment sites as may be appropriate to minimize the discharge and transport of pollutants.

Acceptable methods and standards for controlling storm water runoff volumes, rates, and pollutant load may include but are not limited to the following:

A. Increase Permeable Areas. Avoid placing impervious surfaces on highly porous soil areas; incorporate landscaping and open spaces into the project design; use porous materials for driveways and walkways; incorporate detention ponds and infiltration pits into the project design; avoid placing pavement and other impervious surfaces in low lying areas.

B. Direct Runoff to Permeable Areas. Direct storm water runoff away from impermeable areas to swales, berms, green strip filters, gravel beds, and French drains. Install rain gutters and orient them toward permeable areas. Modify the grade of the property to divert flow to permeable areas and minimize the amount of storm water runoff leaving the property. When designing curbs, berms, or other structures, avoid designs which isolate permeable or landscaped areas.

C. Maximize Storm water Storage for Reuse. Use retention structures, subsurface areas, cisterns, or other structures to store storm water runoff for reuse or slow release.

All storm water facilities shall be designed in accordance with the city storm water master plan, the city improvement standards and as approved by the city engineer. (Ord. 07-07 § 1, 2007; Ord. 05-16 § 1, 2005)

#### **Fiscal Impact:**

There is no fiscal impact to the budget, except for costs incurred to publish public hearing notices and update the Municipal Code as needed.

**CITY OF HUGHSON  
CITY COUNCIL  
ORDINANCE NO 2015 - 03**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
HUGHSON AMENDING MUNICIPAL CODE CHAPTER 8.30**

**WHEREAS**, the City Council of the City of Hughson previously added Chapter 8.30 to the Hughson Municipal Code, pertaining to urban water quality control; and

**WHEREAS**, the City of Hughson has a MS4 Phase II Permit (Permit) issued by the California State Water Resources Control Board; and

**WHEREAS**, a change to Section 8.30.130 of the Hughson Municipal Code is required to meet the requirements of the Permit; and

**WHEREAS**, the City of Hughson desires to amend its municipal code to be in compliance with the terms of the Permit.

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF HUGHSON DOES  
ORDAIN AS FOLLOWS:**

**Section 1. Section 8.30.130 of the Hughson Municipal Code is amended to read  
as follows:**

**8.30.130 New development and redevelopment.**

To minimize the discharge and transport of pollutants, the city may require, in its discretion, a new development or redevelopment project, ~~greater~~ less than one acre, to control the volume, rate and quality of stormwater runoff from the project site so as to prevent any deterioration of water quality which would impair the beneficial uses of water. The director may establish standards and guidelines implementing BMPs designed to control the rate and volume of stormwater runoff from new development and redevelopment sites as may be appropriate to minimize the discharge and transport of pollutants.

Acceptable methods and standards for controlling stormwater runoff volumes, rates, and pollutant load may include but are not limited to the following:

A. Increase Permeable Areas. Avoid placing impervious surfaces on highly porous soil areas; incorporate landscaping and open spaces into the project design; use porous materials for driveways and walkways; incorporate detention ponds and infiltration pits into the project design; avoid placing pavement and other impervious surfaces in low lying areas.

B. Direct Runoff to Permeable Areas. Direct stormwater runoff away from impermeable areas to swales, berms, green strip filters, gravel beds, and French drains. Install rain gutters and orient them toward permeable areas. Modify the grade of the property to divert flow to permeable areas and minimize the amount of stormwater runoff leaving the property. When designing curbs, berms, or other structures, avoid designs which isolate permeable or landscaped areas.

C. Maximize Stormwater Storage for Reuse. Use retention structures, subsurface areas, cisterns, or other structures to store stormwater runoff for reuse or slow release.

All stormwater facilities shall be designed in accordance with the city stormwater master plan, the city improvement standards and as approved by the city engineer.

**Section 2.** This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the city or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**Section 3.** If any provision of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The city council hereby declares that it would have adopted this ordinance irrespective of the validity of any particular portion thereof.

**Section 4.** This ordinance shall become effective thirty (30) days after its final passage.

**Section 5.** Within fifteen (15) days after its final passage, the City Clerk shall cause this ordinance to be posted in full accordance with Section 36933 of the Government Code.

The foregoing ordinance was introduced and the title thereof read at the regular meeting of the City Council of the City of Hughson held on, \_\_\_\_\_, 2015, and by a unanimous vote of the council members present, further reading was waived.

On motion of councilperson \_\_\_\_\_, seconded by councilperson \_\_\_\_\_, the foregoing ordinance was duly passed by the City Council of the Hughson City Council at a regular meeting thereof held on \_\_\_\_\_, 2015, by the following vote:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

---

**MATT BEEKMAN, Mayor**

**ATTEST:**

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**DOMINIQUE SPINALE ROMO, City Clerk**



## CITY COUNCIL AGENDA ITEM NO. 5.2

### SECTION 5: PUBLIC HEARING

**Meeting Date:** May 26, 2015  
**Subject:** Consideration to Adopt Ordinance No. 2015-04 Amending the Feathers Glen Development Agreement  
Feathers Glen Development Agreement  
**Presented By:** Jaylen French, Community Development Director

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Introduce and Waive the First Reading of Ordinance No. 2015-04, an Ordinance of the City Council of the City of Hughson amending the Development Agreement by and between the City of Hughson and Feathers Glen, LLC, EF Communities, Inc., and Adeline Feathers relating to the development known as Feathers Glen.

#### **Background and Overview:**

On June 12, 2006, the Hughson City Council adopted Ordinance No. 06-05 approving a Development Agreement between the City and Feathers Glen, LLC, EF Communities, Inc., and Adeline Feathers relating to development known as Feathers Glen.

Subsequently, on October 27, 2008, the Hughson City Council adopted Ordinance 08-07 amending the Development Agreement as requested by Pacific Union Homes, Inc., acting on behalf of Feathers Glen, LLC. The amendment was specific to Part II, Section 3.G., pertaining to when Inclusionary Housing In-Lieu fees are paid. The amendment allows said fees to be paid at building permit issuance as opposed to four (4) years from the effect date of the Development Agreement.

#### **Discussion:**

Pacific Union Land Company, formerly Pacific Union Homes, has requested a second amendment to the Development Agreement specific to Part II, Section 1.D., pertaining to the term of the Development Agreement. Current language states that the Development Agreement shall extend until the tenth (10th) anniversary of the effective date, i.e. July 26, 2016, or until one (1) year after the project buildout, whichever is earlier.

Due to the housing bust and economic downturn, Pacific Union Land Company does not believe that completing the project is feasible in the current timeframe, when the market has not supported development of residential units in recent years.

Pacific Union Land Company has reached agreement with a home builder, Florsheim Homes, to develop the remainder of the project and is seeking a 12-month extension to the term of the Development Agreement until July 26, 2017. This amendment also again adjusts the timeframe in which Inclusionary Housing In-Lieu fees are paid, moving it from July 5, 2015—as outlined in the first amendment to the Development Agreement—to concurrent with issuance of building permit for the remaining 39 undeveloped lots, which will expire with the expiration of the Development Agreement.

#### *Planning Commission Action*

On May 19, 2015, the Hughson Planning Commission recommended that the City Council adopt Ordinance No. 2015-04 amending the Feathers Glen Development Agreement by a vote of 3-0 (Minyard: Abstain and Patel: Absent).

#### **Fiscal Impact:**

There is no direct fiscal impact to this action. This project has been in the development stage for many years; this extension to the Development Agreement will help to ensure that the subdivision is completed.

**CITY OF HUGHSON  
CITY COUNCIL  
ORDINANCE NO. 2015-04**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HUGHSON  
AMENDING THE DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY  
OF HUGHSON AND FEATHERS GLEN, LLC, EF COMMUNITIES, INC., AND  
ADELINE FEATHERS RELATING TO THE DEVELOPMENT KNOWN AS  
FEATHERS GLEN**

**WHEREAS**, pursuant to Hughson Ordinance No. 90-59, the City of Hughson (“City”) may enter into, or amend a Development Agreement with the owner and/or developer of real property within the City; and

**WHEREAS**, on June 12, 2006 the Hughson City Council adopted Ordinance No. 06-05 approving a Development Agreement (hereinafter called “Development Agreement”) between the City and Feathers Glen, LLC, EF Communities, Inc., and Adeline Feathers for the development of certain real property within the City; and

**WHEREAS**, on October 27, 2008, the Hughson City Council adopted Ordinance No. 08-07 amending the Development Agreement as requested by Pacific Union Homes, Inc., acting on behalf of Feather Glen, LLC. The amendment was specific to Part II, Section 3.G. pertaining to when Inclusionary Housing In-Lieu fees are paid; and

**WHEREAS**, Pacific Union Land Company has requested another amendment to the Development Agreement specific to Part II, Section 1.D. pertaining to the term of the Development Agreement. Current language states that the Development Agreement shall extend until the tenth (10<sup>th</sup>) anniversary of the Effective Date—July 26, 2016—or until one (1) year after project buildout, whichever is earlier, unless the term is otherwise modified by mutual consent; and

**WHEREAS**, Pacific Union Land Company claims an undue hardship in completing the project when the market has not supported development of residential units for sale; and

**WHEREAS**, Pacific Union Land Company has reached agreement with a home builder to develop the remainder of the project and seeks a 12-month extension to the term of the Development Agreement until July 26, 2017; and

**WHEREAS**, Pacific Union Land Company has requested further amendment to the Development Agreement specific to Part II, Section 3.G. pertaining to when Inclusionary Housing In-Lieu fees are paid. Current language states that any amount of the total sum of unpaid in-lieu fees which has not been paid by July 5, 2015 shall be immediately due and payable to the City within ten (10) days from that date; and

**WHEREAS**, Pacific Union Land Company claims an undue hardship in paying the Inclusionary Housing In-Lieu fee when the market has not supported development of residential units for sale and has asked that the payment of said fee be collected concurrently with the issuance of building permits for the remaining 39 undeveloped lots within the subdivision, which will expire with the expiration of the Development Agreement, per this amendment.

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF HUGHSON DOES ORDAIN AS FOLLOWS:**

**Section 1.** Part II, Section 1.D. is hereby amended to read as follows:

“D. Term. The term of this Agreement shall commence upon the Effective Date and shall extend until July 26, 2017 or until one (1) year after the “Project Buildout” as hereinafter defined, whichever is earlier, unless said term is otherwise modified by circumstances set forth in this Agreement or by the mutual consent of the parties hereto. For purposes of this Agreement, “Project Buildout” shall mean the date on which a Certificate of Occupancy (or comparable instrument) is issued for the last project improvement or residential home or other structure to be constructed in the Project. Following the expiration of said term, this Agreement shall be deemed terminated and of no further force and effect, except as may be specified otherwise herein.

**Section 2.** Part II, Section 3.G. is hereby amended to read in full as follows:

“G. Inclusionary Housing In-Lieu. In accordance with California Development Law requiring 15% of all housing built within a Redevelopment Project Area to be eligible for Low-Income Households, Developer agrees to pay, at the time of issuance of each building permit, In-Lieu Fees in the amount of \$7,738.83 per residential unit and in accordance with “In-Lieu Fees” identified on Fee Attachment Exhibit “E-2”, provided that:

- i. Notwithstanding the above, any amount of the total sum of unpaid in-lieu fees which has not been paid by July 26, 2017 shall be immediately due and payable to the City within ten (10) days from that date.

**Section 3.** All other terms and conditions of the Development Agreement, as amended, are unmodified and remain in full force and effect.

**Section 4.** This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the city or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**Section 5.** If any provision of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The city council hereby declares that it would have adopted this ordinance irrespective of the validity of any particular portion thereof.

