

# FEBRUARY 11, 2019 – City Council Regular Meeting – 7:00 p.m.



City Council Chamber  
390 Towne Centre Drive  
Lathrop, California  
(209) 941-7200  
[www.ci.lathrop.ca.us](http://www.ci.lathrop.ca.us)

## City Council

Sonny Dhaliwal, Mayor  
Martha Salcedo, Vice Mayor  
Paul Akinjo  
Diane Lazard  
Jennifer Torres-O'Callaghan

## City Staff

Stephen Salvatore, City Manager  
Salvador Navarrete, City Attorney  
Teresa Vargas, City Clerk  
Glenn Gebhardt, City Engineer  
Cari James, Finance & Administrative  
Services Director  
Mark Meissner, Community  
Development Director  
Zachary Jones, Parks & Recreation  
Director  
James Hood, Police Chief  
Michael King, Assistant Public Works  
Director

## General Order of Business

1. Preliminary
  - Call to Order
  - Closed Session
  - Roll Call
  - Invocation
  - Pledge of Allegiance
  - Announcements by Mayor/City Mgr.
  - Informational Items
  - Declaration of Conflict of Interest
2. Presentations
3. Citizen's Forum
4. Consent Calendar
5. Scheduled Items
  - Public Hearings
  - Appeals
  - Referrals and Reports from Commissions and Committees
  - All Other Staff Reports and/or Action Items
  - Study Sessions
6. Council Communications
7. Adjournment

## Order of Discussion

Generally, the order of discussion after introduction of an item by the Mayor will include comments and information by staff followed by City Council questions and inquiries. The applicant, or their authorized representative, or interested residents, may then speak on the item; each speaker may only speak once to each item. At the close of public discussion, the item will be considered by the City Council and action taken.

## Consent Calendar

Items on the Consent Calendar are considered to be routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless a Councilmember or interested resident so requests, in which case the item will be removed from the Consent Calendar and considered separately.



**FEBRUARY 11, 2019 – Regular Meeting Agenda – 7:00 p.m.**



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## Addressing the Council

Any person may speak once on any item under discussion by the City Council after receiving recognition by the Mayor. Purple speaker cards will be available prior to and during the meeting. To address City Council, a card must be submitted to the City Clerk indicating name, address and number of the item upon which a person wishes to speak. When addressing the City Council, please walk to the lectern located in front of the City Council. State your name and address. In order to ensure all persons have the opportunity to speak, a time limit will be set by the Mayor for each speaker (see instructions on speaker form). In the interest of time, each speaker may only speak once on each individual agenda item; please limit your comments to new material; do not repeat what a prior speaker has said. If you challenge the nature of a proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

## Citizen's Forum

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under the Citizen's Forum section. Please submit your purple speaker card to the City Clerk prior to the commencement of Citizen's Forum. **Only those who have submitted speaker cards, or have expressed an interest to speak, prior to the conclusion of Citizen's Forum will be called upon to speak.** Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item which does not appear on the agenda, unless the item meets stringent statutory requirements. The Mayor will limit the length of your presentation (see instructions on speaker form) and each speaker may only speak once on this agenda item.

**To leave a voice message for the Mayor and all Councilmembers simultaneously, dial (209) 941-7220. To send an e-mail for the Mayor and all Councilmembers simultaneously, [citycouncil@ci.lathrop.ca.us](mailto:citycouncil@ci.lathrop.ca.us)**

**This City Council Agenda may be accessed by computer at the following Worldwide Web Address: [www.ci.lathrop.ca.us](http://www.ci.lathrop.ca.us) LIVE STREAMING - Now available, please visit the City Council Page or use the URL [www.ci.lathrop.ca.us/council/](http://www.ci.lathrop.ca.us/council/)**

## Information

Copies of the Agenda are available in the lobby at the Lathrop City Hall, 390 Towne Centre Drive, Lathrop, on Thursday preceding a regularly scheduled City Council meeting. Supplemental documents relating to specific agenda items are available for review in the City Clerk's Office. This agenda was posted at the following locations: City Hall, Community Center, Generations Center, Senior Center, and "J" Street Fire Department. The meetings of the Lathrop City Council are broadcast on Lathrop Comcast Cable Television Channel 97.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility and/or accommodations to this meeting. [28 CFR 35.102-35.104 ADA Title II] Interested persons must request the accommodation at least 2 working days in advance of the meeting by contacting the City Clerk at (209) 941-7230.

Information about the City or items scheduled on the Agenda may be referred to:

Address: City Clerk  
City of Lathrop  
390 Towne Centre Dr.  
Lathrop, CA 95330  
Telephone: (209) 941-7230

*Your interest in the conduct of your City's business is appreciated.*

**CITY OF LATHROP  
CITY COUNCIL REGULAR MEETING  
MONDAY, FEBRUARY 11, 2019  
7:00 P.M.  
COUNCIL CHAMBER, CITY HALL  
390 Towne Centre Drive  
Lathrop, CA 95330**

**AGENDA**

**PLEASE NOTE: There will be a Closed Session commencing at 6:00 p.m. The Regular Meeting will reconvene at 7:00 p.m., or immediately following the Closed Session, whichever is later.**

**1. PRELIMINARY**

1.1 CALL TO ORDER

1.2 CLOSED SESSION

1.2.1 CONFERENCE WITH LEGAL COUNSEL Anticipated Litigation -  
Significant Exposure to Litigation Pursuant to Government Code  
Section 54956.9(b)

- 1 Potential Case(s)

1.2.2 CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Government  
Code Section 54957.6

Agency Negotiator: City Manager, Stephen J. Salvatore  
Employee Organization: Service Employee International Union  
(SEIU) Local 1021

1.2.3 CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Government  
Code Section 54957.6

Agency Negotiator: City Manager, Stephen J. Salvatore  
Employee Organization: Lathrop Mid-Managers and Confidential  
Employees Association (LMCEA)

1.2.4 CONFERENCE WITH LABOR NEGOTIATOR Pursuant to Government  
Code Section 54957.6

Agency Negotiator: City Manager, Stephen J. Salvatore  
Unrepresented Employees: Administrative Services Director, City  
Clerk, City Engineer, Community Development Director, Finance  
Director, Human Resources Manager, Parks and Recreation Director  
and Public Works Director

1.2.5 CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to  
Government Code Section 54956.8

Property Location: Portion of 1175 Marina Drive (APN 213-310-33)  
Agency Negotiators: City Manager, Stephen J. Salvatore  
Negotiating Parties: River Islands Development, LLC.  
Under Negotiation: Price and Terms of Payment

## **RECONVENE**

### 1.2.6 REPORT FROM CLOSED SESSION

1.3 ROLL CALL

1.4 INVOCATION

1.5 PLEDGE OF ALLEGIANCE

1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

1.7 INFORMATIONAL ITEM(S) - None

1.8 DECLARATION OF CONFLICT(S) OF INTEREST

## **2. PRESENTATIONS**

2.1 PROCLAMATION - DECLARING FEBRUARY AS BLACK HISTORY MONTH

2.2 LATHROP POLICE SERVICES TO PRESENT CERTIFICATES OF RECOGNITION TO COMMUNITY ORGANIZATIONS FOR CHARITABLE EVENTS DURING THE HOLIDAYS:

- Transportation Services Company, Marine Combat Logistics Battalion 23 at Sharpe Army Depot for the December 2018 Toys for Tots Toy Drive
- Lathrop Target Store Employees for the December 2018 Blue Santa Operation

2.3 MAYOR'S COMMITTEE REPORT(S)

- Parks & Recreation Update on Committee Events and Programs

## **3. CITIZEN'S FORUM**

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under Citizen's Forum. Please submit a purple speaker card to the City Clerk prior to the commencement of Citizen's Forum. Only those who have submitted speaker cards, or have expressed an interest to speak, prior to the conclusion of Citizen's Forum will be called upon to speak. Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item which does not appear on the agenda, unless the item meets stringent statutory requirements. The City Council can, however, allow its members or staff to briefly (no more than five (5) minutes) respond to statements made, to ask questions for clarification, make a brief announcement or report on his or her own activities. (See California Government Code Section 54954.2(a)). Unless directed otherwise by a majority of the City Council, all questions asked and not answered at the meeting will be responded to in writing within 10 business days. ALL PUBLIC COMMENTS MUST BE MADE IN COMPLIANCE WITH THE LATHROP CITY COUNCIL HANDBOOK OF RULES AND PROCEDURES!!

#### **4. CONSENT CALENDAR**

Items on the Consent Calendar are considered to be routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless the Mayor, Councilmember, or citizen so requests, in which event the item will be removed from the Consent Calendar and considered separately.

- 4.1 **WAIVING OF READING OF ORDINANCES AND RESOLUTIONS**  
Waive the Reading of Ordinances and Resolutions on Agenda Unless Otherwise Requested by the Mayor or a Councilmember
- 4.2 **APPROVAL OF MINUTES**  
Approve Minutes for the Regular Council Meeting of December 10, 2018
- 4.3 **SECOND READING AND ADOPTION OF ORDINANCE 19-400 APPROVING THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, WATT-MCKEE, LATHROP ASSOCIATES, STEVEN R. MCKEE ROBERT E. MCKEE 1997 BYPASS TRUST AND WESTERN PACIFIC HOUSING INC. REGARDING THE MOSSDALE LANDING EAST PROJECT**  
Second Reading and Adoption of Ordinance 19-400 Adopting the Second Amendment to the Development Agreement and the Assignment and Assumption Agreement between the City of Lathrop, Watt-McKee, Lathrop Associates, Steven R. McKee Robert E. McKee 1997 Bypass Trust and Western Pacific Housing Inc. regarding the Mosssdale Landing East Project. (The Second Amendment proposes to extend the term of the Development Agreement from 15 years to 25 years. The Assignment and Assumption Agreement will transfer the developer's rights, title and interest for Parcel 241-020-66 to Mosssdale Landing Apartments, LLC.)
- 4.4 **SECOND READING AND ADOPTION OF ORDINANCE 19-401 APPROVING THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE, AND TCN PROPERTIES REGARDING THE MOSSDALE LANDING SOUTH PROJECT**  
Second Reading and Adoption of Ordinance 19-401 Adopting the First Amendment to the Development Agreement and the Assignment and Assumption Agreement between the City of Lathrop, Marie A. Vallentyne, and TCN Properties regarding the Mosssdale Landing South Project. (The First Amendment proposes to extend the term of the Development Agreement from 15 years to 25 years. The Assignment and Assumption Agreement will transfer the developer's rights, title and interest for Parcel 241-020-61 to Mosssdale Landing Apartments, LLC.)
- 4.5 **TREASURER'S REPORT DECEMBER 2018**  
Approve Quarterly Treasurer's Investment Report for December 2018
- 4.6 **REVISED WASTEWATER TREATMENT CAPACITY (ISU) TRANSFER POLICY**  
Adopt Resolution Approving a Revised Wastewater Treatment Capacity (ISU) Transfer Policy for Capacity Allocated by the City of Lathrop in the Manteca Water Quality Control Facility (MWQCF)

- 4.7 CITY VEHICLE PURCHASE FOR PUBLIC WORKS CONSTRUCTION, STREETS AND UTILITY MAINTENANCE  
Adopt a Resolution Approving the Purchase of Five (5) City Vehicles from Steve's Chevrolet/Buick Inc., for Public Works Construction, Streets, and Utility Maintenance
- 4.8 PARKING LOT IMPROVEMENTS AT VALVERDE PARK  
Adopt a Resolution Creating Capital Improvement Project, PK 19-06, Valverde Park Parking Lot Repairs, Curb and Gutter Realignment, and Related Budget Amendment
- 4.9 ACCEPT GRAVITY SEWER MAIN CONSTRUCTED BY TEICHERT & SONS, DBA TEICHERT CONSTRUCTION, AT 2131 & 2301 E. LOUISE AVENUE  
Adopt a Resolution Accepting Gravity Sewer Main Improvements Constructed by Teichert Construction Under Contract with Developer DPIF CA 1 Lathrop, LLC, at 2131 & 2301 E. Louise Avenue and Authorize the Release of the Performance Bond and the Filing of a Notice of Completion
- 4.10 RECOMMENDATION TO CHANGE "NESTLE WAY" TO "TESLA DRIVE"  
Adopt a Resolution Approving Street Name Modification to Change "Nestle Way" to "Tesla Drive"
- 4.11 2019 ONE VOICE TRIP REGIONAL PROJECT SUPPORT LETTER  
Adopt a Resolution Authorizing Staff to Submit a Letter of Support for the Valley Link Commuter Rail Project Associated with the 2019 San Joaquin One Voice Program
- 4.12 ACCEPTANCE OF PUBLIC RIGHT-OF-WAY DEDICATION ASSOCIATED WITH THE MOSSDALE LANDING APARTMENTS  
Adopt a Resolution Accepting Dedication of Public Right-of-Way for Manthey Road and Sadler Oak Associated with the Mossdale Landing Apartments Project
- 4.13 ACCEPT LANDSCAPE IMPROVEMENTS FROM RICHLAND COMMUNITIES FOR LAND APPLICATION SITE NUMBER 3 (LAS-3)  
Adopt a Resolution Accepting Landscape Improvements from Richland Communities for LAS-3 and Authorize the Release of the Performance Bond
- 4.14 APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 35 LOTS IN TRACT 3892 VILLAGES "D" AND "E" WITHIN EAST VILLAGE OF RIVER ISLANDS  
Adopt Resolution Approving Final Map for Tract 3892 Villages "D" and "E" within East Village District, Totaling 35 Single-Family Lots and a Subdivision Improvement Agreement with River Islands Development, LLC

4.15 APPROVE IMPROVEMENTS TO CRYSTAL COVE PARK AND DEDICATION OF CRYSTAL COVE PARK PARCEL FROM RIVER ISLANDS DEVELOPMENT, LLC AND SUBSEQUENT DEDICATION OF CRYSTAL COVE PARK TO RECLAMATION DISTRICT 2062

Adopt Resolution Accepting Improvements to Crystal Cove Park and Dedication of Crystal Cove Park Parcel from River Islands Development, LLC and Approve Subsequent Dedication of Crystal Cove Park Parcel to Reclamation District 2062

**5. SCHEDULED ITEMS**

*(Item 5.1 - continued from the Regular Meeting of January 14, 2019)*

5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, CALIFIA, LLC, AND RIVER ISLANDS DEVELOPMENT, LLC. (CONTINUED FROM JANUARY 14, 2019)

Council to Consider the Following:

1. Hold a Public Hearing; and
2. Introduce and Conduct the First Reading of an Ordinance to Adopt the Fifth Amendment to the Development Agreement between the City of Lathrop, Califia, LLC, and River Islands Development, LLC. (The Fifth Amendment will address wastewater and potable water allocations for the Project, ongoing monitoring of actual wastewater and potable water usage, and restate commitments of the Project to water conservation.)

5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTION OF THE CENTRAL LATHROP SPECIFIC PLAN CAPITAL FACILITIES FEES STUDY UPDATE AND THE FEES RECOMMENDED THEREIN

Council to Consider the Following:

1. Hold a Public Hearing; and
2. Adopt A Resolution Adopting the Central Lathrop Specific Plan Capital Facilities Fees Study Update and the Fees Recommended Therein

5.3 BIENNIAL BUDGET FISCAL YEAR (FY) 2018 – 2019 MID-YEAR REPORT  
Adopt a Resolution Accepting the Biennial Budget FY 2018/19 Mid-Year Report (Year 2)


5.4 CREATE CIP GG19-07 FOR CITY WIDE SURVEILLANCE SYSTEM  
Council to Discuss and Consider the Adoption of a Resolution Approving the Creation of CIP GG19-07 for City Wide Surveillance System

5.5 OUT-OF-STATE TRAVEL APPROVAL FOR THE 2019 SAN JOAQUIN COUNTY ONE-VOICE TRIP  
Adopt Resolution Authorizing Out-of-State Travel for Up to Two Council Members and the City Manager to Attend the 2019 San Joaquin One Voice Trip to Washington, D.C. from May 5-9, 2019, and Approval of Related Budget Amendment

## 6. COUNCIL COMMUNICATIONS

- 6.1 MAYOR DHALI WAL REFERRAL: Tennis Court Improvements at the Basin Park, across from Woodfield Park, next to the Lathrop Road Grade Separation.
- 6.2 MAYOR DHALI WAL REFERRAL: Set Application Deadline for Appointment of One (1) Member to the Measure C Oversight Committee with Term Expiring June 30, 2019, due to Unexpired Term Vacancies
- 6.3 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)
- *Central Valley Executive Committee/LOCC (Akinjo/Salcedo)*
  - *Council of Governments (Dhaliwal/Lazard)*
  - *Integrated Waste Management Solid Waste Division (Akinjo/Torres-O'Callaghan)*
  - *Reclamation District 17 Joint Powers Authority (Salvatore)*
  - *San Joaquin Partnership Board of Directors (Salvatore)*
  - *San Joaquin County Commission on Aging (Zavala)*
  - *San Joaquin Valley Air Pollution Control District (Akinjo/Dhaliwal)*
  - *Water Advisory Board (Torres-O'Callaghan/Lazard)*
  - *Tri Valley-San Joaquin Valley Regional Rail Authority (Akinjo)*
  - *San Joaquin Area Flood Control Agency (Akinjo & Lazard)*
- 6.4 MAYOR & COUNCILMEMBER COMMENT(S)

## 7. ADJOURNMENT



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Teresa Vargas, CMC  
City Clerk



CITY OF LATHROP  
CITY COUNCIL REGULAR MEETING  
MONDAY, DECEMBER 10, 2018  
7:00 P.M.  
COUNCIL CHAMBER, CITY HALL  
390 Towne Centre Drive  
Lathrop, CA 95330

MINUTES

PLEASE NOTE: There was no Closed Session. The Regular Meeting commenced at 7:04 p.m.

1. PRELIMINARY

- 1.1 CALL TO ORDER – Mayor Dhaliwal called the meeting to order at 7:04 p.m.
- 1.2 ROLL CALL Present: Mayor Dhaliwal; Vice Mayor Elliott;  
Councilmembers: Akinjo, Dresser and Salcedo.  
Absent: None
- 1.3 INVOCATION – Pastor Troy Stein, New Life Church, provided the invocation.
- 1.4 PLEDGE OF ALLEGIANCE – Pastor Troy Stein led the pledge of allegiance.
- 1.5 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER - None
- 1.6 INFORMATIONAL ITEM(S) - None
- 1.7 DECLARATION OF CONFLICT(S) OF INTEREST - None

2. PRESENTATIONS

2.1 CITY COUNCIL ELECTION AND REORGANIZATION

2.1.1 DECLARATION AND CERTIFICATION OF THE NOVEMBER 6, 2018 ELECTION RESULTS

City Clerk Teresa Vargas provided the results of the November 6, 2018, General Municipal Election, certified by the San Joaquin County Registrar of Voters on December 6, 2018.

On a simultaneous motion by Councilmember Akinjo and Councilmember Dresser, seconded by Mayor Dhaliwal, the City Council adopt **Resolution 18-4490** reciting the fact of the General Municipal Election held on November 6, 2018, declaring the results and such other matters as provided by law.

Ayes: Akinjo, Dresser, Elliott, Salcedo and Dhaliwal  
Noes: None  
Absent: None  
Abstain: None

#### 2.1.2 PRESENTATION TO / COMMENTS BY OUTGOING COUNCILMEMBERS

Outgoing Councilmember Dresser and Councilmember Elliott commented on the matter and expressed their appreciation for having served the Lathrop community.

Jason Laughlin, with Assembly Member Heath Flora's Office (12th Assembly District), provided plaques honoring Councilmember Dresser and Councilmember Elliott for their years of service.

Chris Elias, Executive Director of the San Joaquin Area Flood Control Agency (SJAFCA), and Tom Patti, San Joaquin County Board of Supervisor for District 3, provided plaques honoring Councilmember Dresser and Councilmember Elliott for their service as part of the SJAFCA Board of Directors.

Bob Elliott, San Joaquin County Board of Supervisor for District 5, provided certificates of recognition honoring Councilmember Dresser and Councilmember Elliott for their years of service.

Mayor Dhaliwal, Councilmember Salcedo and Councilmember Akinjo provided plaques honoring Councilmember Dresser and Councilmember Elliott for their years of service to the Lathrop community. Councilmembers commented on the matter.

#### 2.1.3 PRESENTATION OF CERTIFICATE OF ELECTION AND OATH OF OFFICE TO NEWLY ELECTED OFFICIALS

City Clerk Teresa Vargas announced that she provided official Oaths of Office to all elected officials prior to the regular meeting. The following ceremonial Oaths of Office were provided in the following order:

Mayor Sonny Dhaliwal, deputized to administer the ceremonial Oath of Office by City Clerk Teresa Vargas, administered the ceremonial Oath of Office to Councilmember Diane Lazard.

John Torres-O'Callaghan, deputized to administer the ceremonial Oath of Office by City Clerk Teresa Vargas, administered the ceremonial Oath of Office to Councilmember Jennifer Torres-O'Callaghan.

Emerson Castillo, deputized to administer the ceremonial Oath of Office by City Clerk Teresa Vargas, administered the ceremonial Oath of Office to Councilmember Paul Akinjo.

Jason Dhaliwal, deputized to administer the ceremonial Oath of Office by City Clerk Teresa Vargas, administered the ceremonial Oath of Office to Mayor Sonny Dhaliwal.

#### 2.1.4 COMMENTS BY NEWLY ELECTED OFFICIALS

Mayor and Councilmembers made various comments on the matter.

#### 2.1.5 APPOINTMENT OF VICE MAYOR

Mayor Dhaliwal provided an overview on the matter and appointed Councilmember Martha Salcedo as Vice Mayor for remainder of 2018 and 2019.

*Mayor Dhaliwal recessed the meeting at 7:55 p.m., and announced that Vice Mayor Salcedo would preside over the meeting. Mayor Dhaliwal left for the remainder of the meeting at 7:55 p.m. Vice Mayor Salcedo reconvened the meeting at 8:38 p.m.*

#### 2.2 PRESENTATION – OVERVIEW OF THE LAW ENFORCEMENT AGAINST DRUGS “L.E.A.D” PROGRAM PROVIDED TO DETER YOUTH AND ADULTS FROM DRUG USE, DRUG RELATED CRIMES, BULLYING, AND VIOLENCE

Deputy Sheriff Chris Matsuoka provided the presentation giving an overview of the law enforcement effort against drugs, known as the “L.E.A.D” program, provided to deter youth and adults from drug use, drug related crimes, bullying, and violence.

#### 2.3 MAYOR’S COMMITTEE REPORT(S)

- Parks & Recreation Update on Committee Events and Programs

Parks and Recreation Director Zach Jones reported the following past and upcoming committee events and programs:

- *Art Committee featured Artist*  
Announced art display in Council Chamber by photographer Rose Albano Risso.
- *Valverde Park Tree Removal*  
Announced tree removal as part of phase 2 of the City’s solar energy improvement project.
- *Breakfast with Santa and Christmas Tree Lighting*  
Reported on events held on December 1, 2018, at the Lathrop Community Center.

- *Christmas Parade*

Reported on event held on December 8, 2018, at the Lathrop Community Center, which honored Bob and Vada Klingman as the 2018 Christmas Parade Grand Marshalls.

- *Holiday Light Contest*

Registration ends December 13, 2018, judging will take place the week of December 17, 2018

### **3. CITIZEN'S FORUM**

Nellie Zavala (Commission on Aging) reported her attendance to the December 3, 2018, San Joaquin County Commission on Aging meeting, in which the PACE Program for senior citizens and the programs provided by Catholic Charities were discussed. Alisha Hawkins (Lathrop, CA) expressed concern with school ratings for Lathrop schools within the Manteca Unified School District; expressed interest in Lathrop having its own school district. Irene Torres (Lathrop, CA) spoke concerning a public records request relating to a surveyor report for 570 Lathrop Road. City Attorney Salvador Navarrete responded to the inquiry.

### **4. CONSENT CALENDAR**

On a motion by Councilmember Akinjo, seconded by Councilmember Torres-O'Callaghan, the City Council approved the Consent Calendar, except Items \*4.2, \*\*4.6, and \*\*4.7, by the following role call vote, unless otherwise indicated:

Ayes:	Akinjo, Lazard, Torres-O'Callaghan, and Salcedo
Noes:	None
Absent:	Dhaliwal
Abstain:	None

*\* Item 4.2 – moved to the Regular Meeting of January 14, 2019, to allow a vote of the full Council.*

*\*\* Item 4.6 and 4.7 – City Attorney Salvador Navarrete reported that he discussed potential conflict of interest with Councilmember Lazard related to Items 4.6 and 4.7; due to her employment with Dell'Osso Family Farms. In anticipation to a pending opinion by the Fair Political Practices Commission, City Attorney Salvador Navarrete recommended that Councilmember Lazard stepped down during the consideration of said items and abstain from voting.*

*Following the vote of the Consent Calendar as indicated above, Councilmember Lazard stepped down and left the Chamber. The remaining Councilmembers voted on Item 4.6 and 4.7.*

#### **4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS**

Waived the reading of ordinances and resolutions on agenda unless otherwise requested by the Mayor or a Councilmember.

4.2 \*APPROVAL OF MINUTES

Approve Minutes for the Special Council Meeting of November 19, 2018

City Clerk Teresa Vargas moved the approval of the meeting minutes for the Special Council Meeting of November 19, 2018, to the January 14, 2019, to allow a vote of the full Council.

4.3 SECOND READING AND ADOPTION OF ORDINANCE 18-398 OF THE CITY COUNCIL OF THE CITY OF LATHROP LEVYING SPECIAL TAXES WITHIN CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)

City Clerk Teresa Vargas confirmed receipt of a public comment letter received addressing Items 4.3, 4.4, and 4.8, submitted by Martin Harris, Terra Land Group, LLC; and confirmed distribution to the City Council and copies for the public.

Held second reading and adopted **Ordinance 18-398** of the City Council of the City of Lathrop levying special taxes within City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

4.4 SECOND READING AND ADOPTION OF ORDINANCE 18-399 OF THE CITY COUNCIL OF THE CITY OF LATHROP LEVYING SPECIAL TAXES WITHIN CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2018-2 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)

City Clerk Teresa Vargas confirmed receipt of a public comment letter received addressing Items 4.3, 4.4, and 4.8, submitted by Martin Harris, Terra Land Group, LLC; and confirmed distribution to the City Council and copies for the public.

Held second reading and adopted **Ordinance 18-399** of the City Council of the City of Lathrop levying special taxes within City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities).

4.5 PROPOSED FISCAL YEAR 2019/20 AND FISCAL YEAR 2020/21 BIENNIAL BUDGET CALENDAR

City Council considered and approved the proposed Fiscal Year 2019/20 and Fiscal Year 2020/21 biennial budget calendar.

4.6 \*\*ACCEPTANCE OF IRREVOCABLE OFFER OF DEDICATION FOR MULHOLLAND DRIVE

*Item 4.6 and 4.7 were discussed and voted on following the vote of the Consent Calendar, as indicated above. Councilmember Lazard stepped down and abstained from voting on this matter.*

A question and answer period ensued. Councilmember Akinjo requested further clarification on Councilmember Lazard's potential conflict of interest. City Attorney Salvador Navarrete responded to the matter.

A motion was made by Councilmember Torres-O'Callaghan, seconded by Vice Mayor Salcedo, to adopt a resolution accepting an Irrevocable Offer of Dedication (IOD) for Mulholland Drive located at River Islands at Lathrop, by the following roll call vote:

Ayes: Torres-O'Callaghan and Salcedo  
Noes: Akinjo  
Absent: Dhaliwal  
Abstain: Lazard

MOTION FAILED.