**Section 6.** This ordinance shall become effective thirty (30) days after its final passage.

**Section 7.** Within fifteen (15) days after its final passage, the City Clerk shall cause this ordinance to be posted in full accordance with Section 36933 of the Government Code.

The foregoing ordinance was introduced and the title thereof read at the regular meeting of the City Council of the City of Hughson held on \_\_\_\_\_, and by a unanimous vote of the council members present, further reading was waived.

On motion of councilperson \_\_\_\_\_, seconded by councilperson \_\_\_\_\_, the second reading of the foregoing ordinance was waived and this ordinance was duly passed by the City Council of the Hughson City Council at a regular meeting thereof held on \_\_\_\_\_, by the following vote:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

---

**MATT BEEKMAN, Mayor**

**ATTEST:**

---

**DOMINIQUE SPINALE ROMO, City Clerk**

RECORDING REQUESTED BY:

CITY MANAGER  
CITY OF HUGHSON

AND WHEN RECORDED MAIL TO:

CITY MANAGER  
CITY OF HUGHSON  
P. O. BOX 9  
HUGHSON, CA 95326

**DEVELOPMENT AGREEMENT BY AND BETWEEN THE  
CITY OF HUGHSON AND FEATHERS GLEN, LLC,  
E F COMMUNITIES, INC., AND ADELINE FEATHERS  
RELATING TO THE DEVELOPMENT KNOWN AS  
FEATHERS GLEN**

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**DEVELOPMENT AGREEMENT BY AND BETWEEN THE  
CITY OF HUGHSON AND FEATHERS GLEN, LLC,  
E F COMMUNITIES, INC., AND ADELINE FEATHERS  
RELATING TO THE DEVELOPMENT KNOWN AS  
FEATHERS GLEN**

THIS DEVELOPMENT AGREEMENT (hereinafter this "Agreement") is entered into this \_\_\_ day of \_\_\_\_\_, 2006, by and between the CITY OF HUGHSON, a municipal corporation organized and existing under the laws of the State of California (hereinafter the "City"), FEATHERS GLEN, LLC, a California Limited Liability Company, E F COMMUNITIES, INC., a California corporation, and ADELINE FEATHERS, an individual, who are hereinafter collectively called the "Developer". This Agreement is made pursuant to the authority of Section 65864 et seq. of the Government Code of the State of California. Developer and City are, from time to time, hereinafter referred to individually as a "party" and collectively as the "parties."

I.  
RECITALS

A. To strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic costs of development, the Legislature of the State of California adopted Section 65864 et seq. of the Government Code (the "Development Agreement Statute"), which authorizes the City to enter into a development agreement with any person/entity having a legal or equitable interest in real property providing for the development of such property and establishing certain development rights therein.

B. Pursuant to Government Code Section 65865(c), the City has adopted rules and regulations establishing procedures and requirements for consideration of development agreements and this Development Agreement has been processed, considered and executed in accordance with those City rules and regulations.

C. Adeline Feathers is an individual, and holds fee title to the Project Site.

D. Feathers Glen, LLC holds an option to purchase that certain parcel of land, consisting of approximately 11.55 acres located in the City as diagrammed in Exhibit "A" attached hereto, and more particularly described in Exhibit "B" attached hereto and incorporated herein (the "Project Site"). Developer represents that it has an equitable or a legal interest in the Project Site and that all other persons holding legal or equitable interests in the Project Site are to be bound by the Agreement.

E. It is the intent of Developer to develop the Project Site, in accordance with a Final Subdivision Map ("Final Map"), prepared in substantial conformance with that certain Vesting Tentative Subdivision Map ("Vesting Tentative Map") approved by the City on October 24, 2005, attached hereto as Exhibit "C-1"; and with the Conditions of Approval for the Vesting Tentative Map, attached hereto as Exhibit "C-2", and the terms

and conditions of this Agreement. Such development of the Project Site is hereinafter called the "Project".

F. The Project Site is designated in the City's General Plan as Medium Density Residential and is zoned R-1 (Single Family Residential).

G. The Developer has applied for, and the City has approved, various land use approvals, entitlements and allocations relating to the development of the Project and Project Site that will allow Developer to build the Project without need to obtain further discretionary approvals, except for the design review process pursuant to Hughson Municipal Code Chapter 17.104. These actions are collectively referred to as "Project Approvals" and include, without limitation, the following: Approval of the Vesting Tentative Map, and the Conditions of Approval thereto, and current zoning of the Project Site, and the current General Plan designation of the Project Site.

H. The Project Approvals and this Agreement have all been properly reviewed and assessed by the City pursuant to the California Environmental Quality Act, California Public Resources Code section 21000 et seq. ("CEQA"), and the "CEQA Guidelines," 14 California Administrative Code section 15000 et seq., promulgated thereunder.

I. Development of the Project Site in accordance with the Project Approvals will provide for orderly growth consistent with the goals, policies, and other provisions of the City's General Plan.

J. On \_\_\_\_\_, 2006, following a duly noticed public hearing and following appropriate environmental review and compliance with CEQA, the Planning Commission recommended that the City Council approve this Agreement.

K. On \_\_\_\_\_, 2006, following a duly noticed public hearing and following appropriate environmental review and compliance with CEQA, the City Council introduced Ordinance No. 06-\_\_, approving this Agreement. On \_\_\_\_\_, 2006, the City Council adopted Ordinance No. 06-\_\_, approving this Agreement, made appropriate findings that the provisions of this Agreement are consistent with the City's General Plan as well as all other applicable plans, policies and regulations of the City and authorized execution of this Agreement. In adopting Ordinance No. 06-\_\_, the City Council also determined that the environmental documentation for the Project adequately addressed the environmental review of each of the Project Approvals and of this Agreement. A copy of the City Council's Ordinance No. 06-\_\_ is attached hereto as Exhibit "D".

L. For the reasons recited herein, Developer and the City have determined that the Project is the type of development for which this Agreement is appropriate. This Agreement will eliminate uncertainty in planning and provide for the orderly development of the Project Site; ensure funding for, and progressive installation of, necessary public improvements; provide funding for traffic improvements, and community facilities, and efforts to combat homelessness; provide for public services appropriate to the development of the Project; ensure attainment of the maximum effective utilization of

resources within the City at the least economic cost to its citizens; and otherwise achieve the goals and purposes for which the Development Agreement Statute was enacted.

M. In exchange for these benefits to the City, together with the public benefits that will result from the development of the Project and Project Site pursuant to this Agreement and the Project Approvals, Developer desires to receive the assurance that it may proceed with the Project in accordance with the Project Approvals, this Agreement and the ordinances, resolutions, policies and regulations of the City in effect on the Effective Date of this Agreement, pursuant to the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the parties hereto agree as follows:

## II. AGREEMENT

### Section 1. General Provisions.

A. Incorporation of Recitals. The Recitals set forth above, the introductory paragraph preceding the Recitals, and all defined terms set forth in both, are hereby incorporated into this Agreement as if set forth herein in full.

B. Covenants. The provisions of this Agreement shall constitute covenants or servitudes which shall run with the land comprising the Project Site and the burdens and benefits hereof shall bind and inure to the benefit of all estates and interests in the Project and Project Site, or any portion thereof, and all successors in interest, transferees or assignees to the parties hereto, as further set forth in Section 16 of this Agreement.

C. Effective Date. This Agreement shall become effective upon the thirtieth (30th) day following the adoption by the City Council of Ordinance No. 06-\_\_ approving this Agreement, or the date upon which this Agreement is executed by Developer and by the City, whichever is later (the "Effective Date").

D. Term. The term of this Agreement shall commence upon the Effective Date and shall extend until the tenth (10th) anniversary of the Effective Date or until one (1) year after the "Project Buildout" as hereinafter defined, whichever is earlier, unless said term is otherwise modified by circumstances set forth in this Agreement or by the mutual consent of the parties hereto. For purposes of this Agreement, "Project Buildout" shall mean the date on which a Certificate of Occupancy (or comparable instrument) is issued for the last Project improvement or residential home or other structure to be constructed in the Project. Following the expiration of said term, this Agreement shall be deemed terminated and of no further force and effect, except as may be specified otherwise herein. The term of the Vesting Tentative Map shall be no less than the term of the Agreement as described in this Section.

### Section 2. Definitions.

In this Agreement, unless the context otherwise requires: "City" shall have that meaning set forth in the introductory paragraph preceding the Recitals.

A. "Development Agreement Statute" shall have that meaning set forth in Recital paragraph A of this Agreement.

B. "Effective Date" shall have that meaning set forth in Section 1.C. of this Agreement.

C. "Project" shall have that meaning set forth in Recital paragraph E of this Agreement.

D. "Project Site" shall have that meaning set forth in Recital paragraph D of this Agreement.

E. "Developer" shall have that meaning set forth in the introductory paragraph preceding the Recitals and in Recital paragraph C of this Agreement and includes the Developer's successors-in-interest.

F. "Project Approvals" shall have that meaning set forth in Recital paragraph G of this Agreement.

### Section 3. Obligations of Developer.

A. In General. In consideration of City entering into this Agreement, Developer agrees that it will comply with this Agreement and with all Project Approvals, and with the Improvement Plans submitted as required herein, or in the Conditions of Approval. The parties acknowledge that the execution of this Agreement by City is a material consideration for both Developer's acceptance of, and agreement to comply with, the terms and conditions of this Agreement and the Project Approvals, and with the Improvement Plans submitted as required herein, or in the Conditions of Approval as specifically set forth herein, and Developer's waiver of any legal or equitable rights or remedies it might allege to have in a lawsuit challenging the terms and conditions of this Agreement and/or the Project Approvals. Developer shall pay those fees, make those dedications and otherwise be subject to those conditions/exactions expressly prescribed in this Agreement and in the Project Approvals; and in the Improvement Plans submitted as required herein, or in the Conditions of Approval.

B. Conditions of Approval. Developer hereby agrees to complete and comply with the Conditions of Approval, attached here to as Exhibit "C-2" which are a part of the Project Approvals.

C. City Approval. It is understood and agreed that whenever approval of the City Engineer is required in the Project Approvals, Improvement Plans, Conditions of Approval, or this Agreement, the approval of the City Public Works Director shall also be required. Such approvals shall not be unreasonably withheld.

D. Maintenance District. Developer agrees, at Developer's expense, and at City's discretion, to form, or cooperate with the City in forming, a lighting and landscaping

assessment district, or any similar district, or to annex to an existing district, for the purpose of providing for the maintenance of landscaping and lighting, irrigation systems, and other authorized facilities required to be installed for the Project. Such district is to be formed prior to the first issuance of a building permit for construction in the Project. In City's sole discretion, annexation to an existing such district may occur in lieu of formation of a new district. All costs associated with the formation of such District shall be borne by Developer.