*After the initial vote of Item 4.6 and 4.7, the City Council moved to consider Item 5.1. At that time, City Manager Stephen Salvatore requested a brief recess to discuss the reconsideration of Item 4.6. The Council agreed and Vice Mayor Salcedo called a recess at 9:33 p.m. Vice Mayor Salcedo called the meeting to order at 9:37 p.m. City Attorney Salvador Navarrete provided an overview related to the request by staff to reconsider Item 4.6 prior to Item 5.1. The City Council agreed to reconsider Item 4.6, Councilmember Lazard stepped down and left the Chamber.*

On a motion by Councilmember Torres-O'Callaghan, seconded by Vice Mayor Salcedo, the City Council agreed to reconsider Item 4.6, a resolution accepting an Irrevocable Offer of Dedication (IOD) for Mulholland Drive located at River Islands at Lathrop, by the following roll call vote:

Ayes: Akinjo, Torres-O'Callaghan and Salcedo  
Noes: None  
Absent: Dhaliwal  
Abstain: Lazard

City Manager Stephen Salvatore provided additional information regarding Item 4.6. A question and answer period ensued.

On a motion by Councilmember Akinjo, seconded by Vice Mayor Salcedo, the City Council adopted **Resolution 18-4493** approving an Irrevocable Offer of Dedication (IOD) for Mulholland Drive located at River Islands at Lathrop, by the following roll call vote:

Ayes: Akinjo, Torres-O'Callaghan and Salcedo  
Noes: None  
Absent: Dhaliwal  
Abstain: Lazard

4.7 **\*\*APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 44 LOTS IN TRACT 3991 VILLAGE "V" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS**

*Item 4.6 and 4.7 were discussed and voted on following the vote of the Consent Calendar, as indicated above. Councilmember Lazard stepped down and abstained from voting on this matter.*

On a motion by Councilmember Torres-O'Callaghan, seconded by Vice Mayor Salcedo, the City Council adopted **Resolution 18-4494** approving Final Map for Tract 3991 Village "V" within the Lakeside East District, totaling 44 single-family lots, Common Use Agreement with Island Reclamation District 2062 for portions of Enslin Avenue, and Subdivision Improvement Agreement with River Islands Development, LLC, by the following roll call vote:

Ayes:	Akinjo, Torres-O'Callaghan and Salcedo
Noes:	None
Absent:	Dhaliwal
Abstain:	Lazard

4.8 **REQUEST TO TERMINATE THE INTERIM LEVEE IMPACT FEE AND REPLACE IT WITH A REGIONAL LEVEE IMPACT FEE IN THE MOSSDALE TRACT BASIN AREA**

City Clerk Teresa Vargas confirmed receipt of a public comment letter received addressing Items 4.3, 4.4, and 4.8, submitted by Martin Harris, Terra Land Group, LLC; and confirmed distribution to the City Council and copies for the public.

Adopted **Resolution 18-4491** approving a Regional Levee Impact Fee Collection Agreement with SJAFCA and Cities of Lathrop, Manteca, Stockton and San Joaquin County in the Mossdale Tract Basin Area and terminate the Lathrop interim levee impact fee.

4.9 **CREATE CIP PS 19-05 WARREN AVENUE SIDEWALK IMPROVEMENT PROJECT, APPROVE RELATED BUDGET AMENDMENT, AND AUTHORIZE MEASURE K COOPERATIVE AGREEMENT FOR THE PROJECT**

Adopted **Resolution 18-4492** approving the creation of CIP PS 19-05 Warren Avenue sidewalk improvement project, related budget amendment, and Measure K Cooperative Agreement.

## **5. SCHEDULED ITEMS**

*After the initial vote of Item 4.6 and 4.7, the City Council moved to consider Item 5.1. At that time, City Manager Stephen Salvatore requested a brief recess to discuss the reconsideration of Item 4.6. The Council agreed and Vice Mayor Salcedo called a recess at 9:33 p.m. Vice Mayor Salcedo called the meeting to order at 9:37 p.m. City Attorney Salvador Navarrete provided an overview related to the request by staff to reconsider Item 4.6 prior to Item 5.1.*

*The City Council agreed to reconsider Item 4.6, Councilmember Lazard stepped down and left the Chamber. After the vote of Item 4.6, Councilmember Lazard returned to the dais. Staff proceeded with Item 5.1*

5.1 COUNCIL TO DISCUSS AND CONSIDER A NEW CLEAN ENERGY FINANCING PROGRAM FOR PRIVATE COMMERCIAL AND RESIDENTIAL IMPROVEMENTS FROM CMFA OPEN PACE PROGRAM

City Clerk Teresa Vargas introduced Chris Peterson, Vice President of Municipal Development for Energy Efficient Equity, Inc. City Clerk Teresa Vargas provided the presentation.

A question and answer period ensued following the presentation. Chris Peterson, Vice President of Municipal Development for Energy Efficient Equity, Inc. responded to questions from the Council. City Manager Stephen Salvatore and City Clerk Teresa Vargas provided additional information. Gloryanna Rhodes (Lathrop, CA) commented on the matter.

On a motion by Councilmember Lazard, seconded by Councilmember Torres-O'Callaghan, the City Council received information related to new clean energy financing programs, and adopted **Resolution 18-4495** approving:

- A. The California Municipal Finance Authority (CMFA) Joint Exercise of Powers Agreement and to Join the CMFA PACE Program
- B. CMFA Exercise of Powers Agreement Relating to the California Municipal Finance Authority
- C. Participation Agreement between the CMFA, Energy Efficiency Equity LLC, and the City of Lathrop
- D. Participation Agreement between the CMFA, BlueFlame PACE Services LLC, and City of Lathrop
- E. Participation Agreement between the CMFA, OnPACE Energy Solutions LLC, and City of Lathrop
- F. Participation Agreement between the CMFA, PACE Equity LLC, and the City of Lathrop
- G. Participation Agreement between the CMFA, Samas Capital LLC, and City of Lathrop
- H. Participation Agreement between the CMFA, Structured Finance Associates LLC, and City of Lathrop
- I. Participation Agreement between the CMFA, Twain Community Partners II LLC, and the City of Lathrop

Ayes: Lazard, Torres-O'Callaghan and Salcedo  
Noes: None  
Absent: Dhaliwal  
Abstain: Akinjo



5.2 PUBLIC HEARING (PUBLIC NOTICE) TO CONSIDER A RESOLUTION TO VACATE A PORTION OF GLACIER STREET (FORMALLY MADRUGA ROAD) TO SOUTH LATHROP LAND, L.L.C. AND AUTHORIZE THE CITY CLERK TO RECORD THE APPROPRIATE DOCUMENTS WITH THE COUNTY OF SAN JOAQUIN

Assistant Public Works Director Michael King provided the presentation. A question and answer period ensued. City Manager Stephen Salvatore provided additional information. Vice Mayor Salcedo opened the public hearing. City Clerk Teresa Vargas confirmed receipt of a public comment letter received for Item 5.2 submitted by Martin Harris, Terra Land Group, LLC; and confirmed distribution to the City Council and copies for the public. There were no speakers. Vice Mayor Salcedo closed the public hearing.

On a motion by Councilmember Lazard, seconded by Councilmember Torres-O'Callaghan, the City Council:

1. Held a public hearing; and
2. Adopted **Resolution 18-4496** to Vacate 9,789 Square Feet of Glacier Street (Formally Madrugá Road) to South Lathrop Land, L.L.C.

Ayes: Akinjo, Lazard Torres-O'Callaghan and Salcedo  
Noes: None  
Absent: Dhaliwal  
Abstain: None

## 6. COUNCIL COMMUNICATIONS

- 6.1 MAYOR DHALIWAL REFERRAL: Set Application Deadline for Appointment of One (1) Member to the Measure C Oversight Committee with Term Expiring June 30, 2021, due to Unexpired Term Vacancy

City Clerk Teresa Vargas provided an overview, announced resignation of Commissioner Ash Ramilay due to his appointed to the Planning Commission.

The City Council set the application deadline to January 4, 2019, with appointment at the Regular Meeting of January 14, 2019.

- 6.2 MAYOR DHALIWAL REFERRAL: Set Application Deadline for Appointment of Two (2) Members to the Planning Commission with Term Expiring June 30, 2022, due to Unexpired Term Vacancies

City Clerk Teresa Vargas provided an overview, announced resignations of Commissioners Lazard and Torres-O'Callaghan due to being elected to the City Council.

The City Council set the application deadline to January 4, 2019, with appointment at the Regular Meeting of January 14, 2019.

6.3 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)

Councilmember Akinjo reported his attendance to a meeting of the Tri Valley-San Joaquin Valley Regional Rail Authority, in which the Valley Link Project was discussed. City Manager Stephen Salvatore provided additional information regarding the Valley Link Project.

6.4 MAYOR & COUNCILMEMBER COMMENT(S)

Councilmember Akinjo congratulated the newly elected Councilmembers. Councilmembers thanked those in attendance. Councilmember Torres-O'Callaghan requested information on the future traffic light near Lathrop High School. City Engineer Glenn Gebhardt provided the information. Vice Mayor Salcedo congratulated the newly elected Councilmembers, expressed appreciation to the outgoing Councilmembers, and thanked those in attendance.

7. **ADJOURNMENT** - There being no further business, Vice Mayor Salcedo adjourned the meeting at 10:12 pm

  
\_\_\_\_\_  
Teresa Vargas, CMC, City Clerk

**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM:** **SECOND READING AND ADOPTION OF ORDINANCE 19-400 APPROVING THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, WATT-MCKEE, LATHROP ASSOCIATES, STEVEN R. MCKEE ROBERT E. MCKEE 1997 BYPASS TRUST AND WESTERN PACIFIC HOUSING INC.**

**RECOMMENDATION:** **Second Reading and Adoption of Ordinance 19-400 Adopting the Second Amendment to the Development Agreement and the Assignment and Assumption Agreement Between the City of Lathrop, Watt-McKee, Lathrop Associates, Steven R. McKee Robert E. McKee 1997 Bypass Trust and Western Pacific Housing Inc. regarding the Mossdale Landing East Project. (The Second Amendment Proposes to Extend the Term of the Development Agreement from 15 Years to 25 Years. The Assignment and Assumption Agreement Will Transfer the Developer's Rights, Title and Interest for Parcel 241-020-66 to Mossdale Landing Apartments, LLC.)**

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**RECOMMENDED ACTION:**

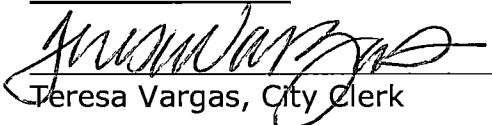
The City Council to conduct second reading and adopt Ordinance 19-400 entitled:

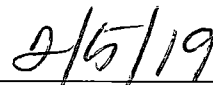
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, WATT-MCKEE, LATHROP ASSOCIATES, STEVEN R. MCKEE ROBERT E. MCKEE 1997 BYPASS TRUST AND WESTERN PACIFIC HOUSING INC. REGARDING THE MOSSDALE LANDING EAST PROJECT

**SUMMARY:**

On January 14, 2019, the City Council approved the introduction and fist reading of the subject Ordinance by 5-0 vote. The Ordinance will take effect 30 days after adoption.

**SUBMITTED BY:**

  
\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Date

**ORDINANCE NO. 19-400**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, WATT-MCKEE, LATHROP ASSOCIATES, STEVEN R. MCKEE ROBERT E. MCKEE 1997 BYPASS TRUST AND WESTERN PACIFIC HOUSING INC. REGARDING THE MOSSDALE LANDING EAST PROJECT**

**WHEREAS**, the City of Lathrop City Council held a duly noticed public hearing to consider the Second Amendment to the Mosssdale Landing East Development Agreement (DA) pursuant to the Lathrop Municipal Code; and

**WHEREAS**, the proposed site is located within the Mosssdale area of the West Lathrop Specific Plan (Mosssdale Landing East), more specifically situated west of Interstate 5 and bounded by River Islands Parkway to the north, San Joaquin River to the west and by the Union Pacific Railroad to the south. The affected parcels of the Mosssdale Landing East Development Agreement Amendment are: 241-020-66, 191-550-74 & -75, 191-190-49 & 241-020-52; and

**WHEREAS**, in March 2004, the Lathrop City Council approved the Mosssdale Landing East Development Agreement, the "Development Agreement"; and

**WHEREAS**, in June 2016, the Lathrop City Council approved the Second Amendment to the Development Agreement; and

**WHEREAS**, Ramona Chace, LLC has applied for approval of a Second Amendment to the Development Agreement to extend the term an additional 10 years and to assign the DA obligations and benefits for Parcel 241-020-66 to Mosssdale Landing Apartments, LLC; and

**WHEREAS**, California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within its jurisdiction; and

**WHEREAS**, the proposed Second Amendment and Assignment and Assumption Agreement has been reviewed by City staff and City Attorney, and is recommended by the Planning Commission for approval; and

**WHEREAS**, a Notice of Public Hearing was advertised in the Manteca Bulletin on January 3, 2019 and mailed to property owners located within 300 feet of the affected sites in accordance with the Government Code and Lathrop Municipal Code as required by law; and

**WHEREAS**, the City Council has reviewed all written evidence and oral testimony presented to date.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council finds that the text of the Second Amendment is consistent with the 2003 West Lathrop Specific Plan and Lathrop General Plan as amended, since there is no resultant change in zoning, land use standards or other similar regulations, and that no additional review of the Second Amendment is required under the California Environmental Quality Act (CEQA) because:

- a. The proposed DA amendment involves organizational and timing matters that have no potential for a direct or indirect physical effect on the environment.
- b. The potential environmental effects of the Mossdale Landing East project have been and continue to be addressed in the certified Supplemental Environmental Impact Report (SEIR) (State Clearinghouse No. 2002052083).
- c. The proposed DA amendment would not alter the physical nature of the Mossdale Landing East project or its potential environmental impacts.
- d. There is no known evidence of substantial changes or new information that would suggest that the Mossdale Landing East project would have new or more severe environmental effects than were addressed in the certified SEIR.
- e. The term extension and assignment addressed by the DA amendment do not constitute significant environmental effects under CEQA and therefore are not proper subjects for CEQA review.
- f. The finding of general plan and specific plan conformity made by the Planning Commission is not subject to the California Environmental Quality Act (CEQA) pursuant to Article 5 §15061 (b) (3) by the "General Rule" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The proposed action does not authorize any specific construction; it is only a finding of consistency to the General Plan.