E. Fees. Fees to be paid by Developer, and credit for partial duplication of fees, and credit for Public Improvements constructed by Developer and land dedicated by Developer which would otherwise entitle Developer to reimbursement are, and shall be, as specified in Exhibit E attached hereto and incorporated herein. Exhibit E comprises Exhibits E-1 and E-2. Developer shall also pay fees expressly specified in this Agreement or the Project Approval, such as, but not limited to, those specified in Section 5.C.iii, or 3.F., of this Agreement. No reimbursements other than those specified in Exhibit E, if any, are or shall be due Developer. Such fees shall be collected at the time of building permit issuance. Notwithstanding the preceding portion of this Section II.3.E., the parties agree as follows:

- (i) That fees shown on Exhibit E as Plans Fees shall be paid within ten (10) days of the recordation of this Agreement; and
- (ii) The fees shown on Exhibit E may be increased at three (3%) percent per year, or by the percentage increase in the Engineering News Record Construction Cost Index, at the discretion of the City Manager of City, for the period of time from recordation of this Agreement, to the time of payment of such fees; and
- (iii) City is in the process of preparing an update to its Developer Impact Fees; to the extent the Developer Impact Fees shown on Exhibit E (all fees except Water Connection Fee, Sewer Connection Fee, Plans Fees and Park Fee) are increased or decreased in the document finally adopted by the City Council of City updating the Developer Impact Fees, from those listed in Exhibit E, Developer shall pay the difference (in the event of an increase), and City shall reimburse Developer the difference (in the event of a decrease); provided that this subsection 3.E.(iii) shall be effective only for the period commencing on the Effective Date and extending for eighteen calendar months thereafter; and
- (iv) In the event City shall adopt a Plans Fee resolution superseding the extant Resolution 06-23 prior to payment by Developer of the Plans Fees, Developer shall pay the Fee established by such Plans Fee resolution, in lieu of the fees established by Resolution 06-23, within ten (10) days of the recordation of this Agreement.
- (v) Community Enhancement. Developer shall pay, at the time of issuance of building permits per lot for each lot for which a building permit is issued, \$ 1000.00 for community enhancement.

Such funds shall be used by City for any project which will, in City's sole discretion, enhance the quality of life for residents of the City, and/or ameliorate the negative effect on older areas of the City caused by the economic pressure generated by new development, including but not limited to, public art, maintenance, repair or upgrading of public facilities, recreation, parks, or historical preservation. City and Developer, its successors and assigns, agree that notwithstanding any other provision of law, the imposition and accounting for these funds shall not be subject to the requirements of the Mitigation Fee Act (Government Code Sections 66000-66025).

F. Staff and Attorney Reimbursement. Developer shall pay to City, within thirty (30) days of submission of an invoice, detailing all the work done and costs charged to the City, costs incurred by City for services performed by City Attorney in drafting, negotiating and administering this Agreement, and by the City Engineer and the City's building inspector and public works inspector for any services performed in connection with this Agreement, all at the rates actually charged by them to City, or, if the City Engineer, building inspector and/or public works inspector are employees of City, a pro rata share of the total cost to the City of such employee(s). Developer agrees that, if Developer shall desire more, or more frequent, inspections than the City can provide with the staff and contractors it has as of the date of recordation of this Agreement, City may either hire additional contract inspectors, in which case Developer shall reimburse City, on a monthly basis in arrears, for the cost of such hire, plus ten percent (10%) for administrative costs, or City may hire a full or part time employee, in which case Developer shall reimburse City, on a monthly basis, in arrears, for a pro rata share of the total cost to the City of such employee, plus ten percent (10%) for administrative costs, for the period from hire to the end of the term of this Agreement.

G. Inclusionary Housing In-Lieu. In accordance with California Development Law requiring 15% of all housing built within a Redevelopment Project Area to be eligible for Low-Income Households, Developer agrees to pay In-Lieu Fees in accordance with "In-Lieu Fees" identified on Fee Attachment Exhibit "E-2", provided that:

- i. The total fee, calculated by the fee shown on Exhibit E-2 as a fee per house times 42 homes, shall be paid upon close of escrow of the last 21 houses, pro rata. For example, the close of escrow for the 22nd house sold will cause a payment of twice the per house fee shown on Exhibit E-2; the close of escrow for the 23rd house sold shall cause another payment of twice the per house fee shown on Exhibit E-2, and so forth.
- (ii) There shall be no administrative burden on City in accomplishing such payments from escrow as specified in Section 3.G.(i) above; to that end, Developer shall prepare escrow instructions to accomplish such payment, in a form to be approved by the City Attorney.

- (iii) Notwithstanding Section 3.G.(i) and 3.G.(ii) above, the City may, upon ten (10) days written notice to Developer, revoke Sections 3.G.(i) and 3.G.(ii.) above, and Developer shall, within ten (10) days after receipt of such notice, pay the in-lieu fee for each house for which a building permit has then been already issued, and pay the fee at the time of issuance of a building permit for all subsequently building permits.
- (iv) Notwithstanding Sections 3G.(i), (ii) and, (iii) above, any amount of the total sum due on Exhibit E-2 which has not been paid within four (4) years from the effective date of this Agreement shall then be immediately due and payable and the entire amount shall be paid to City by Developer within ten (10) days of that four (4) year period, whether or not building permits have been issued.

H. Privacy Wall. Developer agrees to erect a Block or Masonry Wall at the Terminus of Mulberry Way separating Mulberry Way from the South of Project Site. Dimensions and location for said wall to be approved by the Director of Planning and Building, Director of Public Works, City Engineer and City Manager, with Plans and Engineering Specifications to be approved via City of Hughson Permit Approval Process.

I. Fences. Developer shall, before allowing occupancy of any lot, install a fence, of at least six feet in height, and constructed to City Standard Specifications, along the property line of any lot adjoining an existing occupied property outside the Project.

#### Section 4. Performance of Work.

A. Performance of Work. To the extent that the Conditions of Approval or this Agreement require the construction of public improvements for the Project (“Public Improvements”) the Developer shall construct all of the Public Improvements in the Project in accordance with City of Hughson Standard Drawings and Standard Specifications on file in the office of the City Public Works Director of said City as of the Effective Date of this Agreement, and as shown on the improvement plans submitted by Developer, and reviewed and signed by the City Engineer.

B. Improvements. Time Limit. Developer agrees to cause all Public Improvements to be made and to fully comply with the requirements of the Hughson Municipal Code, and pay for any materials, provisions, provender or other supplies used in, upon, for or about the performance of said work, or for any work or labor done thereon of any kind, or for any amounts due under the Unemployment Insurance Act with respect to such work or labor. Developer agrees to complete the Public Improvements associated with the Project as follows: Public Improvements associated with and necessary for, each phase of the Project, as determined by the City Engineer, shall be completed prior to acceptance of a Final Map for such phase, or shall be secured pursuant to the provisions of this Agreement. All Public Improvements are to be completed by Project Buildout, or ten (10) years from the Effective Date of this Agreement, whichever is earlier. In the event that Developer shall fail to complete such Public Improvements within said time, City may complete the same and recover the full cost and

expense thereof from Developer, and Developer agrees to reimburse City for such full cost and expense. Nothing in this Agreement shall prevent Developer from making said Public Improvements prior to posting improvement securities as herein provided, and posting of improvement securities shall be required only if a final map is requested prior to completion of such Public Improvements, and such improvement securities shall be required only for the uncompleted Public Improvements.

C. Inspections. The City Engineer shall inspect all of the Public Improvements made to see that they comply with City subdivision regulations. The Developer hereby grants access to the Project and Project Site for inspection purposes and agrees to provide timely notice to the City Engineer in advance of required inspection, pursuant to City Improvement Standards and applicable City ordinances. Developer shall pay to City the cost to City for all inspection, and other services furnished by City in connection with the Project by paying Plan Check and Inspection fees, and shall also reimburse City for the actual cost charged to City by City Engineer for all services performed in accordance with this Agreement, such charges to be at the normal rate charged the City by the City Engineer. However, all costs in soil testing, concrete testing and compaction testing will be the responsibility of the developer. Plan check and inspection fees will be based on the approved engineer's estimate.

D. Improvement Security. The Developer agrees to post a security with the City which shall be in an amount deemed sufficient by the City Engineer to cover one hundred percent (100%) of the cost of uncompleted Public Improvements, engineering, and incidental expenses, guaranteeing faithful performance of the agreement. The cost of the uncompleted Public Improvements, engineering, and incidentals will be established by the City Engineer based upon approval of the improvement plans. In addition to the above, a second security in the sum of one hundred percent (100%) of the aforementioned costs guaranteeing payment to the contractor, his subcontractor and to persons renting equipment or furnishing labor or materials to them, is required to be posted by the Developer. Securities required in this paragraph may be in the amount required for each phase of the Project. Securities required in this paragraph are collectively called "Improvement Securities".

The required improvement securities shall be approved by the City Attorney and shall be posted and in effect prior to the approval of the Final Map of the Project, or each Phase of the Project, by the City. The improvement securities shall be:

- i. A cash deposit or deposits made with the City; or
- ii. A bond or bonds by one or more duly authorized corporation sureties;

or

- iii. An instrument or instruments of credit from one or more financial institutions subject to regulation by the state or federal government pledging that the funds necessary to meet the performance are on deposit and guaranteed by the instrument shall become trust funds for the purposes set forth in the instrument.

- (a). If the improvement security is other than a cash bond or deposit, the improvement security amounts specified in this Section 4.D. shall be increased two (2%) for the purposed

of covering the cost and reasonable expenses and fees, including reasonable attorneys' fees, which may be incurred by the City and successfully enforcing the obligation secured.

(b). Upon final acceptance by the City of the Public Improvement, and after the lapse of thirty-five (35) days from the filing of a Notice of Completion, and except as may be required to handle any claims made against the Developer, the City, and/or the contractor which are secured by the Improvement Securities, the Improvement Securities may be released upon the filing of a warranty bond and monumentation security (if necessary) in accordance with sections 4.F and 4.G of this Agreement.

E. Changes or Alterations. Developer shall perform any changes or alterations in the construction and installation of such Public Improvements required by City, provided that all such changes or alterations do not exceed 10 percent of the original total estimated cost of such Public Improvements.

F. Warranty. The Developer shall furnish City with a warranty bond in the amount of 10% of the improvement costs to guarantee such Public Improvements for a period of one year following the completion by Developer and filing of Notice of Completion by City against any defective work or labor done, or defective materials furnished, or adverse effect to any portion of adjacent properties in the construction of the Public Improvements. Developer agrees to remedy any defects in the improvements arising from faulty or defective construction of said improvements within one (1) year of acceptance thereof.

G. Monumentation and Monumentation Security. Developer shall replace, or have replaced, or repair or have repaired, as the case may be, all pipes and monuments shown on the Final Map which have been destroyed or damaged, and Developer shall replace or have replaced, repair, or have repaired, as the case may be, or pay to the owner, the entire cost of replacement by reason of any work done hereunder, whether such property be owned by the United States or any agency thereof, or the State of California, or any agency or political subdivision thereof, or by the City or by any public or private corporation, or by any person whomsoever, or by any combination of such owners. Any such repair or replacement shall be to the satisfaction and subject to the approval of the City Engineer. Developer shall provide such monumentation as may be required by City Engineer, in accordance with accepted standards.

The Developer shall post security guaranteeing the payment of the cost of setting the monuments. The cost of setting the monuments will be determined by the City Engineer upon approval of the improvement plans. The Developer shall pay the engineer or surveyor for the cost of setting the monuments within three (3) months from date of notification by the engineer or surveyor that the monuments have been set. If the Developer does not pay the engineer or surveyor within the three (3) months from date of notification, the City shall pay the engineer or surveyor for the security and refund the difference, if any, to the Developer.

H. Deviation from Standards. If the Developer deviates from the approved improvement drawings, specifications or standards, or shall construct any Public Improvements in such a manner so as to, in the opinion of the City Engineer, endanger the public safety, the City may cause the necessary corrections to be made without notice. In the event such deviations do not, in the opinion of the City Engineer, endanger the public safety, the City

Engineer may give the Developer written notice of such deviations, and the Developer shall correct the deviation in the time prescribed by the City Engineer. In the event of the failure of the Developer to make corrections of deviations, whether or not the public safety is affected, the City may cause the necessary corrections to be made and shall be reimbursed by the Developer at cost plus 25%. Said amount shall be deducted from the reimbursement by the City to the Developer or shall be paid for by the Developer prior to the acceptance of the improvements, or shall be obtained from the improvement securities.