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

**Section 1.**

The City Council finds that the proposed Second Amendment to the Development Agreement and the Assignment and Assumption Agreement between the City of Lathrop, Watt-McKee, Lathrop Associates, Steven R. McKee Robert E. McKee 1997 Bypass Trust and Western Pacific Housing Inc. regarding the Mossdale Landing East Project, attached, is consistent with the Lathrop General Plan and West Lathrop Specific Plan.

**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 the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

**Section 4.**

This Ordinance shall take legal effect 30 days from its adoption.

**Section 5.**

Within fifteen days of the adoption of this Ordinance, the City Clerk shall cause a copy of this Ordinance to be published in full accordance with Section 36933 of the Government Code.

**Section 6.**

The Mayor is hereby authorized to execute said Development Agreement Amendment for and on behalf of the City once this ordinance takes effect.

**THIS ORDINANCE** was regularly introduced at a meeting of the City Council of the City of Lathrop on the 14<sup>th</sup> day of January 2019, and was **PASSED AND ADOPTED** at a Regular Meeting of the City Council of the City of Lathrop on the 11<sup>th</sup> day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

\_\_\_\_\_  
Salvador Navarrete, City Attorney

Attachments:

1. Second Amendment to the Development Agreement between the City of Lathrop, Watt-McKee, Lathrop Associates, Steven R. McKee Robert E. McKee 1997 Bypass Trust and Western Pacific Housing Inc.
2. Assignment and Assumption Agreement between the City of Lathrop, Watt-McKee, Lathrop Associates, Steven R. McKee Robert E. McKee 1997 Bypass Trust and Western Pacific Housing Inc.

STATE OF CALIFORNIA            )  
COUNTY OF SAN JOAQUIN       ) ss.  
CITY OF LATHROP                )

I, Teresa Vargas, City Clerk of the City of Lathrop, California, do hereby certify that the foregoing Ordinance No. 19-400 was duly and regularly introduced at a regular meeting of the City Council on the 14<sup>th</sup> day of January 2019, and that thereafter said Ordinance was duly and regularly adopted at a regular meeting of the City Council on the 11<sup>th</sup> day of February 2019, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

This ordinance was duly published in accordance with State Law (G.C. 40806).

I hereby certify that the foregoing is the original of Ordinance No. 19-400 duly passed and adopted by the City of Lathrop City Council at its regular meeting held February 11, 2019, and that the Summary of the Ordinance was published on February 5, 2019, and \_\_\_\_\_, 2019 in the Manteca Bulletin Newspaper.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Lathrop, California, this \_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
TERESA VARGAS, CMC  
CITY CLERK

(SEAL)



RECORDING REQUESTED BY,  
AND WHEN RECORDED MAIL TO:

CITY OF LATHROP  
ATTN: CITY CLERK  
390 TOWNE CENTRE DRIVE  
LATHROP, CA 95330

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SECOND AMENDMENT TO  
DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE CITY OF LATHROP,  
WATT-MCKEE LLC, LATHROP  
ASSOCIATES, STEVEN R. MCKEE ROBERT E.  
MCKEE 1997 BYPASS TRUST AND  
WESTERN PACIFIC HOUSING INC. REGARDING  
THE MOSSDALE LANDING EAST PROJECT

**PREAMBLE**

This SECOND AMENDMENT TO DEVELOPMENT AGREEMENT ("**Second Amendment**") dated for reference as of January 14, 2019, but effective as of the Effective Date defined herein, is made and entered into in Lathrop, California, by and among the CITY OF LATHROP, a municipal corporation ("**City**"), RAMONA CHACE, LLC, a California limited liability company ("**Ramona Chace**"), MOSSDALE LANDING LLC, a California limited liability company ("**Mossdale**") and TOWNE CENTRE, LATHROP, INC., a California corporation ("**Towne Center**"). Ramona Chace, Mossdale and Towne Center collectively are referred to as the "**Party Owners.**" Collectively, City, Ramona Chace, Mossdale and Towne Center are the "**Parties**" hereto; separately, City, Ramona Chace, Mossdale and Towne Center each is a "**Party**" hereto. This Second Amendment is entered into by the Parties based on this Preamble and on the following facts, understandings and intentions:

**RECITALS**

A. The City approved that certain agreement entitled, "Development Agreement By and Between the City of Lathrop, Watt-McKee LLC, Lathrop Associates, Steven R. McKee, Robert E. McKee 1997 Bypass Trust and Western Pacific Housing Inc. Regarding the Mossdale Landing East Project," dated as of March 9, 2004, and recorded in the Official Records of the County of San Joaquin on March 18, 2004, as Document #2004-055103 (the "**Development Agreement**"), pursuant to which the City and the owners of the properties subject to the Development Agreement (collectively, "**Original Owner**"), all as more particularly described in the Development Agreement (hereinafter, the "**Subject Property**"), agreed that the development of the Mossdale Landing East Project (the "**Project**") would be done in accordance with and subject to the conditions, rights and obligations set forth in the Development Agreement.

B. The City approved a document entitled “First Amendment to the Development Agreement by and between the City of Lathrop and Watt McKee LLC Regarding the Mossdale Landing East Project” dated as of June 6, 2016, and recorded in the Official Records of the County of San Joaquin on July 28, 2016, as Document #2016-087664 (“**First Amendment**”), and on June 20, 2016, adopted by Ordinance No. 16-358, pursuant to which the City and Watt McKee LLC, an Original Owner, made certain modifications to the Development Agreement that included extending the Term of the Development Agreement pertaining to the “Watt Commercial Property” (as defined in the First Amendment) to March 16, 2029, and making other changes, as stated therein, that modified certain definitions and other provisions in the Development Agreement.

C. By this Second Amendment, Section 1.04(a)(1) and Section 1.04(a)(2) of the Development Agreement are modified exclusively with respect to the Affected Properties (as defined herein). When this Second Amendment becomes effective, development of the Affected Properties will proceed, if at all, in accordance with and be subject to the conditions, rights and obligations in the Development Agreement as hereby modified.

D. This Second Amendment concerns, affects and alters the Development Agreement only with respect to the “**Affected Properties**,” each of which is owned by one of the Party Owners and all of which are part of the Subject Property, as described generally below and more specifically in the superseding legal descriptions attached as Exhibits 1-4:

- (1) 18149 S. Manthey Road (APN 241-020-66); Fee interest owned by Mossdale, a 204 Unit Apartment Site (**Exhibit 1**);
- (2) 201 Towne Centre Drive (APN 191-550-74) and 231 Towne Centre Drive (APN 191-550-75); Fee interest owned by Towne Center, an Apartment Site (**Exhibit 2**);
- (3) 17100 Golden Valley Parkway (APN 191-190-49); Fee interest owned by Ramona Chace, the 12.4 acre Sprayfield (**Exhibit 3**); and
- (4) 17991 South Manthey Road (APN 241-020-52); Remainder interest owned by Ramona Chace, Pond C, a 7.81 acre treated wastewater detention pond (**Exhibit 4**).

E. Each Party Owner represents that it is a successor-in-interest to an Original Owner. Towne Center, as successor-in-interest to Ramona Chace, became a Party Owner of certain properties including the property described on Exhibit 2 pursuant to a Grant Deed recorded in the Office of the San Joaquin County Recorder on November 5, 2018, as Document Number 2018-122480.

F. The Parties agree that: (1) the Affected Properties are the only properties in the Project that are being modified by the approval, execution, effectiveness, and recording of this Second Amendment and (2) the Affected Properties are the only properties in the Subject Property that are being modified by the approval, execution, effectiveness, and recording of this Second Amendment. The Party Owners represent that immediately before this Second Amendment becomes effective, the Party Owners are all of, and the only, owners of the Affected Properties.

G. Nothing in this Second Amendment is intended to affect or affects the rights, obligations or interests of any Original Owner or, other than Party Owners, any successor in interest to any Original Owner under the Development Agreement (collectively, “**Other**

Owners”). This Amendment preserves, without altering, the respective rights and obligations of all Other Owners, arising under the Development Agreement and, consistent therewith: (1) none of the Other Owners is, or is required to be, a party to or to consent to this Second Amendment and (2) all of the Other Owners and all properties in the Subject Property other than the Affected Properties intentionally and expressly are excluded from the operative effect of this Second Amendment. Accordingly, only the approval of the Parties hereto, as evidenced by their execution of this Second Amendment, and the approvals of the City Planning Commission and the City Council, as reflected herein, are required for this Second Amendment to become effective upon the date the ordinance approving this Second Amendment takes effect.

H. Due to various economic and market conditions, industry factors and other business considerations that occurred after the Effective Date of the Development Agreement, Party Owners and their predecessors in interest have not completed development of the Affected Properties. To facilitate development activity with respect to the Affected Properties, the Parties desire to extend the Term of the Development Agreement applicable to the Affected Properties until 12:01 a.m., March 16, 2029, so that Term is consistent with the Term extension approved in the First Amendment.

I. Each Party Owner, for itself, represents that as of the Effective Date of this Second Amendment, it is in full compliance with the terms, conditions, and obligations under the Development Agreement applicable to it. City's approval of this Amendment is not a confirmation by the City of the Party Owner's representations in this Recital I.

J. On December 19, 2018, the City Planning Commission held a duly noticed public meeting wherein the Planning Commission reviewed this Second Amendment.

K. On January 14, 2019, the City Council held a duly noticed public hearing on this Second Amendment in accordance with Government Code Section 65868 and introduced Ordinance No. \_\_\_\_\_ approving and authorizing execution of this Second Amendment.

L. On \_\_\_\_\_, the City Council approved this Second Amendment to the Development Agreement.

On the terms stated herein, this Second Amendment amends certain provisions of the Development Agreement applicable to the Subject Property. The City finds that (1) this Second Amendment is consistent with and falls within the scope of the previously granted Project Approvals, and therefore, is not a new project, but is covered by, and requires no modification of, the existing Final Supplemental Environmental Impact Report (FSEIR) (SCH #2002052083) certified for the Project and (2) constitutes a Subsequent Approval within the meaning of Section 1.02(a)(66) of the Development Agreement.

### AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions contained herein, the Parties agree as follows and as set forth in the foregoing Preamble and Recitals Sections and each Exhibit attached hereto, all of which also are material parts hereof and are incorporated herein by reference, hereby modify the Development Agreement exclusively with respect to the Affected Properties as follows:

SECTION 1. AMENDMENT TO SECTION 1.04(a)(1). Section 1.04 (a)(1) of the Development Agreement is amended as follows:

**“Section 1.04. Term.**

- (a) In General. As applicable to the Affected Properties only:
  - (1) The “**Term**” of the Development Agreement is:
    - (A) twenty-five (25) years for all properties constituting Residential Property and Commercial Property, as shown on Exhibits “B” and “C” to the Development Agreement; and
    - (B) twenty-five (25) years for Unit 2 of the VTM for the storage ponds and spray field areas, identified in Exhibits 3 and 4 and as shown on Exhibits “A, B, and C” to the Development Agreement, only if these areas shall continue to be used as storage ponds and spray fields at the buildout of the Project.”

SECTION 2. AMENDMENT TO SECTIONS 1.04(a)(2). As applicable only to the Affected Properties, Section 1.04(a)(2) of the Development Agreement is amended to read as follows: “(2) The Term shall commence on the Effective Date and shall continue until, and then terminate upon 12:01 a.m., March 16, 2029, unless the Development Agreement is otherwise terminated, modified or extended.”

SECTION 3. EFFECTIVE DATE. This Second Amendment automatically shall take effect upon the date the ordinance approving this Second Amendment takes effect (“**Effective Date**”). Subject to the superseding terms of this Second Amendment, the Development Agreement remains in full force and effect and, as of the Effective Date, hereby is reaffirmed.

SECTION 4. RECORDING AND ADDITIONAL CONFORMING PROVISIONS. Within ten (10) calendar days after the Effective Date, the City shall record this Second Amendment with the San Joaquin County Recorder's Office. Any delay in the recording of this Second Amendment does not and will not affect or impair its effectiveness, validity or enforceability. Each capitalized term used and not otherwise defined herein has the meaning ascribed to it in the Development Agreement. The Development Agreement, as hereby amended, remains in full force and effect as of the Effective Date of this Second Amendment.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment To Development Agreement to be effective as of the Effective Date (as herein defined) regardless of the date(s) on which it is signed.

**CITY OF LATHROP,**  
a Municipal corporation

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

Name: \_\_\_\_\_

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

**ATTEST:**

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

Teresa Vargas, City Clerk

**RAMONA CHACE, LLC,**  
a California limited liability company

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

Name: \_\_\_\_\_

Its: Managing Member

**Mossdale Landing, LLC,**  
a California limited liability company

By: The Schussing Company, Inc., a California corporation

Its: Manager

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

Nicholas J. Whetstone, Vice President

Towne Centre, Lathrop, Inc.  
a California corporation

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

Name: \_\_\_\_\_

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

**Approved as to form:**

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

Salvador Navarrete, City Attorney

Dated: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)



**EXHIBIT NO. 1**  
**“18149 S. Manthey Road”**

# "EXHIBIT NO 1"

OCTOBER 23, 2018  
JOB NO. 1465-010

EXHIBIT A  
LEGAL DESCRIPTION  
LOT LINE ADJUSTMENT  
LLA 18-99  
RESULTANT PARCEL 1  
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA

ALL THAT REAL PROPERTY SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING ALL OF PARCELS ONE AND TWO AND A PORTION OF PARCEL THREE, AS SAID PARCELS ARE DESCRIBED IN THE GRANT DEED TO MOSSDALE LANDING, LLC, RECORDED MAY 15, 2018, AS DOCUMENT NO. 2018-053462 IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL ONE (I.N. 2018-053462);

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE EXTERIOR BOUNDARY OF ABOVE SAID MOSSDALE LANDING, LLC PARCELS (I.N. 2018-053462), THE FOLLOWING EIGHT (8) COURSES:

- 1) SOUTH 89°06'50" EAST 358.32 FEET,
- 2) SOUTH 07°25'33" WEST 327.07 FEET,
- 3) NORTH 89°06'41" WEST 210.20 FEET,
- 4) SOUTH 00°53'19" WEST 163.23 FEET,
- 5) NORTH 88°24'44" EAST 185.54 FEET,
- 6) SOUTH 07°25'33" WEST 249.84 FEET,
- 7) ALONG THE ARC OF A TANGENT 7,037.50 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 01°09'07", AN ARC DISTANCE OF 141.49 FEET,
- 8) SOUTH 06°16'26" WEST 211.74 FEET,

THENCE, LEAVING SAID EXTERIOR BOUNDARY, ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 82°00'18", AN ARC DISTANCE OF 35.78 FEET;

THENCE, SOUTH 88°16'44" WEST 100.19 FEET, TO THE EXTERIOR LINE OF QUEIROLO ROAD, AS SAID QUEIROLO ROAD IS SHOWN AND SO DESIGNATED ON PARCEL MAP 04-08-PM, FILED FOR RECORD OCTOBER 20, 2005, IN BOOK 23 OF PARCEL MAPS AT PAGE 146, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID EXTERIOR LINE THE FOLLOWING TWO (2) COURSES:

- 1) NORTH 55°49'18" WEST 18.02 FEET,
- 2) SOUTH 34°10'42" WEST 13.04 FEET;

THENCE, LEAVING SAID EXTERIOR LINE, SOUTH 88°16'44" WEST 186.15 FEET;

THENCE, ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 99°08'46", AN ARC DISTANCE OF 43.26 FEET, TO THE WESTERLY LINE OF SAID PARCEL THREE (I.N. 2018-053462);

THENCE, ALONG SAID WESTERLY LINE AND THE WESTERLY LINES OF SAID PARCELS ONE AND TWO, NORTH 07°25'30" EAST 1,095.86 FEET TO SAID POINT OF BEGINNING.

CONTAINING 361,794 SQUARE FEET OR 8.31 ACRES OF LAND, MORE OR LESS.

END OF DESCRIPTION

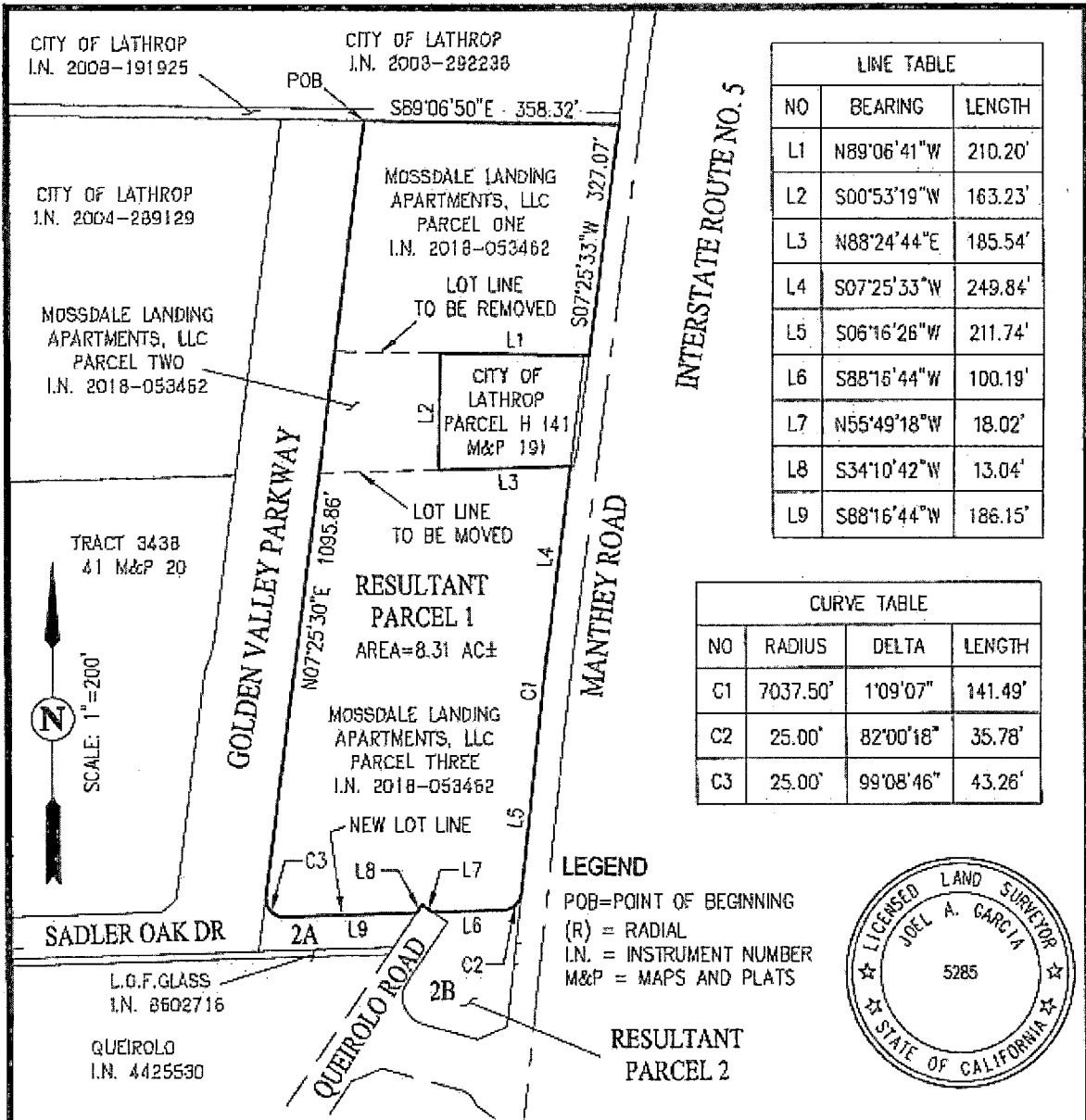
APN 241-020-65 AND A PORTION OF APN 241-020-66.

ATTACHED HERETO IS A PLAT ENTITLED EXHIBIT 'B' TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

THIS DESCRIPTION IS GIVEN IN COMPLIANCE WITH THE PROVISION AND CONDITIONS OF APPROVAL OF THE LOT LINE ADJUSTMENT NO. "LLA 18-99" BY THE CITY OF LATHROP, AND RECORDATION OF THIS DEED IS FOR THE PURPOSE OF ADJUSTING PROPERTY LINES ONLY AND DOES NOT CREATE OR CONVEY A SEPARATE PARCEL, AND SHALL HEREINAFTER BE DESCRIBED AS ABOVE, AND IS SUBJECT TO ALL EXISTING RESTRICTIONS, RESERVATIONS AND EASEMENTS OF RECORD.

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JOEL GARCIA, P.L.S.  
L.S. NO. 5285 EXPIRES 12/31/2019



LINE TABLE		
NO	BEARING	LENGTH
L1	N89°06'41"W	210.20'
L2	S00°53'19"W	163.23'
L3	N88°24'44"E	185.54'
L4	S07°25'33"W	249.84'
L5	S06°16'26"W	211.74'
L6	S88°16'44"W	100.19'
L7	N55°49'18"W	18.02'
L8	S34°10'42"W	13.04'
L9	S88°16'44"W	186.15'

CURVE TABLE			
NO	RADIUS	DELTA	LENGTH
C1	7037.50'	1°09'07"	141.49'
C2	25.00'	82°00'18"	35.78'
C3	25.00'	99°08'46"	43.26'

**LEGEND**  
 POB=POINT OF BEGINNING  
 (R) = RADIAL  
 I.N. = INSTRUMENT NUMBER  
 M&P = MAPS AND PLATS



**EXHIBIT B**  
**PLAT TO ACCOMPANY LEGAL DESCRIPTION**  
 LLA-18-99  
**RESULTANT PARCEL 1**  
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA  
 OCTOBER 23, 2018

SHEET 1 OF 1

**Carlson, Barbee & Gibson, Inc.**  
 CIVIL ENGINEERS • SURVEYORS • PLANNERS  
 SANY RAMON • (925) 855 - 0322  
 WEST SACRAMENTO • (916) 375 - 1877

**EXHIBIT NO. 2**  
**“201 Towne Centre Drive”**

## EXHIBIT No 2

Parcels 2 and 3 as shown and delineated on that certain Parcel Map, recorded February 15, 2007 in Book 24 of Parcel Maps, at Page 86, San Joaquin County Recordings, being a portion of that certain Parcel shown as "Designated Remainder", as said Parcel is shown and delineated on the Map recorded April 13, 2006 in Book 23 of Parcel Maps at Page 192, San Joaquin County Records.

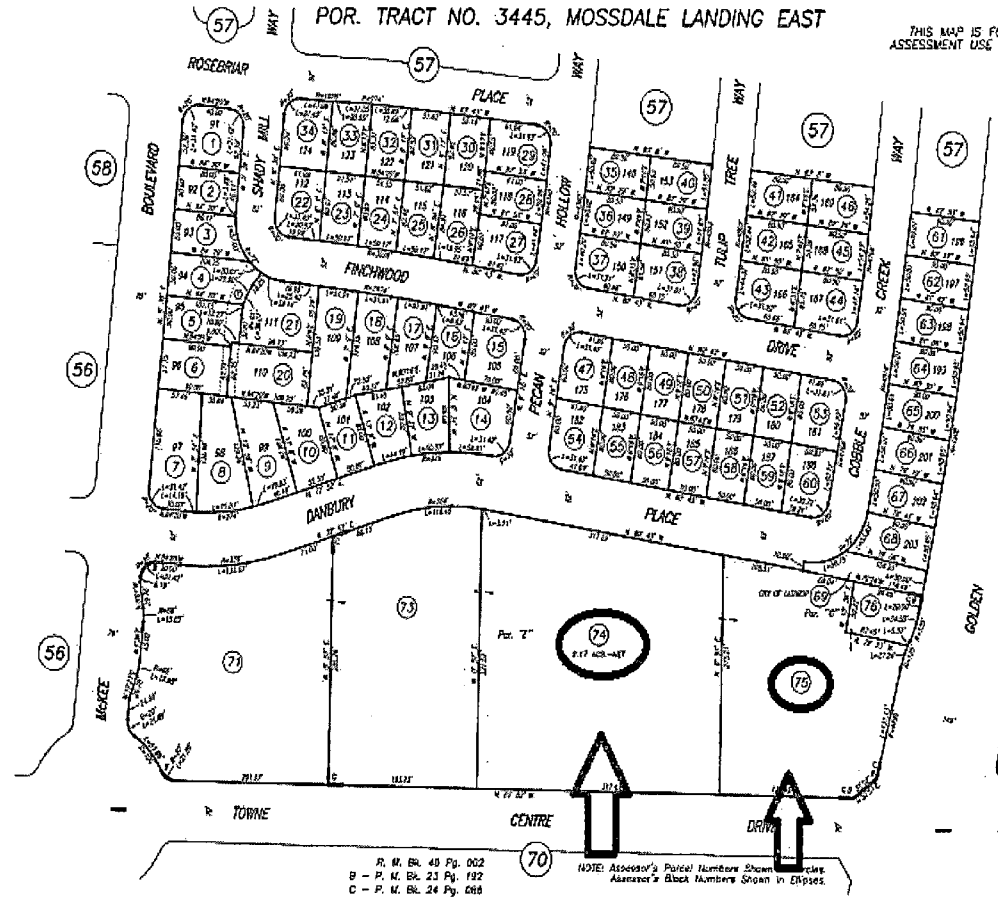
EXCEPTING THEREFROM all mineral rights and oil and gas rights below 500 feet of the surface of said property, as reserved in the Deed from Western Pacific Housing, Inc., a Delaware Corporation, recorded March 30, 2006 under Recorder's Series Number 2006-069357 Official Records.

APN: 191-550-74  
191-550-75

POR. TRACT NO. 3445, MOSSDALE LANDING EAST

THIS MAP IS FOR ASSESSMENT USE ONLY

191-55



HIGHEST A.M.U. USED

YEAR	PAR.	PAR.	PAR.
88-89	72		
89-91	72		
91-92	75		
92-93	75		
93-94	75		
94-95	75		
95-96	75		
96-97	75		
97-98	75		
98-99	75		
99-00	75		
00-01	75		
01-02	75		
02-03	75		
03-04	75		
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72-73	75		
73-74	75		
74-75	75		
75-76	75		
76-77	75		
77-78	75		
78-79	75		
79-80	75		

CITY OF LATHROP  
Assessor's Map Bk. 191 Pg. 5  
County of San Joaquin, Cali

R. M. Bk. 48 Pg. 002  
B - P. M. Bk. 23 Pg. 192  
C - P. M. Bk. 24 Pg. 068

NOTE: Assessor's Parcel Numbers Shown on this Assessor's Map are in Circles

**EXHIBIT NO. 3**  
**“17100 Golden Valley Parkway”**



### Exhibit No 3

#### Parcel One:

All that certain real property situated in the City of Lathrop, County of San Joaquin, State of California, being a portion of those lands of Pulte Home Corporation in Document Number 2004-169013, San Joaquin County Records and being more particularly described as follows: Commencing at the Southeast corner of said lands of Pulte Homes Corporation as described in Document No. 2004-169013, San Joaquin County Records along the Southerly boundary of said lands, North  $89^{\circ} 02' 08''$  West 7.25 feet, thence leaving said Southerly boundary entering said lands of Pulte Home Corporation, North  $16^{\circ} 03' 48''$  East 51.25 feet, to the point of beginning; thence from said point of beginning, South  $53^{\circ} 30' 50''$  West 23.82 feet, thence North  $89^{\circ} 02' 08''$  West 420.94 feet, thence North  $37^{\circ} 25' 35''$  West 47.03 feet to the beginning of a non-tangent curve to the left, thence along said non-tangent curve to the left, having a radial bearing of North  $75^{\circ} 49' 03''$  West, a radius of 5,048.00 feet, a central angle of  $11^{\circ} 07' 36''$  and an arc length of 980.30 feet, thence North  $47^{\circ} 41' 01''$  East 42.15 feet, thence South  $87^{\circ} 41' 19''$  East 562.94 feet, thence South  $36^{\circ} 47' 57''$  East 18.92 feet to the beginning of a non-tangent curve to the right, thence along said nontangent curve to the right, having a radial bearing of North  $75^{\circ} 45' 52''$  West, a radius of 2,963.19 feet, a central angle of  $01^{\circ} 49' 10''$  and an arc length of 94.09 feet, thence South  $16^{\circ} 03' 48''$  West 934.15 feet, to said point of beginning.