I. Nonperformance and Cost. If Developer fails to complete the Public Improvements within the time specified in this Agreement or extensions granted, City may proceed to complete them by contract, or otherwise, and Developer shall pay the cost and charges therefor immediately upon demand. If City sues to compel performance of this Agreement or recover the cost of completing the work, Developer shall pay all reasonable attorney's fees, costs of suit, and all other expenses of litigation incurred by City in connection thereof.

J. No Waiver by City. Inspection of the work and/or materials, or approval of work and/or materials inspected, or statements by any officer, agent, or employee of the City indicating the work or any part thereof complies with the requirements of this Agreement, or acceptance of the whole or any part of said work and/or materials, or payments there for, or any combination or all of these acts, shall not relieve the Developer of his obligation to fulfill this contract as prescribed; nor shall the City thereby be estopped from bringing any actions for damages arising from the failure to comply with any of the terms and conditions hereof.

K. Non-Release of Surety. Any extension of time hereunder shall not operate to release the surety on the bond filed pursuant to this Agreement. In this connection any instrument of security shall provide that the surety waives the provisions of Section 2819 of the Civil Code of the State of California.

#### Section 5. Development of Project and Project Site.

A. General Permitted Uses and Subsequent Approvals. The permitted uses of the Project Site; the density and intensity of use; the maximum height, bulk and size of proposed buildings; provisions for reservation or dedication of land for public purposes and location of public improvements; location of public utilities; and other terms and conditions of development applicable to the Project and Project Site, shall be those set forth in this Agreement, the Project Approvals and amendments thereto.

B. Development Criteria. The following specific conditions govern the Project and use of the Project Site:

i. Permitted Uses. Permitted uses of the Project Site are limited to those uses allowed by the Project Approvals.

ii. Maximum Density or Intensity of Use. The maximum density/intensity of use is that shown in the Project Approvals.

iii. Site Development Standards. The site development standards [for example, building setbacks, lot coverage limitations, parking standards, etc.] for the Project shall be in accordance with City and State codes now in effect and with the Project Approvals.

iv. Reservation or Dedication of Land. The Developer shall provide for the reservation or dedication of land for public purposes as set forth in the Project Approvals.

v. Vested Right to Develop. The Developer shall have the vested right to develop the Project and Project Site in accordance with this Agreement. This Agreement shall act as a subdivision improvement agreement, in that, after the Effective Date, and upon posting of required securities (and compliance with any other specific provisions of this Agreement which are applicable), Developer may request approval of the Final Map, or appropriate phases thereof.

### C. Rules, Regulations and Official Policies.

i. Effective Standards. The rules, regulations, standards, official policies and conditions governing the permitted uses of the Project and/or Project Site, including those addressing the density and intensity of use, design, improvement, construction and building standards, occupancy and specifications applicable to the Project and/or Project Site and all on-site and off-site improvements and appurtenances in connection therewith, shall be those in force upon the Effective Date of this Agreement, except as otherwise provided by this Agreement.

ii. Application of Subsequently Enacted Rules, Regulations, Policies. The City may apply such later enacted or modified rules, regulations, standards, official policies and conditions which are not in conflict with those in effect on the Effective Date of this Agreement and application of which would not prevent development of the Project and/or Project Site in accordance with Sections 5.A and 5.B. of this Agreement. However, this section shall not preclude the application to the Project and/or Project Site of changes in City laws, regulations, plans or policies which are specifically allowed for in the rules, regulations, laws, plans or policies in place on the Effective Date of this Agreement, or which are specifically mandated and required by changes in State or Federal laws or regulations. In the event that such changes in State or Federal laws or regulations do occur, the provisions of Section 5.E. of this Agreement are applicable.

iii. Application of Subsequently Revised Fees. Ministerial fees, including without limitation, application, processing and inspection fees, whether or not revised during the term of this Agreement shall apply to the Project pursuant to this Agreement provided that: (1) such fees apply to all public works within the City; (2) their application to the Project Site is prospective only as to applications for building and other development permits or approvals not yet accepted for processing; and (3) their application would not prevent development in accordance with Sections 5.A. and 5.B.

Notwithstanding any Project Approvals to the contrary, and except as may be otherwise provided in this Agreement, the City may charge, and Developer shall pay all ministerial fees (for example, processing and inspection fees), collected at the building permit stage or other approval stage for subsequent site specific approvals, building permits and other similar permits

which are in force and effect on a City-wide basis at the time application is submitted for such permits. Such ministerial fees do not include impact fees or other discretionary fees collected at the building permit stage or other approval stage. Such ministerial fees and charges shall be no more than the estimated reasonable cost to the City for performing the work for which the particular fee or charge is paid pursuant to Government Code Sections 66014 et seq.

D. Police Power and Taxing Power. The City, through the exercise of either its police power or its taxing power, shall not establish, enact or impose any additional conditions, dedications, fees, general taxes, special taxes and other exactions, policies, standards, laws or regulations which directly relate to the development of the Project and/or Project Site except as provided in the Project Approvals and/or this Agreement. However, the conditions, dedications, fees, general taxes, special taxes and exactions, policies, standards, laws and regulations applicable to the Project and/or Project Site as provided in this Agreement and in the Project Approvals shall be subject to modification or re-negotiation by City as a result of any amendment to the Project Approvals or this Agreement. Subsequent discretionary Project approvals, discretionary actions or other discretionary entitlements, if needed, are not subject to the vesting protections provided by this Agreement and are subject to all applicable City rules, regulations, standards, official policies and conditions in existence at the time such subsequent approval, action or other entitlement is granted by the City.

E. Changes in State, Federal and Local Laws. As provided in Government Code Section 65869.5, and notwithstanding any other provision of this Agreement, this Agreement shall not preclude the application to the Project and/or Project Site of changes in City laws, regulations, plans or policies, to the extent that such changes are (1) specifically mandated and required by changes in state or Federal laws or regulations; or (2) in compliance with Government Code §§ 66498.1 et seq. In the event such changes in Federal, State or local laws prevent or preclude compliance with one or more provisions of this Agreement, such provisions of the Agreement shall be modified or suspended as may be necessary to comply with such Federal, State or local laws and City and Developer shall take such action as may be required pursuant to Section 9.D (Enforced Delay; Extension of Time of Performance) and Section 7 (Cooperation-Implementation) of this Agreement.

F. Timing of Project Construction & Completion. Developer shall make reports of the progress of construction of Public Improvements in such detail and at such time as the City Manager or his designee reasonably requests, but in no event less than monthly. Developer shall submit to the City Manager or his designee copies of Project construction contracts.

## Section 6. Amendment.

A. Amendment of Agreement. This Agreement may be amended from time to time in whole or in part by mutual consent of the original parties or their successors in interest, in accordance with the provisions of Government Code Sections 65867, 65867.5 and 65868, provided that:

i. Due Process Exemptions. Any amendment to this Agreement which does not relate to the term, permitted uses, provisions for reservation and dedication of land, or conditions, terms, restrictions and requirements relating to subsequent discretionary actions,

monetary contributions by Developer or any conditions or covenants relating to the Project or use of the Project Site shall not require notice or public hearing before the parties may execute an amendment hereto; and

ii. Amendment Exemptions. Any administrative amendment of the Project Approvals, or other related approvals or entitlements pursuant to Section 5.B.1. of this Agreement by either the Developer, or the City, the City Manager or his designee, whichever is applicable, shall not require an amendment to this Agreement.

B. Amendment of Project Approvals. The Project Approvals and any other related approvals, grants, entitlements or agreements may, from time to time, be amended or modified in the following manner:

i. Administrative Amendments. Upon the written request of Developer for a minor amendment or modification to the Project Approvals or other related approvals or entitlements, the City Manager or his designee shall determine (1) whether the requested amendment or modification is minor, and (2) whether the requested amendment or modification is consistent with this Agreement and the City's General Plan, and applicable provisions of the City's zoning and subdivision regulations and other regulations, policies, and standards in effect as of the Effective Date of this Agreement. If the City Manager or his designee finds that the proposed amendment is both minor and consistent with this Agreement, the General Plan, and the applicable provisions of the City zoning and subdivision regulations and other regulations, the City Manager or his designee may approve the proposed amendment without notice and public hearing. Such minor amendments or modifications approved pursuant to this Section shall not constitute subsequent discretionary approvals subject to further CEQA review.

ii. Non-Administrative Amendments. Any request of a Developer for an amendment or modification to the Project Approvals or other related approvals or entitlements which are determined not to be minor by the City Manager or his designee shall be subject to the applicable substantive and procedural provisions of the City's General Plan, zoning, subdivision and other applicable land use ordinances and regulations (i.e., City review and approval) in effect when such an amendment or modification request is approved. Any such approved amendment or modification shall be reflected in an amendment to this Agreement and/or its pertinent exhibits.

## Section 7. Cooperation-Implementation.

A. Processing. The City shall cooperate with Developer in securing for Developer all permits which may be required by the City or any other governmental agency. If necessary or required, upon satisfactory completion by Developer of all required preliminary actions and payments of appropriate processing fees, if any, City shall promptly commence and diligently proceed to complete all steps required or necessary for the implementation of this Agreement and the development by Developer of the Project and Project Site in accordance with this Agreement and the Project Approvals provided Developer submits required information and applications in accordance with City rules and regulations.

Developer will, in a timely manner, provide City with all documents, applications, plans and other information necessary for the City to carry out its obligations hereunder and cause Developer's planners, engineers, and all other consultants to submit, in a timely manner, all required materials and documents therefor. It is the express intent of Developer and City to cooperate and diligently work to implement any General Plan and Specific Plan amendments, zoning, preliminary and final development plans, tentative maps, parcel maps, final maps including phased final maps, re-subdivisions, amendments to maps, subdivision improvement agreements, lot line adjustments, encroachments, grading and building permits, and other land use approvals or entitlements which are necessary or desirable in connection with the development of the Project and Project Site in conformity with this Agreement and the Project Approvals as it may be amended from time to time pursuant to the terms of this Agreement and the Project Approvals.

No future modification of the Municipal Code or any ordinance or regulation, by initiative or otherwise, which limits or regulates the rate, timing, or sequence of development over time shall be applicable to the Project or Project Site, except as otherwise provided in this Agreement, and City agrees that the development of the Project and Project Site shall be exempt from growth control measures, development moratoria, allocation methods and/or such other measures which affect the rate, timing, or sequence of development, whether enacted by the City or by vote of the electorate of the City, which would stop or delay the development of the Project or Project Site, except as otherwise provided in this Agreement. Notwithstanding the previous sentence, any moratorium, or moratoria, which is, or are, enacted to preserve the public health, safety, or welfare, shall apply to the Project and Project Site.

B. Other Governmental Permits. In addition, Developer shall apply in a timely manner for such other permits and approvals as may be required by other governmental or quasi-governmental agencies having jurisdiction over the Project and/or Project Site in connection with the development of, or provision of services to, the Project and/or Project Site. City shall cooperate with Developer in its efforts to obtain such permits and approvals.

#### Section 8. Cooperation in the Event of Legal Challenge.

In the event of any legal or equitable act, action or other proceeding instituted by a third party, other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending said action or proceeding. In the event City and Developer are unable to select mutually agreeable legal counsel to defend such action or proceeding, each party may select its own legal counsel, although the Developer shall be responsible for all City costs incurred in relation to defending against such an action or proceeding, as further provided for in Section 10 of this Agreement.

#### Section 9. Default; Remedies; Termination.

A. General Provisions. Failure or unreasonable delay by Developer to perform any term, provision or condition of this Agreement for a period of thirty (30) days after written notice thereof from the City shall constitute a default under this Agreement, subject to extensions of time by mutual consent in writing. The time of notice shall be measured from the date of certified mailing. Said notice shall specify the nature of the alleged default and, where

appropriate, the manner and period of time in which said default may be satisfactorily cured. If the nature of the alleged default is such that it cannot reasonably be cured within such 30-day period, the commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure within such period.

During any period of curing, the Developer shall not be considered in default for the purposes of termination or institution of legal proceedings. If the default is cured, then no default shall exist and the noticing party shall take no further action.

Subject to the foregoing, after notice and expiration of the 30-day period without cure, the City, at its option, may institute legal proceedings pursuant to this Agreement and/or give notice of intent to terminate the Agreement pursuant to Government Code Section 65868 and the City Council Resolution No. 90-59. Following such notice of intent to terminate, the matter shall be scheduled for consideration and review by the City Council in the manner set forth in Government Code Sections 65865, 65867 and 65868 and City Council Resolution No. 90-59.

Following consideration of the evidence presented in said review before the City Council, and a determination by the City Council based thereon, the City, at its option, may give written notice of termination of this Agreement to the Developer by certified mail. Written notice of termination of this Agreement shall be effective immediately upon certified mailing to the defaulting party.

Evidence of Developer's default may also arise in the course of the regularly scheduled annual review of this Agreement as described in Section 9.B. below.

Failure or delay by City in giving notice of default pursuant to this Section shall not constitute a waiver of any default. Except as otherwise provided in this Agreement, any failure or delay by the City in asserting any of its rights or remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive the City of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

B. Annual Review. The City shall review the extent of good faith compliance by Developer with the terms of this Agreement at least every 12 months from the date this Agreement is entered into, at which time the Developer, or successor in interest thereto, shall be required to demonstrate good faith compliance with the terms of this Agreement. Such review shall be performed pursuant to Article 5 of the City's "Procedures and Requirements for Consideration of Development Agreements."

C. Default by City. In the event City defaults under the terms of this Agreement, Developer shall have all rights and remedies provided herein or under applicable law, including, without limitation, specific performance.

D. Enforced Delay; Extension of Time of Performance. In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, terrorism, strikes, walk-outs, riots, floods, earthquakes, fires, casualties, acts of God, governmental restrictions imposed or

mandated by other governmental entities, enactment of conflicting State or Federal laws or regulations, new or supplemental environmental regulations, judicial decisions, or similar basis for excused performance which is not within the reasonable control of the party to be excused. Litigation attacking the validity of this Agreement, any of the Project Approvals, or any permit, ordinance, entitlement or other action of a governmental agency necessary for the development of the Project and/or Project Site pursuant to this Agreement shall be deemed to create an excusable delay as to Developer. Upon the request of either party hereto, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon.

E. Legal Action. Either party may, in addition to any other rights or remedies, institute legal action to cure, correct or remedy any default, enforce any covenant or agreement herein, enjoin any threatened or attempted violation thereof; to recover damages for any default; enforce by specific performance the obligations and rights of the parties hereto; or to obtain any remedies consistent with the purpose of this Agreement. Such legal actions shall be initiated in the Superior Court of the County of Stanislaus, State of California or in the appropriate Federal District Court.

F. Applicable Law/Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. If legal action by either party is brought because of breach of this Agreement or to enforce a provision of this Agreement, the prevailing party is entitled to reasonable attorneys' fees and court costs. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such actions, taking depositions and discovery, and all other necessary costs incurred in the litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such actions is prosecuted to a final judgment. If a legal action is brought by a third party, Sections II.7 and II.9 of this Agreement shall apply.

#### Section 10. Hold Harmless Agreement.

Developer hereby agrees to defend and hold the City and its elected and appointed officers, agents, employees and representatives harmless from claims, costs and liabilities for any personal injury, death or property damage which arises, directly or indirectly, as a result of the construction of the Project, Project Site or operations performed under this Agreement by Developer or by Developer's contractors, subcontractors, agents or employees, whether such operations were performed by Developer or any of Developer's contractors, subcontractors, by any one or more persons directly or indirectly employed by, or acting as agent for Developer or any of Developer's contractors or subcontractors, except to the extent such claims, costs or liabilities arise from the willful misconduct or grossly negligent acts of the City, its elected or appointed representatives, officers, agents, or employees.

In addition, Developer shall defend City and its elected and appointed representatives, officers, agents and employees against actions arising out of such personal injury, death, or property damage which is caused, or alleged to have been caused, by reason of Developer's activities in connection with the Project or Project Site. Developer further agrees to defend and save and hold City harmless from any and all claims, costs and liabilities arising as a result of

any legal action or proceeding brought against the City which challenges the validity of this Agreement, any of the terms and conditions herein, the Project Approvals, or the sufficiency of environmental review pursuant to CEQA.

This hold harmless agreement applies to all damages or claims for damages suffered or alleged to have been suffered by reason of the operations referred to in this section regardless of whether or not City prepared, supplied or approved plans or specifications, or both, for the Project and/or Project Site.

#### Section 11. Insurance.

Before commencing work pursuant to any City-approved permit or other entitlement relating to the Project, Developer shall obtain the insurance required under this Section and receive the approval of the City Manager or his designee as to form, amount and carrier. Developer shall maintain the insurance during the term of this Agreement. The insurance shall name the City as an additional insured and extend to the City, its elective and appointive boards, commissions, officers, agents, employees and representatives and to the Developer and each contractor and subcontractor performing work on the Project.

A. Compensation Insurance. Developer shall maintain workers' compensation insurance for all persons employed at Project Site. Developer shall require each contractor and subcontractor similarly to provide workers' compensation insurance for their respective employees. Developer agrees to indemnify the City for damage resulting from Developer's failure to take out and maintain such insurance.

B. Public Liability and Property Damage Insurance. Developer shall maintain public liability insurance in an amount not less than \$1,000,000.00 for injuries (including death) to any one person and subject to the same limit of any one occurrence.

C. Evidence of Insurance. Developer shall furnish City, concurrently with the execution of this Agreement, satisfactory evidence of the insurance required. Developer shall also provide evidence that the carrier is required to give the City at least ten (10) days' prior written notice of the cancellation or reduction in coverage of a policy.

#### Section 12. No Agency, Joint Venture or Partnership.

It is specifically understood and agreed to by and between the parties hereto that: (1) the subject development is a private development; (2) the City has no interest or responsibilities for, or duty to, third parties concerning any improvements until such time, and only until such time, that the City accepts the same pursuant to the provisions of this Agreement or in connection with the various Project Approvals; (3) Developer shall have full power over and exclusive control of the Project and Project Site herein described, subject only to the limitations and obligations of Developer under the Project Approvals and this Agreement; and (4) City and Developer hereby renounce the existence of any form of agency relationship, joint venture or partnership between the City and Developer and agree that nothing contained herein or in any document executed in connection herewith shall be construed as creating any such relationship between City and Developer.

Section 13. Miscellaneous Provisions.

A. Non-Conflicting Regulations. The City and Developer agree that unless this Agreement is amended or terminated pursuant to the provisions of this Agreement, this Agreement shall be enforceable by any party hereto notwithstanding any change hereafter enacted or adopted (whether by ordinance, resolution, initiative, or any other means) in any applicable General Plan, Specific Plan, zoning ordinance, subdivision ordinance or any other land use ordinances or building ordinances, resolutions or other rules, regulations or policies adopted by the City which changes, alters or amends the rules, regulations and policies governing permitted uses of the Project Site or density of design of the Project or Project Site applicable to the development of the Project and/or Project Site at the Effective Date of this Agreement. This Agreement shall not prevent the City in subsequent actions applicable to the Project and/or Project Site, from applying new rules, regulations and policies which do not conflict with those rules, regulations, and policies applicable to the Project and/or Project Site as set forth in this Agreement.

B. Waiver of Challenges to Project Approvals. In executing and accepting the benefits of this Agreement, Developer, its successor in interest, etc. expressly waives any legal or equitable right to challenge any project approvals, conditions of approval or other act, entitlement, approval, covered under this Agreement including acts of protest pursuant to California Government Code sections 66008 and 66009.

C. Consistency with General Plan. City hereby finds and determines that execution of this Agreement furthers the public health, safety, and general welfare of the community and that the provisions of this Agreement are consistent with the General Plan.

D. Severability. If any term, provision, covenant or condition of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement, or the application of this Agreement to other situations, shall continue in full force and effect unless amended or modified by mutual consent of the parties.

E. Other Necessary Acts. Each party shall execute and deliver to the other all such other further instruments and documents as may be reasonably necessary to carry out this Agreement in order to provide and secure to the other party the full and complete enjoyment of its rights and privileges hereunder.

F. Construction. Each reference in this Agreement to this Agreement, the Project Approvals, the Vesting Tentative Map shall be deemed to refer to the named document or plan as such document or plan may be amended from time to time, whether or not the particular reference refers to such possible amendment.

G. No Presumption. This Agreement has been reviewed and revised by legal counsel for both City and Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

H. Other Miscellaneous Terms. The singular includes the plural; the masculine gender includes the feminine; "shall" is mandatory; "may" is permissive. If there is more than one signatory of this Agreement, the signatory obligations are joint and several.

Section 14. Notices.

Any notice or communication required hereunder between City or Developer must be in writing, and may be given either personally or by registered or certified mail, return receipt requested. If given by registered or certified mail, the same shall be deemed to have been given an received on the first to occur of (i) actual receipt by any of the addressees designated below as the party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice shall be deemed to have been given when delivered to the party to whom it is addressed. Any party hereto may at any time, by giving ten (10) days' written notice to the other party hereto in the manner described in this Section, designate any other address in substitution of the address to which such notice or communication shall be given. Thereafter, notices, demands and other pertinent correspondence shall be addressed and transmitted to the new address. Such notices or communications shall be given to the parties at their addresses set forth below:

IF TO CITY, TO:

CITY MANAGER  
CITY OF HUGHSON  
P.O. BOX 9  
HUGHSON, CA 95326

IF TO DEVELOPER, TO:

FEATHERS GLEN LLC  
2406 MERCED STREET  
SAN LEANDRO, CA 94577  
ATTN: PAUL STARN

WITH COPIES TO:

JOHN STOVALL, ESQ.  
NEUMILLER & BEARDSLEE  
P.O. BOX 20  
STOCKTON, CA 95201-3020

PLANNING DIRECTOR  
CITY OF HUGHSON  
P.O. BOX 9  
HUGHSON, CA 95326

Section 15. Assignment, Transfer and Notice.

Upon City's written consent, Developer shall have the right to assign or transfer all or any portion of its interests, rights or obligations under this Agreement and the Project Approvals to third parties acquiring an interest or estate in the Project and/or Project Site, or any portion thereof including, but not limited to, purchasers or long-term ground lessees of individual lots, parcels, or any lots, homes or facilities located within the Project Site. Developer shall give at least thirty (30) days' prior written notice to the City of its intention to assign or transfer any of its interests, rights or obligations under this Agreement. If all or any portion of the Project or Project Site is transferred by Developer to any person or entity, the transferee shall succeed to all of the Developer's rights and obligations under this Agreement as they affect the right to proceed with the development of that transferred portion of the Project or Project Site and the transferee shall automatically assume all obligations of Developer, past, present and future, hereunder which relates to the transferred Property. Unless Developer is released in writing by City, a transfer of all or any part of the Project Site to any other person or entity shall not release Developer from any obligation under this Agreement.

Section 16. Estoppel Certificate.

Within ten (10) days following any written request which either party may make from time to time, the other party to this Agreement shall execute and deliver to the requesting party a statement certifying that:

A. This Agreement is unmodified and in full force and effect, or if there have been modifications hereto, that this Agreement is in full force and effect as modified and stating the date and nature of such modification;

B. There are no current uncured defaults under this Agreement or specifying the dates and nature of any such default; and

C. Any other reasonable information requested. The failure to deliver such a statement within such time shall constitute a conclusive presumption against the party which fails to deliver such statement that this Agreement is in full force and effect without modification except as may be represented by the requesting party and that there are no uncured defaults in the performance of the requesting party, except as may be represented by the requesting parties.