APN: 191-190-49

#### Parcel Two:

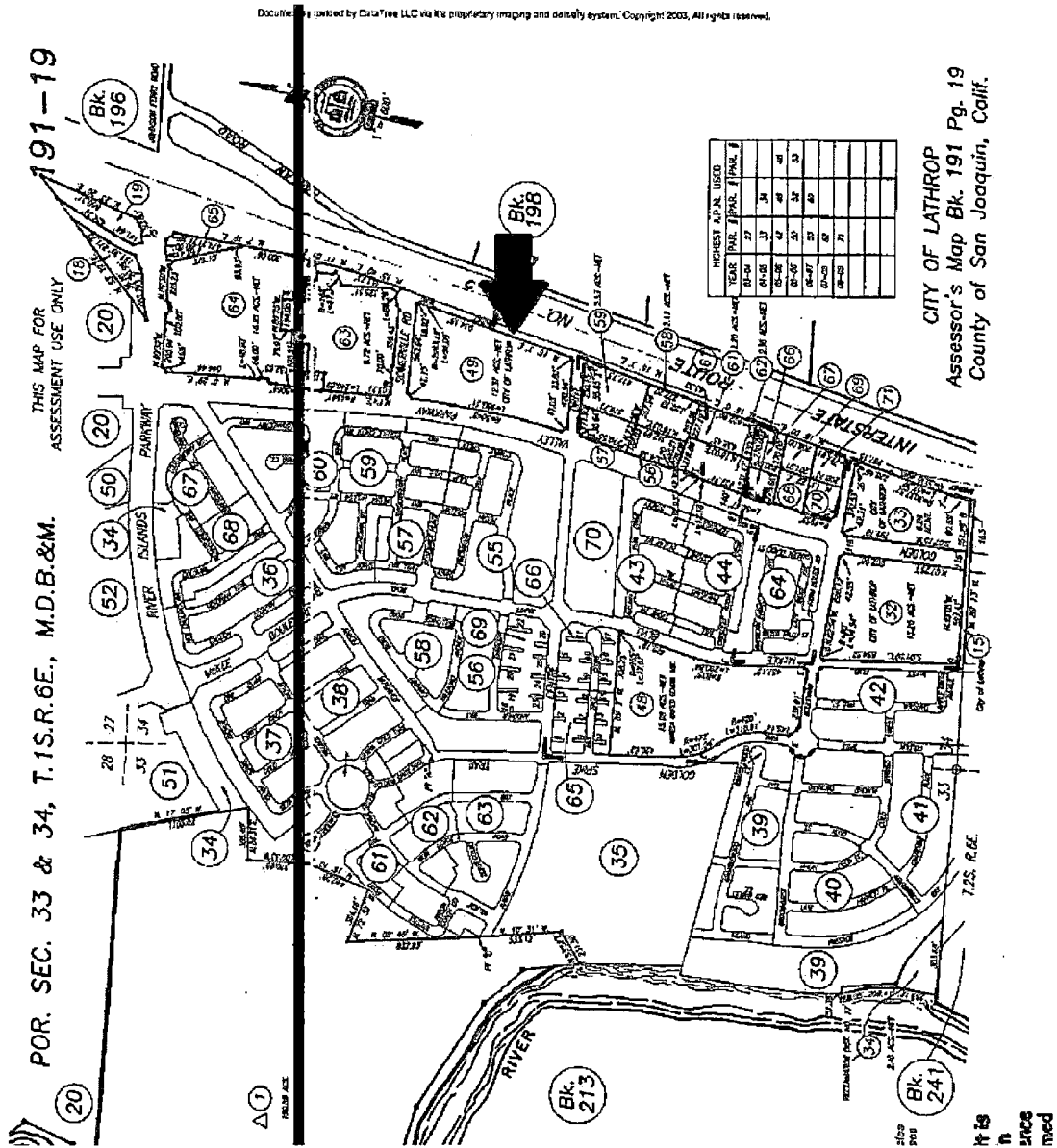
All that certain real property as described in Resolution No. 06-2245 recorded August 24, 2006, under Recorder's Serial Number 2006-181396 of Official Records, situate in the City of Lathrop, County of San Joaquin, State of California, being a portion of Section Thirty-Four (34), Township One (1) South, Range Six (6) East, Mount Diablo Base and Meridian, said real property being the dedication (7.00 feet wide and varying width) along the Westerly side of Manthey Road as shown on Tract No. 3445, Subdivisions of San Joaquin County, Mossdale Landing East, filed April 28, 2005 in Book 40 of Maps and Plats at Page 2, San Joaquin County and also being a portion of Parcel One (1), as shown on the "Proposed Relinquishment to the County of San Joaquin on State Route 10-SJ-5 Request No. 143", filed July 20, 1972 in Book No. 15 at Page 48 State Highway Map Book, San Joaquin County Records, said Parcel 1 also known as Manthey Road, said portion of Parcel 1 lying between the following described lines, Northerly of the following described line One (1) and Southerly of the following described line Two (2):

Line One (1):

The Easterly prolongation, through said Parcel 1, of the Northerly right of way line of Town Centre Drive (70' wide), shown on said Tract No. 3445.

Line Two (2):

Beginning at the Southeasterly corner of the lands granted to Watt McKee by Deed recorded January 10, 2006 in Document No. 2006-005898, Official Records, County of San Joaquin, said corner being the Northeasterly corner of the Irrevocable Offer of Dedication shown as Pioneer Street (36.00 feet wide) on Tract No. 3445, Subdivisions of San Joaquin County, Mossdale Landing East, filed April 28, 2005 in Book 40 of Maps and Plats at Page 2, San Joaquin County, thence along the Easterly prologation of the Southerly line of said lands of Watt McKee,



**EXHIBIT NO. 4**  
**“17991 South Manthey Road”**

#### Exhibit No 4

The land referred to is situated in the County of San Joaquin, City of Lathrop, State of California, and is described as follows:

All that certain real property being a portion of those lands of Western Pacific Housing as described in Document Number 2004-74293, San Joaquin County Records and being more particularly described as follows:

Commencing at the South West corner of Section 34, Township 1 South, Range 6 East, Mount Diablo Base and Meridian, as said corner is shown on that certain Record of Survey filed for record April 25, 2001, in Book 34 of Record of Surveys at Page 163, San Joaquin County Records, said corner being on the Northerly boundary of said lands of Western Pacific Housing.

Thence along the said Northerly boundary of said lands of Western Pacific Housing South  $89^{\circ}06'50''$  East 577.78 feet to the point of beginning.

Thence from said point of beginning, continuing along said Northerly boundary, South  $89^{\circ}06'50''$  East 703.86 feet,

Thence leaving said Northerly boundary and entering said lands of Western Pacific Housing South  $07^{\circ}25'30''$  West 503.75 feet to the Southerly boundary of said lands of Western Pacific Housing common to the Northerly boundary of the lands of Vallentyne as described in Document Number 93042229, San Joaquin County Records.

Thence along said common boundary, South  $88^{\circ}24'44''$  West 621.96 feet.

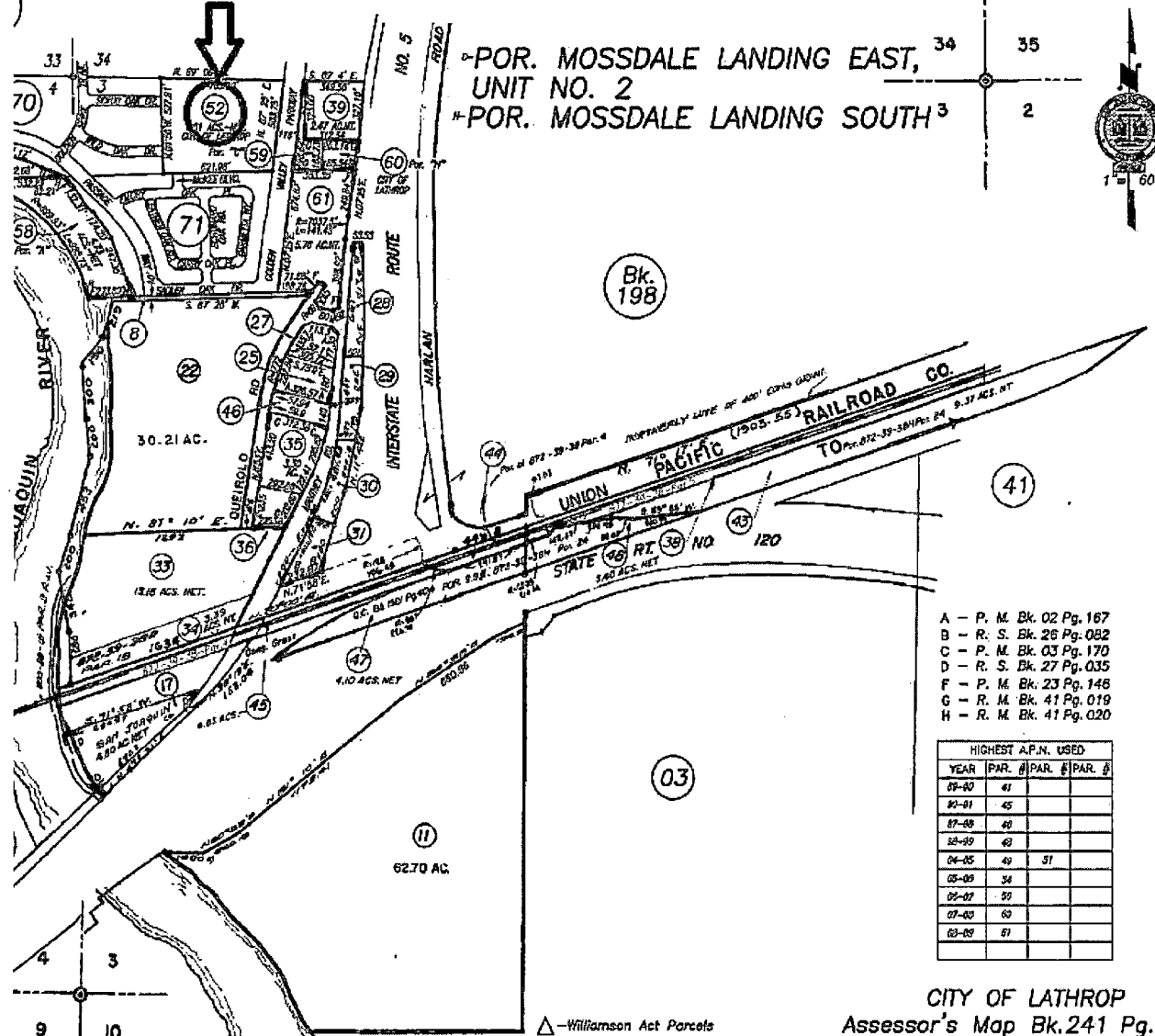
Thence leaving said common boundary and entering said lands of Western Pacific Housing, North  $01^{\circ}50'27''$  West 527.91 feet to said point of beginning.

APN: 241-020-52

POR. SEC.S 3 & 4, T.2S. R.6E., M.D.B.&M.  
 POR. SEC. 33, T.1S. R.6E., M.D.B.&M.

THIS MAP FOR  
 ASSESSMENT USE ONLY

241-02



○-POR. MOSSDALE LANDING EAST,  
 UNIT NO. 2  
 +-POR. MOSSDALE LANDING SOUTH<sup>3</sup>

- A - P. M. Bk. 02 Pg. 167
- B - R. S. Bk. 26 Pg. 082
- C - P. M. Bk. 03 Pg. 170
- D - R. S. Bk. 27 Pg. 035
- F - P. M. Bk. 23 Pg. 146
- G - R. M. Bk. 41 Pg. 019
- H - R. M. Bk. 41 Pg. 020

HIGHEST A.P.N. USED			
YEAR	PAR. #	PAR. #	PAR. #
87-88	41		
88-89	45		
89-90	46		
90-91	46		
91-92	49	31	
92-93	34		
93-94	30		
94-95	60		
95-96	61		

CITY OF LATHROP  
 Assessor's Map Bk.241 Pg. 02

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Ramona Chace, LLC  
Attn: Ronald M. Tate  
22 South Santa Cruz Ave., 2<sup>nd</sup> Floor  
Los Gatos, CA 95030

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ASSIGNMENT AND ASSUMPTION AGREEMENT  
OF A PORTION OF THE DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE CITY OF LATHROP, WATT-MCKEE LLC, LATHROP  
ASSOCIATES, STEVEN R. MCKEE ROBERT E. MCKEE 1997 BYPASS TRUST AND  
WESTERN PACIFIC HOUSING INC. REGARDING THE MOSSDALE LANDING EAST PROJECT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "**Agreement**"; alternatively, the "**Watt-McKee DA Assignment**") is entered into on, and regardless of when executed, is effective as of, May 15, 2018 (the "**Effective Date**"), by and between RAMONA CHACE, LLC, a California limited liability company ("**Developer**"), and MOSSDALE LANDING APARTMENTS, LLC, a California limited liability company ("**Assignee**"), with the consent of the City of Lathrop, California ("**City**").

RECITALS

A. The City is a party to that certain agreement entitled "DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF LATHROP, WATT-MCKEE LLC, LATHROP ASSOCIATES, STEVEN R. MCKEE, ROBERT E. MCKEE 1997 BYPASS TRUST AND WESTERN PACIFIC HOUSING INC. REGARDING THE MOSSDALE LANDING EAST PROJECT" (as amended, transferred or modified from time to time, the "**Development Agreement**"), pursuant to which the City, Western Pacific Housing, Inc., a Delaware corporation ("**Original Developer**") and certain other owners of portions of certain property more particularly described in the Development Agreement (hereinafter the "**Subject Property**"), agreed that the development would be completed in accordance with and subject to the conditions, rights and obligations as set forth in the Development Agreement. The "**Original Development Agreement**" was recorded against the Subject Property in the Official Records of San Joaquin County on March 18, 2004 as Document No. 2004-055103. The "**First Amendment**" of the Original Development Agreement was recorded against the Subject Property in the Official Records of San Joaquin County on July 28, 2016 as Document No. 2016-087664.

B. By a Grant Deed recorded with the San Joaquin County Recorder on May 15, 2018, as Document #2018-053462 ("**Deed**"), Developer conveyed to Assignee that portion of the Subject Property consisting of 18149 S. Manthey Road, APN 241-020-66, more particularly described on **Exhibit "A"** attached hereto ("**Assigned Parcel**").

C. With respect to the Assigned Parcel: (1) Developer is a successor-in-interest to the Original Developer under the Development Agreement and (2) Mossdale is the successor-in-interest to Developer under the Development Agreement.

D. Assignee confirms (1) it is aware that as of the Effective Date and upon execution of this Agreement, the City and Developer are in the process of further amending the Development Agreement to

clarify certain terms in, and to extend the expiration date of, the Development Agreement on the terms provided therein (“**Pending Development Agreement Amendment**”) and agrees that it has seen, is familiar with, and approves of the Pending Development Agreement Amendment in both form and substance as it exists on the Effective Date hereof; and (2) that it understands, acknowledges and agrees that the Pending Development Amendment permissibly may be modified further after the Effective Date hereof and before it becomes effective (as defined therein).

E. Except as provided in and expressly subject to Recital G and Section 1 of this Agreement, Developer desires to assign and Assignee desires to assume all of Developer's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related and limited to the Assigned Parcel as set forth below.

F. Except as provided herein with respect to the Assigned Parcel, nothing in this Agreement alters Developer’s rights or obligations under the Development Agreement with respect to any other portion of the Subject Property owned by Developer on the Effective Date.

G. Developer and Assignee confirm that this Agreement is subject to the terms and conditions of a Promissory Note, Deed of Trust, Collateral Security Agreement and one or more UCC Financing Statements, and a Delegation and Assumption of Roadway Obligation Agreement, each of even date herewith, all of which, like this Agreement, were prepared pursuant to the Purchase and Sale Agreement and Escrow Instructions dated on or about March 14, 2018, as thereafter amended and assigned to Assignee, between Developer, as Seller, and Assignee, as Buyer (the "**Purchase Agreement**") that, at the related close of escrow on May 15, 2018, resulted in recordation of the Deed and Memorandum of the Roadway Agreement. City makes no representation about all or any of these matters.

#### ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE Developer and Assignee, with City’s consent, agree as follows:

1. Developer hereby transfers and assigns all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel, excluding however, the rights to receive reimbursements and/or refunds due to Developer, directly or indirectly, from (a) the City, (b) any other governmental agency or subdivision thereof, and/or (c) any utility arising from Developer's prior contribution of or expenditure of funds relating to the design or construction of sewer and/or water facilities and any other infrastructure improvements benefiting the Subject Property, including all or portions of the Assigned Parcel and/or any other part of the Subject Property owned by Developer, all of which are retained by Developer. Excluding only the Assigned Parcel, which is owned by Assignee, and all other rights herein reserved by Developer, Developer retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Developer not constituting part of the Assigned Parcel as assigned, transferred and conveyed to Assignee. Developer and Assignee hereby acknowledge and agree that all obligations under the Development Agreement accruing from and after the Transfer Effective Date requiring the construction of infrastructure improvements or the payment of fees (other than those fees solely allocable to the portion of the Subject Property retained by Developer) are, to the fullest extent possible, assessable to the Assigned Parcel, Assignee’s (and not Developer’s) obligations and are appurtenant exclusively to the Assigned Parcel for purposes of the Development Agreement; provided however, the foregoing shall not in any way alter any valid and enforceable reimbursement obligations between Developer and Assignee or any other enforceable rights that Developer has against Assignee, whether existing hereunder and/or pursuant to the terms of any other agreement(s). Notwithstanding anything herein to the contrary, Ramona Chace, LLC, as Developer, assigns to Assignee only those rights associated with the Assigned Parcel that are expressly designated, described and defined

herein and reserves exclusively to itself all of Ramona Chace, LLC's rights, status, privileges and benefits not expressly assigned herein and hereby and/or by the Deed to Assignee. This Agreement: (1) confirms that on and effective as of May 15, 2018, the Effective Date of this Agreement and the date on which the Deed was recorded ("**Transfer Effective Date**"), Developer assigned and transferred to Assignee and Assignee accepted from Developer pursuant to an earlier version of this Agreement dated as of May 11, 2018, and signed by Developer and Assignee, but not by the City ("**Closing Assignment**"), a transfer and assignment of the rights and delegation of the obligations herein transferred; (2) ratifies each transfer made in and pursuant to the Closing Assignment; and (3) when fully executed, supersedes and replaces the Closing Assignment as of the Transfer Effective Date. The City of Lathrop further confirms and acknowledges that, (i) pursuant to Section 7.04 of said Development Agreement, Assignee may, without City's consent of a transfer agreement, transfer all or any portion of its rights and obligations under the Development Agreement to any Affiliated Party (which for the avoidance of doubt, and without limitation, shall include any entity that is a joint venture between Assignee and an equity investor), and (ii) pursuant to Section 8.01 et seq. of said Development Agreement, Assignee's lender or such Affiliated Party's lender acquiring by foreclosure or deed-in-lieu of foreclosure shall take such acquired property subject to the terms of said Development Agreement without City's consent of a transfer agreement. Provided, however, Assignee shall not be released from any obligation herein unless and until such release is reviewed and expressly approved in writing by the City Manager.

2. As of the Transfer Effective Date: (a) except as otherwise expressly provided herein, Assignee hereby assumes, effective as of the Transfer Effective Date, all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel, (b) Assignee agrees to observe and fully and faithfully perform all of the duties and obligations of, and instead and in place of, Developer under the Development Agreement with respect to the Assigned Parcel, and (c) Assignee will become subject to and agrees to perform all the terms and conditions of the Development Agreement that pertain to the Assigned Parcel. The parties intend that, as of the Transfer Effective Date, and except as otherwise expressly provided herein, for all purposes of the Development Agreement, including future amendments thereof, if any, Assignee irrevocably and conclusively will be fully substituted for Developer as the "Developer" with respect to all matters arising under the Development Agreement that relate or pertain to the Assigned Parcel.

3. As of the date of Transfer Effective Date, Developer is and forever and for all purposes shall be released from all obligations arising under the Development Agreement with respect to the Assigned Parcel. Pursuant to Section 7.02(b) of the Original Development Agreement, as of the date City consents to this Agreement, City agrees that Developer shall be free from any and all liabilities assumed by Assignee hereunder including, without limitation, those arising or accruing on or after the Transfer Effective Date with respect to the Assigned Parcel and that no default under the Development Agreement by Assignee with respect to any obligation arising under the Development Agreement with respect to the Assigned Parcel shall be attributed to or constitute a breach or default by Ramona Chace, LLC, as Developer, and that Ramona Chace, LLC's rights as Developer under the Development Agreement are independent and may not be terminated or diminished in any way by such default.

4. Developer has the right under the Purchase Agreement to attempt to obtain the City's consent and approval of the Pending Development Agreement Amendment, including such modifications as the City may require as a condition to approval and execution of the Pending Development Agreement Amendment.

5. Assignee agrees at all times to use its best efforts and to cooperate fully and in good faith with Developer in connection with the Pending Development Agreement Amendment, including, without limitation, by promptly providing information and materials as requested by the City and/or Developer, by accepting and agreeing to commercially reasonable changes that are proposed, and, post-Closing, once



the final form of the agreement has been approved by all of the parties thereto, with prompt execution and delivery of the Pending Development Agreement Amendment as the sole owner of the Assigned Parcel.

6. All of the covenants, terms and conditions set forth herein are binding upon and inure to the benefit of the City and the parties hereto and their respective heirs, successors and assigns.

7. The Notice Address described in Section 9.07 of the Original Development Agreement for the Assignee with respect to the Assigned Parcel shall be:

MOSSDALE LANDING APARTMENTS, LLC  
1004 Reno Dr.  
Modesto, CA 95351  
Attn: \_\_\_\_\_  
Tel.: (209) \_\_\_\_\_  
Fax.: (209) \_\_\_\_\_

8. Each party hereto warrants that each person signing this Agreement on its behalf has all necessary power, the right and all authority necessary to execute and deliver this Agreement, and that when fully executed, this Agreement is binding on each of them in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written, without regard to whether or when this document is recorded in the Official Records of the Recorder of San Joaquin County, California. This Agreement may be signed in identical counterparts all of which together constitute one and the same instrument.

ASSIGNEE:

DEVELOPER:

MOSSDALE LANDING APARTMENTS, LLC,  
a California limited liability company

RAMONA CHACE, LLC,  
a California limited liability company

By: The Schussing Company, Inc.,  
a California corporation

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

Its: Manager

Its: Managing Member

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Nicholas J. Whetstone, Vice President

Dated: \_\_\_\_\_

ACKNOWLEDGMENT AND CONSENT

Pursuant to Section 7.02 of the (ORIGINAL) DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF LATHROP, WATT-MCKEE LLC, LATHROP ASSOCIATES, STEVEN R. MCKEE, ROBERT E. MCKEE 1997 BYPASS TRUST AND WESTERN PACIFIC HOUSING INC. REGARDING THE MOSSDALE LANDING EAST PROJECT, the City of Lathrop, a municipal corporation, hereby approves and consents to the foregoing assignment by Ramona Chace, LLC, a California limited liability company, of Developer's rights under the Development Agreement to Assignee, MOSSDALE LANDING APARTMENTS, LLC, a California limited liability company, with respect to the Assigned Parcel, and the corresponding acceptance thereof and assumption by Assignee of Developer's obligations under the Development Agreement with respect to the Assigned Parcel, as set forth in the foregoing Assignment and Assumption of Agreement, and confirms all rights and obligations reserved by Ramona Chace, LLC in the foregoing Assignment and Assumption Agreement with respect to the remainder of the Subject Property owned by Ramona Chace, LLC.

CITY OF LATHROP

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

EXHIBIT "A"

LEGAL DESCRIPTION OF THE ASSIGNED PARCEL

[To Be Attached]

RECORDING REQUESTED BY:

Old Republic Title Company

Escrow No.: 0618013969

APN: 241-020-66, 241-020-61, 241-020-65

When Recorded Mail Document and Tax Statements to:

Mossdale Landing Apartments, LLC  
1004 Reno Drive  
Modesto, CA 95351

Old Republic Title Company hereby certifies that the within instrument is a true and correct copy of the original instrument recorded in the Office of the Recorder of the County of Santa Clara,

State of California on 5/15/2018

Recorder's Serial No. 2018-05-3402

Old Republic Title Company

By: 

\$53

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

### Grant Deed

~~Exempt from fee per GC27388.1; document recorded in connection with a concurrent transfer subject to the imposition of documentary transfer tax~~

Exempt from fee per GC27388.1; document is subject to the imposition of documentary transfer tax

The undersigned grantor(s) declare(s):

Documentary Transfer Tax is \$6,490.55

(X) computed on full value of property conveyed, or

( ) computed on full value less of liens and encumbrances remaining at time of sale.

( ) Unincorporated area: (X) City of Lathrop

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, Ramona Chace, LLC, a California limited liability company

hereby GRANT(S) to Mossdale Landing Apartments, LLC, a California limited liability company

that property in City of Lathrop, San Joaquin County, State of California, described as: \*\*\* See "Exhibit A" attached hereto and made a part hereof. \*\*\*

Date: May 09, 2018

Ramona Chace, LLC, a California limited liability company

By: Ronald M. Tate 1988 Separate Property Trust dated April 13, 1988, as amended, Its: Managing Member



By: Ronald M. Tate, Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California  
County of Santa Clara

On 5/10/2018 before me, Bill Hastings a Notary Public, personally appeared Ronald M. Tate, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: 

Name: Bill Hastings  
(Typed or Printed)



(Seal)

**EXHIBIT A**

The land referred to is situated in the County of San Joaquin, City of Lathrop, State of California, and is described as follows:

**PARCEL ONE:**

Resultant Parcel A, described in that certain Notice of Lot Line Adjustment LLA 08-123, recorded January 21, 2009, Series No. 2009-010053, as follows:

All that certain real property situate in the City of Lathrop, County of San Joaquin, State of California, being all of Parcel A as shown on that certain Parcel Map filed for record June 5, 1981, in Volume 10 of Maps and Plats at Page 63, records of San Joaquin County, and a portion of Parcel G as shown on that certain Tract Map No. 3073 filed for record November 15, 2006 in Book 41 of Maps and Plats, at Page 19, records of San Joaquin County being more particularly described as follows:

Beginning at the Northwesterly corner of said Parcel G, said point being on the Easterly right of way line of Golden Valley Parkway as shown on the above mentioned Tract Map No. 3073; thence from said point of beginning along the Northerly line of said Parcel G and Parcel A, South 89° 06' 50" East, 358.32 feet to the Easterly line of said Parcel A;

Thence along said Easterly line, South 07° 25' 33" West, 327.07 feet to the Southerly line of said Parcel A;

Thence along said Southerly line and its projection thereof, North 89° 06' 41" West, 358.32 feet to a point on the Westerly line of said Parcel G, said line common to the Easterly right of way line of Golden Valley Parkway;

Thence along said common line, North 07° 25' 30" East, 327.05 feet to the point of beginning.