Section 17. Entire Agreement; Counterparts and Exhibits.

This Agreement is executed in two (2) duplicate counterparts, each of which is deemed to be an original. This Agreement consists of \_\_\_\_\_ (\_\_\_\_\_) pages, including \_\_\_\_\_ (\_\_\_\_\_) exhibits which constitute in full, the final and exclusive understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter hereof. Any waiver of any of the provisions of this Agreement shall be in writing and signed by the appropriate authorities of the city and the Developer. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

Exhibit "A"	Project Site
Exhibit "B"	Legal Description of the Project Site
Exhibit "C-1"	Vesting Tentative Map
Exhibit "C-2"	Original Conditions of Approval
Exhibit "D"	City Council Ordinance No. 06-___ Approving Development Agreement
Exhibit "E"	Fees and Credits (Note: Exhibit E consists of E-1 and E-2).
Exhibit "F"	Description of Land to be Dedicated (if any)

Section 18. Recordation of Development Agreement.

No later than ten (10) days after the City enters into this Agreement, the City Clerk shall at Developer's expense record an executed copy of this Agreement in the Official Records of the County of Stanislaus.

Section 19. Time of Essence.

Time is of the essence of this Agreement.

Section 20. Exercise of Discretion.

Where the terms of this Agreement require approval, consent, written consent, determinations, or the exercise of discretion by the parties (together “discretion”), such discretion shall be exercised reasonably and shall not be unreasonably withheld.

Section 21. Waiver of Claim.

For the purposes of this Section 21, “party” includes the representatives, heirs, successors, assignees, officers, agents, employees and independent contractors of the party. Each party, with respect to the other party, in consideration of the entering into of this Agreement, and the mutual promises, conditions and covenants herein, hereby completely releases and forever discharges the other party from all claims, rights, demands, actions, obligations, and causes of action of any and all kind, nature, and character, known or unknown, which the releasing party may now have or may have had against the other party prior to the Effective Date, arising from, or related to, any claims of lack of nexus, or claims of failing to comply with the requirements of California Government Code § § 66000-66025, or the negotiation of this Agreement.

Each party understands the word “claims” to include all actions, claims, and grievances whether actual or potential, known or unknown. All such claims are forever barred by this Agreement without regard to whether those claims are based on any alleged breach of a duty arising in contract or tort.

Each party has read and understands the following language of Section 1542 of the California Civil Code which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Having reviewed this provision, each party nevertheless voluntarily releases the other party from all liability, as set forth in this Section 21.

Initial: \_\_\_\_\_  
CITY

Initial: \_\_\_\_\_  
ADELINE FEATHERS

Initial: \_\_\_\_\_  
FEATHERS GLEN, LLC

Initial: \_\_\_\_\_  
E F COMMUNITIES, INC.

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

CITY:

CITY OF HUGHSON

By: \_\_\_\_\_

THOMAS E. CROWDER  
Title: Mayor, City of Hughson

DEVELOPER:

ADELINE FEATHERS,  
as an individual

FEATHERS GLEN, LLC

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

E F COMMUNITIES, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Jane Cantrell, CMC  
City Clerk, City of Hughson

APPROVED AS TO FORM:

\_\_\_\_\_  
John W. Stovall, City Attorney  
City of Hughson

STATE OF CALIFORNIA            )  
COUNTY OF \_\_\_\_\_        )

On \_\_\_\_\_, before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

STATE OF CALIFORNIA            )  
COUNTY OF \_\_\_\_\_        )

On \_\_\_\_\_, before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

STATE OF CALIFORNIA            )  
COUNTY OF \_\_\_\_\_        )

On \_\_\_\_\_, before me, \_\_\_\_\_, personally appeared \_\_\_\_\_, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)

**EXHIBIT "A"**

**[HERE WILL GO A MAP OF THE PARCEL  
ON WHICH THE PROJECT IS LOCATED]**

**EXHIBIT "B"**

**[HERE WILL GO A LEGAL DESCRIPTION  
OF THE LAND SHOWN ON THE  
MAP IN EXHIBIT "A"]**

**EXHIBIT "C-1"**

**[HERE WILL GO THE VESTING TENTATIVE MAP],**

**EXHIBIT "C-2"**

**[HERE WILL GO THE CONDITIONS OF APPROVAL]**

**EXHIBIT "D"**

**[HERE WILL GO THE CITY'S ORDINANCE  
ADOPTING THE DEVELOPMENT AGREEMENT]**

**EXHIBIT "E-I"**

NAME		Feathers Glen		Attachment "E-1"		Fee Due Per Unit at Permit Issuance	Fee Credit For Reimbursement
This is a draft of fees we are placing in current Development Agreements. They will be modified as needed with new AB 1600							
FEE SCHEDULE	Per Unit	Units	Total	Fee Credits	Adjusted Total		
Public Facility Fee	\$ 3,882.00	41	\$ 159,162.00	\$ -	\$ 159,162.00	\$ 3,882.00	
Storm Drain Fee	\$ 1,233.00	41	\$ 50,553.00	\$ -	\$ 50,553.00	\$ 1,233.00	
Sewer Fee	\$ 2,357.00	41	\$ 96,637.00	\$ -	\$ 96,637.00	\$ 2,357.00	
Water Fee	\$ 1,902.00	41	\$ 77,982.00		\$ 77,982.00	\$ 1,902.00	
Street Fee	\$ 3,191.00	41	\$ 130,831.00	\$ -	\$ 130,831.00	\$ 3,191.00	
Water Connection Fee	\$ 1,000.00	41	\$ 41,000.00	\$ -	\$ 41,000.00	\$ 1,000.00	
Sewer Connection Fee	\$ 1,200.00	41	\$ 49,200.00	\$ -	\$ 49,200.00	\$ 1,200.00	
Park Development Fee	\$ 3,000.00	41	\$ 123,000.00		\$ 123,000.00	\$ 3,000.00	
Park Fee	\$ 1,267.00	41	\$ 51,947.00	\$ -	\$ 51,947.00	\$ 1,267.00	
Community Enhancement	\$ 1,000.00	41	\$ 41,000.00		\$ 41,000.00	\$ 1,000.00	
Plans Fee per unit * See Below	\$ 68.17	41	\$ 2,794.97		\$ 2,794.97	\$ 68.17	
<b>TOTAL PER UNIT FEE</b>	<b>\$ 20,100.17</b>					<b>\$ 20,100.17</b>	<b>\$ -</b>
		<b>TOTAL FEE</b>	<b>\$ 824,106.97</b>				
		<b>TOTAL FEE CREDIT</b>	<b>\$ -</b>				
		<b>TOTAL FEE OWED</b>	<b>\$ 824,106.97</b>				
Plans Fee per acre*	\$ 242.00	11.55	\$ 2,795.10		\$ 2,795.10	\$ 68.17	

**EXHIBIT "E-2"**

Draft

Feathers Glen Inclusionary Housing In-lieu Fees			
Three Bedroom Units	43	Four Bedroom Units	21
* 15%	\$ 6.45	* 15%	\$ 3.15
Very Low *40%	\$ 2.58	Very Low *40%	\$ 1.26
Low *60%	\$ 3.87	Low *60%	\$ 1.89
Very Low *82,008	\$211,580.64	Very Low *82,008	\$ 90,208.80
Low * 31,315	\$121,189.05	Low * 31,315	\$ 34,446.50
Total	\$332,769.69	Sub Total	\$178,766.97
		Three Bedroom Units	22
		* 15%	\$ 3.30
		Very Low *40%	\$ 1.32
		Low *60%	\$ 1.98
		Very Low *82,008	\$108,250.56
		Low * 31,315	\$ 62,003.70
		Sub Total	\$170,254.26
		Total	\$349,021.23

**EXHIBIT “F”**

**[HERE WILL GO A DESCRIPTION OF THE  
LAND TO BE DEDICATED, IF ANY WHICH  
IS NOT SHOWN ON THE FINAL MAP]**



## CITY COUNCIL AGENDA ITEM NO. 5.3

### SECTION 5: PUBLIC HEARING

**Meeting Date:** May 26, 2015  
**Subject:** Consideration to Adopt Ordinance No. 2015-05 Amending the Hughson Municipal Code Chapter 17.03.060—Parking  
**Presented By:** Jaylen French, Community Development Director

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Introduce and Waive the First Reading of Ordinance No. 2015-05, an Ordinance of the City Council of the City of Hughson, amending the Hughson Municipal Code (HMC) Chapter 17.03.060 – Parking.

#### **Background and Overview:**

During City staff's review of a prior development project, staff discovered two related sections of the HMC which address landscape requirements in different manners, specifically in regards to development in zones that allow zero lot-line buildings, i.e. the downtown.

The intent of this item is to modify the language in the HMC to address this inconsistency.

#### **Discussion:**

HMC Section 17.03.060(G) – Landscaping in Parking Lots, states, "the following requirements shall apply to all open off-street parking areas:

1. At least two trees shall be provided for every 10 parking spaces. The trees shall be planted in tree wells measuring at least six feet by six feet and shall be evenly dispersed throughout the parking lot.
2. At least 60 percent of the paved surface of a parking lot shall be shaded by tree canopies at high noon within 15 years after acquiring building permits for the parking lot. The trees to be planted to develop such a canopy shall be in accordance with HMC 17.03.092 and the city's street tree plan. Plans submitted for development review shall show the estimated tree canopies after 15 years of growth and the total area in square feet of the area shaded by tree canopies.

As strictly interpreted, this section applies to all open off-street parking areas, including those proposed in the downtown. There is currently only one (1) parking area in the downtown that includes interior landscaping: the site of Bank of the West.

HMC Chapter 17.03.048 is the overarching section pertaining to the establishment of criteria, standards and limits for landscaping associated with development projects and addresses landscaping in parking areas by reference only, as follows: Subsection (F) – Landscaping in Parking Lots, states, “See regulations in HMC 17.03.060.”

Within this overarching section, subsection 17.03.048(E)(6) – Exceptions, states, “Properties located within zones that allow zero lot-line buildings shall be exempt from this requirement. However, Chapter 17.03.060 does not specifically distinguish between zones that allow zero lot-line buildings and other zones as the overarching section does.

It is difficult to know the full intent of any drafted code language, especially under various circumstances. As well it is difficult for code language drafters to envision every scenario that may arise that could lead to inconsistencies with the drafted language. However, Staff believes that the original intent of Chapter 17.03.060 – Parking was the same as Chapter 17.03.048 – Landscaping, in that the exception would apply to zones that allow zero lot-line buildings. Nevertheless, it is not expressly stated in that manner and therefore staff is of the opinion that the language should be clarified to not only meet the presumed original intent, but also to benefit the downtown.

The downtown is the City’s center. It is the commercial, dining, social and civic core—the heart of the community. As such it calls for distinctive treatment in regards to regulations and standards. In many ways this is being done. The General Plan recognizes the downtown as a distinct area in the City and has its own goals and policies. Further, the Zoning Code includes a separate zone classification for the downtown, which includes reduced parking requirements as found in Chapter 17.03.060(J)(2), which states, “...the off-street parking requirements are waived in the downtown core parking area and reduced to one space for every 500 square feet of retail and office space; and one space for every 200 square feet of restaurant use in the downtown transitional parking area.”

The concept behind these provisions is to maximize the benefit of the downtown. In regards to the parking provisions, the intent is to maximize the usable area of the downtown by not mandating the same amount of parking as in other areas, where parking is dedicated primarily for one building.

The same concept applies to the landscaping requirements in downtown parking areas. While landscaping provides many benefits including a more aesthetic atmosphere and shade, it results in larger parking areas and thus less usable areas for retail, dining, plazas, social events, etc. Further, landscaping to beautify the downtown can occur in street rights of way, including extending the bulb outs at

the intersections along Hughson Avenue, in parking wells, along sidewalks and in any future plazas/parklets.

As stated in the proposed Resolution, it is the intent of the City to promote an attractive visual environment and encourage visual harmony between landscape and development, while preserving to the greatest extent possible, the retail, cultural and civic power of the downtown by eliminating the two landscaping requirements in parking lots in all zones that allow zero lot-line buildings.

**Fiscal Impact:**

There is no direct fiscal impact to this item. Costs associated with this amendment will be incorporated as part of the development process.

**CITY OF HUGHSON  
CITY COUNCIL  
ORDINANCE NO. 2015-05**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HUGHSON  
AMENDING MUNICIPAL CODE CHAPTER 17.03.060 – PARKING**

**WHEREAS**, the City Council of the City of Hughson previously added Chapter 17.03.060 to the Hughson Municipal Code, pertaining to the provision of accessible off-street parking facilities of motor vehicles in connection with development; and

**WHEREAS**, Chapter 17.03.060(G) – Landscaping in Parking Lots, specifically addresses landscaping requirements in all open off-street parking areas; and

**WHEREAS**, Chapter 17.03.048 – Landscaping, is the overarching section of the Hughson Municipal Code pertaining to the establishment of criteria, standards and limits for landscaping associated with development projects; and

**WHEREAS**, Chapter 17.03.048(F) – Landscaping in Parking Lots, reads, “See regulations in HMC 17.030.060.”; and

**WHEREAS**, Chapter 17.03.048(E)(6) – Exceptions, reads, “Properties located within zones that allow zero lot-line buildings shall be exempt from this requirement.”; and

**WHEREAS**, the Hughson Municipal Code deals with parking requirements in the downtown in a different manner than in other areas of the City as evidenced by Chapter 17.03.060(J)(2)(a) and Table 17.03.060A, Minimum Vehicular Parking Requirements for Downtown Commercial Zones, as does other City planning documents.

**WHEREAS**, the City of Hughson desires to amend its municipal code to further address parking requirements in the downtown commercial zones.

**WHEREAS**, it is the intent of the City Council, in enacting this ordinance, to promote an attractive visual environment and encourage visual harmony between landscape and development, while preserving to the greatest extent possible, the retail, cultural and civic power of the downtown by eliminating the two landscaping requirements in parking lots in all zones that allow zero lot-line buildings.

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF HUGHSON DOES ORDAIN AS FOLLOWS:**

**Section 1.** Chapter 17.03.060(G) is amended to add subsection (G)(3) which read as follows:

“3. Exemptions. Properties located within zones that allow zero lot-line buildings shall be exempt from these requirements.”

**Section 2.** This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**Section 3.** If any provision of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The city council hereby declares that it would have adopted this ordinance irrespective of the validity of any particular portion thereof.

**Section 4.** This ordinance shall become effective thirty (30) days after its final passage.

**Section 5.** Within fifteen (15) days after its final passage, the City Clerk shall cause this ordinance to be posted in full accordance with Section 36933 of the Government Code.

The foregoing ordinance was introduced and the title thereof read at the regular meeting of the City Council of the City of Hughson held on \_\_\_\_\_, 2015, and by a unanimous vote of the council members present, further reading was waived.

On motion of councilperson \_\_\_\_\_, seconded by councilperson \_\_\_\_\_, the second reading of the foregoing ordinance was waived and this ordinance was duly passed by the City Council of the Hughson City Council at a regular meeting thereof held on \_\_\_\_\_, 2015, by the following vote:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

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**MATT BEEKMAN, Mayor**

**ATTEST:**

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**DOMINIQUE SPINALE ROMO, City Clerk**



## CITY COUNCIL AGENDA ITEM NO. 5.4

### SECTION 5: PUBLIC HEARING

**Meeting Date:** May 26, 2015  
**Subject:** Consideration to Adopt Resolution No. 2015-16, Determining the Right-of-Way on Fourth Street between Hughson Avenue and Charo Street is Unnecessary for Public Use and Vacate Said Right-of-Way  
**Enclosures:** Vacation Area Map  
**Presented By:** Jaylen French, Community Development Director

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Consider Resolution No. 2015-16, determining that right-of-way on Fourth Street between Hughson Avenue and Charo Street is unnecessary for present and prospective public use; and vacate said right-of-way (ROW) through resolution, contingent on the installation of the referenced public improvements as well as commencement of building construction on the proposed site as approved by the City of Hughson.

#### **Background and Overview:**

California Streets and Highways Code Sections 8320-8325 set forth a procedure whereby a municipality can vacate right-of-way at its discretion. However, it must conduct a hearing before the governing body, i.e. City Council and accept evidence on whether or not the ROW is unnecessary for present or prospective public use. If it finds that the ROW is not necessary for public use, the municipality (City Council) may formally vacate the ROW.

On October 1, 2014, the Embree Group/Dollar General (“Developer”) formally agreed to move forward with the construction of a Dollar General store in downtown Hughson on and adjacent to Fourth Street between Hughson Avenue and Charo Street.

Although, according to staff’s research, the City does not own said land, it owns a right-of-way as described in Attachment “A” (hereinafter “ROW”), which was formerly used as a street and is now used as a public parking lot. Vacating the ROW would provide the Developer the ability to construct the proposed retail store.

On November 10, 2014, the Hughson City Council adopted Resolution 2014-34 conditionally vacating the ROW.

#### *Planning Commission Recommendation*

At the May 19, 2015 Hughson Planning Commission Meeting, the Planning Commission determined that vacating the subject ROW is consistent with the General Plan and provided a recommendation to the City Council to formally vacate the ROW contingent on the installation of the referenced public improvements as well as commencement of building construction on the proposed site as approved by the City.

#### **Discussion:**

The City and the Developer now desire to repeal Resolution No. 2014-34 and adopt Resolution No. 2015-16 to authorize vacation of the ROW with the conditions set forth in the Resolution. The City desires, and the Developer has agreed, to condition the vacation of the ROW on the construction of the planned Dollar General store to begin on the property burdened by the ROW within 24 months of the date of the adoption of this Resolution. And on the condition to make the public improvements as described in Attachment "B" as part of the construction of the Dollar General Store.

The developer will pay the cost of the public improvements in an amount equal to the agreed appraised value of the ROW. If the costs of the public improvements are less than the agreed appraised value of the ROW, the developer will pay the difference to the City on or before the completion of the public improvements.

Since the action is to repeal the prior Resolution and adopt a new Resolution, the Planning Commission again determined that vacating the subject ROW was consistent with the Hughson General Plan and recommended that the City Council vacate said ROW.

The City Council must determine that the ROW is unnecessary for present and prospective public use. Currently, the subject ROW is utilized as a public parking lot. It is staff's opinion that there is sufficient parking in the downtown generally and sufficient parking in the subject area without the public parking area. In addition, the Dollar General site will provide 29 off-street parking spaces.

#### **Fiscal Impact:**

There is no fiscal impact associated with vacating the Fourth Street ROW, as this area is currently being utilized as a free public parking lot.

**CITY OF HUGHSON  
CITY COUNCIL  
RESOLUTION NO 2015-16**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HUGHSON DETERMINING THAT RIGHT-OF-WAY ON FOURTH STREET BETWEEN HUGHSON AVENUE AND CHARO STREET IS UNNECESSARY FOR PRESENT AND PROSPECTIVE PUBLIC USE; AND VACATE SAID RIGHT-OF-WAY (ROW) THROUGH RESOLUTION, CONTINGENT ON THE INSTALLATION OF THE REFERENCED PUBLIC IMPROVEMENTS AS WELL AS COMMENCEMENT OF BUILDING CONSTRUCTION ON THE PROPOSED SITE AS APPROVED BY THE CITY OF HUGHSON.**

**WHEREAS**, on October 1, 2014, the Embree Group/Dollar General (“Developer”) formally agreed to move forward with the construction of a Dollar General store in downtown Hughson adjacent to Fourth Street between Hughson Avenue and Charo Street; and

**WHEREAS**, the construction of the Dollar General store is a private development in which the City will not maintain any proprietary interest and will have no obligation to contribute any funds to the construction of the Dollar General store; and

**WHEREAS**, according to Staff’s research, while the City does not own said land, it owns a right-of-way as described in Attachment “A” (hereinafter “Right-Of-Way”), which was formerly used as a street and is now used as a public parking lot; and

**WHEREAS**, the California Streets and Highways Code Sections 8320-8325 set forth a procedure whereby a municipality, upon providing proper notice, may vacate a right-of-way at its discretion after conducting a public hearing before the governing body to accept evidence on whether right-of-way is necessary for present or prospective public use; and

**WHEREAS**, on November 10, 2014, the City adopted Resolution No. 2014-34 conditionally vacating the Right-Of-Way ; and

**WHEREAS**, the City desires to repeal Resolution No. 2014-34 and adopt this Resolution to authorize vacation of the Right-Of-Way with the conditions set forth herein; and

**WHEREAS**, the City desires, and the Developers has agreed, to condition the vacation of the Right-Of-Way on the construction of the planned Dollar General store to

begin on the property burdened by the Right-Of-Way within twenty-four (24) months of the date of the adoption of the Resolution; and

**WHEREAS**, as a further condition of the vacation of the Right-Of-Way, the City desires, and the Developer has agreed, to make the Public Improvements as described in Attachment “B” (hereinafter “Public Improvements”) as part of the construction of the Dollar General store in downtown Hughson on the property burdened by the Right-Of-Way adjacent to Fourth Street between Hughson Avenue and Charo Street; and

**WHEREAS**, Developer will pay the cost of the Public Improvements in an amount equal to the agreed appraised value of the Right-Of-Way. If the cost of the Public Improvements are less than the agreed appraised value of the Right-Of-Way, the Developer will pay the difference to the City on or before the completion of the Public Improvements; and

**WHEREAS**, on May 19, 2015 the Hughson Planning Commission determined that vacating said Right-Of-Way is consistent with the Hughson General Plan, and provided a recommendation to the City Council to formally vacate said Right-Of-Way; and

**WHEREAS**, on May 26, 2015, after proper notice was given, the Hughson City Council held a duly noted Public Hearing to solicit public input/evidence on the necessity of present and prospective public use of said Right-Of-Way, and it determined that no need existed.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Hughson finds, based on all the evidence submitted at the public hearing, that the Right-Of-Way described in Attachment “A” hereto is unnecessary for present or prospective public use,

**THEREFORE, IT IS FURTHER RESOLVED** by the City Council of the City of Hughson hereby vacates the Right-Of-Way on the following conditions (“Conditions”);

1. That construction begins on the property burdened by the Right-Of-Way within twenty-four (24) months of the date of the adoption of this Resolution,
2. That the Developer pay for up to the amount of the agreed appraised value of the Right-Of-Way the Public Improvements described in the recitals, and
3. In the event the Public Improvements cost less than the agreed appraised value of the Right-Of-Way, the Developer shall pay the difference to the City on or before the completion of the Public Improvements, and
4. In the event the Public Improvements are in excess of the agreed appraised value of the Right-Of-Way, the Developer shall be responsible for the cost and completion of the Public Improvements,

**THEREFORE, IT IS FURTHER RESOLVED** and that this Resolution not be recorded until the occurrence of the Conditions set forth herein or, in the alternative, the City and Developer have executed a written agreement regarding performance of the Conditions authorizing recording of this Resolution,

**THEREFORE, IT IS FURTHER RESOLVED** that Resolution 2014-34 is hereby repealed.

**PASSED AND ADOPTED** by the City Council of the City of Hughson at its regularly scheduled meeting on this 26<sup>th</sup> day of May, 2015, by the following roll call vote;

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

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**MATT BEEKMAN, Mayor**

**ATTEST:**

---

**DOMINIQUE SPINALE ROMO, City Clerk**

**EXHIBIT "A"**

**LEGAL DESCRIPTION  
FOR ABANDONMENT PURPOSES**

All that real property situate in the City of Hughson, Stanislaus County, State of California, being a portion of the public right-of-way known as Fourth Street as shown on that certain Subdivision Map of the "Town Of Hughson filed for record November 12, 1907 in Volume 3 of Maps, Page 18, Stanislaus County Records, lying within the southwest quarter (SW 1/4) of Section 10, Township 4 South, Range 10 East, Mount Diablo Base and Meridian, being more particularly described as follows:

BEGINNING at the northeast (NE) corner of Lot 10 in Block Eighteen (18) as shown on last said map, also being the point of intersection of the southerly right-of-way line of Hughson Avenue (a 100.00 foot wide road) and the westerly right-of-way line of Fourth Street (a 80.00-foot wide road); thence easterly along the prolongation of the north line of said Lot 10 and the prolongation of the southerly right-of-way line of Hughson Avenue, a distance of 40.00 feet to the centerline of said Fourth Street; thence southerly along said centerline, a distance of 125 feet to the point of intersection with the prolongation of the south line of said Lot 10; thence westerly along the prolongation of the south line of said Lot 10 and the prolongation of the northerly right-of-way line of Charo Street, (formerly known as a 25-foot wide alley), a distance of 40.00 feet to the southeast (SE) corner of said Lot 10 and the point of intersection of said northerly right-of-way of line, and the westerly right-of-way line of said Fourth Street; thence northerly along the east line of said Lot 10, also being the westerly right-of-way line of said Fourth Street, a distance of 125 feet to the POINT OF BEGINNING.

Contains 5,000 square feet, more or less.

END OF DESCRIPTION

Dated: *5.20.2015*



**EXHIBIT "B"**

**LEGAL DESCRIPTION  
FOR ABANDONMENT PURPOSES**

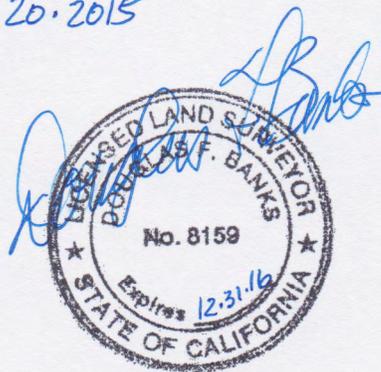
All that real property situate in the City of Hughson, Stanislaus County, State of California, being a portion of the public right-of-way known as Fourth Street as shown on that certain Subdivision Map of the "Town Of Hughson filed for record November 12, 1907 in Volume 3 of Maps, Page 18, Stanislaus County Records, lying within the southwest quarter (SW 1/4) of Section 10, Township 4 South, Range 10 East, Mount Diablo Base and Meridian, being more particularly described as follows:

BEGINNING at the northwest (NW) corner of Lot 1 in Block Nineteen (19) as shown on last said map, also being the point of intersection of the southerly right-of-way line of Hughson Avenue (a 100.00 foot wide road) and the easterly right-of-way line of Fourth Street (a 80.00-foot wide road); thence westerly along the prolongation of the north line of said Lot 1 and the prolongation of the southerly right-of-way line of Hughson Avenue, a distance of 40.00 feet to the centerline of said Fourth Street; thence southerly along said centerline, a distance of 125 feet to the point of intersection of the prolongation of the south line of said Lot 1; thence easterly along the prolongation of the south line of said Lot 1 and the prolongation of the northerly right-of-way line of Charo Street, (formerly known as a 25-foot wide alley), a distance of 40.00 feet to the southwest (SW) corner of said Lot 1 and the point of intersection of said northerly right-of-way of line, and the easterly right-of-way line of said Fourth Street; thence northerly along the west line of said Lot 1, also being the easterly right-of-way line of said Fourth Street, a distance of 125 feet to the POINT OF BEGINNING.

Contains 5,000 square feet, more or less.

END OF DESCRIPTION

Dated: *5.20.2015*



## Attachment B

Embree Group/Dollar General (“Developer”) shall install the improvements, set forth in detailed plans approved by the City of Hughson and summarized in this Exhibit B, in the City of Hughson public right-of-way, generally located at the intersection of Hughson Avenue and 4<sup>th</sup> Street, as a condition of the vacation of right of way on 4<sup>th</sup> Street between Hughson Avenue and Charo Street:

### Northern End of Intersection

Install “bulb-outs’ on the northern end of the Hughson Avenue and 4<sup>th</sup> Street intersection, including planting areas which will include a total of four (4) trees—Saw Leaf Zelkova and various shrubs/groundcover similar to the intersection at Hughson Avenue and 3<sup>rd</sup> Street.

Install decorative concrete pavers, ADA amenities and decorative bollards at the crosswalks, and decorative scored concrete at the corners behind the planting areas.

### Southern End of Intersection

Install enhanced landscaping on the southern end of the Hughson Avenue and 4<sup>th</sup> Street intersection, including planting areas which will include a total of five (5) trees—three (3) Saw Leaf Zelkova and two (2) Chinese Pistache and various shrubs/groundcover similar to the intersection at Hughson Avenue and 3<sup>rd</sup> Street.

Install decorative concrete pavers, ADA amenities at the crosswalks, and decorative scored concrete and bollards between the crosswalks.



## CITY COUNCIL AGENDA ITEM NO. 5.5

### SECTION 5: PUBLIC HEARING

**Meeting Date:** May 26, 2015  
**Subject:** Consideration to Adopt Ordinance 2015-06, Amending Hughson Municipal Code Title 13 Chapter 13.04.340 - Water Conservation and Prohibition on Water Waste.  
**Presented By:** Daniel J. Schroeder, City Attorney

**Approved By:** \_\_\_\_\_

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#### **Staff Recommendation:**

Introduce and Waive First Reading of the Ordinance No. 2015-06, Amending Hughson Municipal Code Title 13 Chapter 13.04.340 - Water Conservation and Prohibition on Water Waste.

#### **Background and Overview:**

The State of California is currently in its fourth year of drought. Recently, the State Water Resources Control Board ("State Board") issued regulations ("Regulations") regarding urban water use restrictions. There are essentially two different regulations based on the type of water supplier: 1) urban water suppliers with more than 3,000 customers or supply more than 3,000 acre-feet annually, and 2) small urban water distributors. For urban water suppliers, the State Board has designated each urban water supplier into a tier that establishes the percentage reduction of use the supplier must meet compared to the same month in 2013. Those smaller urban water distributors that do not qualify as an urban water supplier are required to implement one of the following two mandatory conservation measures:

1. Achieve a 25% reduction in water consumption, or
2. Limit outdoor irrigation of ornamental landscapes or turf with potable water by the persons it serves to no more than two days per week.

The City of Hughson is classified as a small urban water distributor.

To comply with the Regulations, the City of Hughson, at this time staff is recommending that the City amend its water conservation ordinance in While HMC 13.08.340 to further limit the water days for landscaping to two (2) days a week. While in compliance with the 2014 State Board drought regulations limiting the times of day landscape irrigation is permitted, HMC 13.08.340 currently limits

landscape watering to three times a week. Staff is recommending that the City Council amend HMC 13.08.340 to allow the Council the ability to restrict water usage during a water shortage emergency by resolution so it can quickly react to future drought emergency situations and State Board Regulations.

**Fiscal Impact:**

There is no fiscal impact associated with this item. Implementation of the proposed amendment will be covered using existing budgeted resources.

**CITY OF HUGHSON  
CITY COUNCIL  
ORDINANCE NO 2015-06**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
HUGHSON AMENDING MUNICIPAL CODE TITLE 13, CHAPTER 13.08.34**

**WHEREAS**, the City Council of the City of Hughson previously added Chapter 13.08.34 to Title 13 of the Hughson Municipal Code (“HMC”), pertaining to prohibitions on wasting water; and

**WHEREAS**, the Chapter 13.08.34 of the HMC was amended to codify the water conservation measures and water restrictions in Resolution 2007-31 and to authorize the City Council to declare a water shortage emergency by resolution; and

**WHEREAS**, the City of Hughson desires to amend its municipal code to clarify the City Council’s authority to enact additional water conservation measures and water restrictions during a water shortage emergency found to be necessary for the immediate protection of health and safety or required by State law.

**NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF HUGHSON DOES  
ORDAIN AS FOLLOWS:**

**Section 1. Chapter 13.08.34.C.2 of Title 13 of the Hughson Municipal Code is amended in full to read as follows:**

“2. Vehicle, equipment or boat washing, is permitted on days and times as per address as set forth in HMC 13.08.34(C)(1)(a) and (b) providing a hand-held, automatic shut-off nozzle hose and bucket is used, and minimal runoff occurs, and is limited to one (1) washing per week.”

**Section 2. Chapter 13.08.34.F.2.f of Title 13 of the Hughson Municipal Code is amended in full to read as follows:**

“f. Outdoor irrigation of lawns, ornamental landscapes, or turf with potable water, shall only be allowed between the hours of 7 p.m. and 8 a.m. on the days allowed as set forth in HMC 13.08.34(C)(1)(a) and (b).”

**Section 3. Chapter 13.08.34.F.3-6 of Title 13 of the Hughson Municipal Code is amended in full to read as follows:**

“3. While a water shortage emergency declaration is in effect, the City Council may by resolution prohibit additional activities, including, but not limited to, further restricting the days on which irrigation of outdoor landscapes is allowed, upon proper findings as required by HMC 13.08.34(F)(1).

4. A water shortage emergency declaration shall remain in effect until the City Counsel finds and declares by resolution that the water shortage emergency condition has abated, has changed in degree, or no longer exists.

5. Use of private wells shall be limited to the same use restrictions as that of the City water supply system.

6. Use of untreated, raw water from a non-city provider shall not be subject to these restrictions.”

**Section 4. Chapter 13.08.34.I.1.a of Title 13 of the Hughson Municipal Code is amended in full to read as follows:**

“a. Irrigation of new lawns and landscaping may be every day of the week for a 14-day establishment period; or until the second mowing; however, such irrigation is still prohibited between the hours of Noon and 7:00 p.m. An approved variance must first be issued by the City prior to any deviation in the irrigation schedule set forth in HMC 13.08.34(C)(1)(a) and (b).”

**Section 5.** This ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the city or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

**Section 6.** If any provision of this ordinance or application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this ordinance are severable. The city council hereby declares that it would have adopted this ordinance irrespective of the validity of any particular portion thereof.

**Section 7.** This ordinance shall become effective thirty (30) days after its final passage.

**Section 8.** Within fifteen (15) days after its final passage, the City Clerk shall cause this ordinance to be posted in full accordance with Section 36933 of the Government Code.

The foregoing ordinance was introduced and the title thereof read at the meeting of the City Council of the City of Hughson held on, May 26, 2015, and by a \_\_\_\_\_ vote of the council members present, further reading was waived.

On motion of councilperson \_\_\_\_\_, seconded by councilperson \_\_\_\_\_, the foregoing ordinance was duly passed by the City Council of the Hughson City Council at a regular meeting thereof held on June \_\_, 2015, by the following vote:

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENT:**

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**MATT BEEKMAN, Mayor**

**ATTEST:**

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**DOMINIQUE SPINALE ROMO, City Clerk**