EXCEPTING THEREFROM unto Andrew B. Calori and Thelma Calori, his wife, as joint tenants, an undivided one-half interest in all oil, gas, minerals and other hydrocarbon substances, upon death of Andrew B. Calori and Thelma Calori, his wife, said undivided one-half interest shall automatically transfer to Grantee and her heirs and assigns, as reserved in the Deed executed by Andrew B. Calori, et ux, to Janice F. Perry, by Instrument recorded December 9, 1976 in Vol. 4205 of Official Records, Page 201, San Joaquin County Records.

APN: 241-020-65

**PARCEL TWO:**

All that certain real property situate in the City of Lathrop, County of San Joaquin, State of California, being a portion of Parcel G as shown on that certain Tract Map No. 3073 filed for record, November 15, 2006 in Book 41 of Maps and Plats at Page 19, Records of San Joaquin County, being more particularly described as follows:



Beginning at the Southwesterly corner of said Parcel G, said point also being a point on the Easterly right of way line of Golden Valley Parkway as shown on the above mentioned Tract Map No. 3073; thence from said point of beginning along the Southerly and Easterly line of said Parcel G, North 88° 24' 44" East 167.81 feet;

Thence North 00° 53' 19" East 163.23 feet to the Northerly line of said Parcel G, said Northerly line common to the Southerly line of Parcel A as shown on that certain Parcel Map, filed for record June 5, 1981 in Volume 10 of Maps and Plats at Page 63, Records of San Joaquin County;

Thence along said common line and its protection thereof North 89° 06' 41" West 148.12 feet to a point on the Westerly line of said Parcel G, said Westerly line common to the Easterly right of way line of Golden Valley Parkway;

Thence along said common line South 07° 25' 30" West 171.60 feet to the point of beginning, as set forth in Lot Line Adjustment recorded January 21, 2009 Instrument No. 2009-010053, Official Records.

APN: 241-020-66

PARCEL THREE:

Parcel 2, as shown on Parcel Map filed October 20, 2005 in Book 23 of Parcel Maps at Page 146, San Joaquin County Records.

APN: 241-020-61 (affects this and other land)

PARCEL FOUR:

All that certain real property situate in the City of Lathrop, County of San Joaquin, State of California, Being a portion of Section 3, Township 2, Range 6 East, Mount Diablo and Meridian, said real property being a portion of Queirolo Road, 43.07 feet wide, said road as shown on that certain Parcel Map filed for record October 20, 2005 in Book 23 of Parcel Maps at Page 146, Records of San Joaquin County, California being more particularly described as follows:

Beginning at the most Northerly corner of said Queirolo Road, said point being common with the general Southerly line of Parcel Two of the above mentioned Parcel Map; thence along the Northeasterly line of Queirolo Road, South 55°40'18" East, 18.02 feet to a point 47.50 feet Northerly of and at right angles to the Easterly prolongation of the Southerly line of said Parcel 2, being of said Southerly line of said Parcel 2, bearing of said Southerly line stated as North 88°16'44" East on said Parcel Map; thence leaving said Northeasterly line of Queirolo Road along a line parallel with and 47.50 feet Northerly of said Easterly prolongation, South 88°16'44" West, 22.24 feet to a point on the Northwestly line of Queirolo Road; thence along said Northwestly line of Queirolo Road North 34°10'42" East, 13.04 feet to the Point of Beginning.

as shown on that certain Quitclaim Deed from the City of Lathrop, recorded June 20, 2007, instrument No. 070113897, San Joaquin County Records.

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**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM:** **SECOND READING AND ADOPTION OF ORDINANCE 19-401 APPROVING THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE, AND TCN PROPERTIES REGARDING THE MOSSDALE LANDING SOUTH PROJECT**

**RECOMMENDATION:** **Second Reading and Adoption of Ordinance 19-401 Adopting the First Amendment to the Development Agreement and the Assignment and Assumption Agreement Between the City of Lathrop, Marie A. Vallentyne, and TCN Properties Regarding the Mossdale Landing South Project. (The First Amendment Proposes to Extend the Term of the Development Agreement from 15 Years to 25 Years. The Assignment and Assumption Agreement Will Transfer the Developer's Rights, Title and Interest for Parcel 241-020-61 to Mossdale Landing Apartments, LLC.)**

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**RECOMMENDED ACTION:**

The City Council to conduct second reading and adopt Ordinance 19-401 entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE, AND TCN PROPERTIES REGARDING THE MOSSDALE LANDING SOUTH PROJECT

**SUMMARY:**

On January 14, 2019, the City Council approved the introduction and fist reading of the subject Ordinance by 5-0 vote. The Ordinance will take effect 30 days after adoption.

**SUBMITTED BY:**

  
Teresa Vargas, City Clerk

2/5/19  
Date

**ORDINANCE NO. 19-401**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE, AND TCN PROPERTIES REGARDING THE MOSSDALE LANDING SOUTH PROJECT**

**WHEREAS**, the City of Lathrop City Council held a duly noticed public hearing to consider the First Amendment to the Mosssdale Landing South Development Agreement (DA) pursuant to the Lathrop Municipal Code; and

**WHEREAS**, the proposed site is located within the Mosssdale area of the West Lathrop Specific Plan (Mosssdale Landing South), more specifically situated west of Interstate 5 and bounded by River Islands Parkway to the north, San Joaquin River to the west and by the Union Pacific Railroad to the south. The affected parcel of the Mosssdale Landing South Development Agreement Amendment is: 241-020-61; and

**WHEREAS**, in September 2004, the Lathrop City Council approved the Mosssdale Landing South Development Agreement, the "Development Agreement"; and

**WHEREAS**, Ramona Chace, LLC has applied for approval of a First Amendment to the Development Agreement to extend the term an additional 10 years and to assign the DA obligations and benefits for Parcel 241-020-61 to Mosssdale Landing Apartments, LLC; and

**WHEREAS**, California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within its jurisdiction; and

**WHEREAS**, the proposed First Amendment and Assignment and Assumption Agreement has been reviewed by City staff and City Attorney, and is recommended by the Planning Commission for approval; and

**WHEREAS**, a Notice of Public Hearing was advertised in the Manteca Bulletin on January 3, 2019 and mailed to property owners located within 300 feet of the affected sites in accordance with the Government Code and Lathrop Municipal Code as required by law; and

**WHEREAS**, the City Council has reviewed all written evidence and oral testimony presented to date.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council finds that the text of the First Amendment is consistent with the 2003 West Lathrop Specific Plan and Lathrop General Plan as amended, since there is no resultant change in zoning, land use standards or other similar regulations, and that no additional review of the first amendment is required under the California Environmental Quality Act (CEQA) because:

- a. The proposed DA amendment involves organizational and timing matters that have no potential for a direct or indirect physical effect on the environment.
- b. The potential environmental effects of the Mossdale Landing South project have been and continue to be addressed in the certified Supplemental Environmental Impact Report (SEIR) (State Clearinghouse No. 2004052069).
- c. The proposed DA amendment would not alter the physical nature of the Mossdale Landing South project or its potential environmental impacts.
- d. There is no known evidence of substantial changes or new information that would suggest that the Mossdale Landing South project would have new or more severe environmental effects than were addressed in the certified SEIR.
- e. The term extension and assignment addressed by the DA amendment do not constitute significant environmental effects under CEQA and therefore are not proper subjects for CEQA review.
- f. The finding of general plan and specific plan conformity made by the Planning Commission is not subject to the California Environmental Quality Act (CEQA) pursuant to Article 5 §15061 (b) (3) by the "General Rule" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The proposed action does not authorize any specific construction; it is only a finding of consistency to the General Plan.

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

**Section 1.**

The City Council finds that the proposed First Amendment to the Development Agreement and the Assignment and Assumption Agreement between the City of Lathrop, Marie A. Vallentyne, and TCN Properties regarding the Mossdale Landing South Project, attached, is consistent with the Lathrop General Plan and West Lathrop Specific Plan.

**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 the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

**Section 4.**

This Ordinance shall take legal effect 30 days from its adoption.

**Section 5.**

Within fifteen days of the adoption of this Ordinance, the City Clerk shall cause a copy of this Ordinance to be published in full accordance with Section 36933 of the Government Code.

**Section 6.**

The Mayor is hereby authorized to execute said Development Agreement Amendment for and on behalf of the City once this ordinance takes effect.

**THIS ORDINANCE** was regularly introduced at a meeting of the City Council of the City of Lathrop on the 14<sup>th</sup> day of January 2019, and was **PASSED AND ADOPTED** at a Regular Meeting of the City Council of the City of Lathrop on the 11<sup>th</sup> day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

\_\_\_\_\_  
Salvador Navarrete, City Attorney

Attachments:

1. First Amendment to the Development Agreement between the City of Lathrop, Marie A. Vallentyne, and TCN Properties.
2. Assignment and Assumption Agreement between the City of Lathrop, Marie A. Vallentyne, and TCN Properties.

STATE OF CALIFORNIA            )  
COUNTY OF SAN JOAQUIN       ) ss.  
CITY OF LATHROP                )

I, Teresa Vargas, City Clerk of the City of Lathrop, California, do hereby certify that the foregoing Ordinance No. 19-401 was duly and regularly introduced at a regular meeting of the City Council on the 14<sup>th</sup> day of January 2019, and that thereafter said Ordinance was duly and regularly adopted at a regular meeting of the City Council on the 11<sup>th</sup> day of February 2019, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

This ordinance was duly published in accordance with State Law (G.C. 40806).

I hereby certify that the foregoing is the original of Ordinance No. 19-401 duly passed and adopted by the City of Lathrop City Council at its regular meeting held February 11, 2019, and that the Summary of the Ordinance was published on February 5, 2019, and \_\_\_\_\_, 2019 in the Manteca Bulletin Newspaper.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Lathrop, California, this \_\_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
TERESA VARGAS, CMC  
CITY CLERK

(SEAL)



RECORDING REQUESTED BY,  
AND WHEN RECORDED MAIL TO:

CITY OF LATHROP  
ATTN: CITY CLERK  
390 TOWNE CENTRE DRIVE  
LATHROP, CA 95330

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

FIRST AMENDMENT TO  
DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE CITY OF LATHROP,  
MARIE A. VALLENTYNE  
AND

TCN PROPERTIES, a California limited partnership  
REGARDING THE MOSSDALE  
LANDING SOUTH PROJECT

**PREAMBLE**

This FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (“**First Amendment**”) dated for reference as of January 14, 2019, but effective as of the Effective Date defined herein, is made and entered into in Lathrop, California, by and among the CITY OF LATHROP, a municipal corporation (“**City**”), RAMONA CHACE, LLC, a California limited liability company (“**Ramona Chace**”) and MOSSDALE LANDING LLC, a California limited liability company (“**Mossdale**”). Ramona Chace and Mossdale collectively are referred to as the “**Party Owners**.” Together, City, Ramona Chace and Mossdale are the “**Parties**” hereto; separately, City, Ramona Chace and Mossdale each is a “**Party**” hereto. This First Amendment is entered into by the Parties based on the following facts, understandings and intentions:

**RECITALS**

A. The City approved that certain agreement entitled “Development Agreement by and between the City of Lathrop, Marie A. Vallentyne and TCN Properties, a California limited partnership, Regarding the Mossdale Landing South Project,” dated as of September 22, 2004, and recorded in the Official Records of the County of San Joaquin on July 6, 2005, as Document #2005-163942 (the “**Development Agreement**”), pursuant to which the City and the owners of the properties subject of the Development Agreement (collectively, “**Original Owner**”), all as more particularly described in the Development Agreement (hereinafter, the “**Subject Property**”), agreed that the development of the “Mossdale Landing South Project” (alternatively referred to in the Development Agreement as the “**Project**”), with both such defined terms originally and collectively defined in Recital C, Section 1.02(a)(40) and Section 1.02(a)(49) of the Development Agreement, each as thereafter amended by “Subsequent

Approvals,” pursuant to and as defined in Section 1.02(a)(64) of the Development Agreement (with the terms “Mosssdale Landing South Project” and “Project” redefined as of the Effective Date hereof for all purposes of this Amendment, with each such term as redefined herein limited and applicable only to the Development Agreement modifications made by this Amendment to the Affected Properties (as defined below), as the “**Project**”) would be done in accordance with and subject to the conditions, rights and obligations set forth in the Development Agreement.

B. This First Amendment concerns, affects and alters the Development Agreement only with respect to the Mosssdale Property (as defined herein) and the Ramona Chace Property (as defined herein), together, the “**Affected Properties**,” each of which, as shown below, is owned by one of the Party Owners and both of which are part of the Subject Property, as described generally below and more specifically in the superseding legal descriptions attached as Exhibits 1-2:

(1) “**Mosssdale Property**”: 18250 S. Manthey Road, APNs 241-020-61; Fee interest owned by Mosssdale, a 204 Unit Apartment Site (**Exhibit 1**); and

(2) “**Ramona Chace Property**”: Following completion of a lot line adjustment, Sadler Oak Drive Parcel; fee interest owned by Ramona Chace, in the Resultant Parcels from the Queirolo Road realignment, 0.73 acre of land more or less (**Exhibit 2**). Exhibit 2 includes the legal description of the fee interest in the Resultant Parcels and the related recorded lot line adjustment documents.

C. City and certain predecessors in interest to Ramona Chace and to Mosssdale (which, with respect to the Mosssdale Property, is a direct successor-in-interest to Ramona Chace), are original parties to that certain “Development Agreement By and Between the City of Lathrop, Watt-McKee LLC, Lathrop Associates, Steven R. McKee, Robert E. McKee 1997 Bypass Trust and Western Pacific Housing Inc. Regarding the Mosssdale Landing East Project,” dated as of March 9, 2004, and recorded in the Official Records of the County of San Joaquin on March 18, 2004, as Document #2004-055103, as thereafter amended (the “**Watt-McKee Development Agreement**”).

D. The Watt-McKee Development Agreement pertains to the Mosssdale Landing East Project and includes a portion of the Mosssdale Property and certain other properties owned by Ramona Chace. By this First Amendment, certain provisions of the Development Agreement that are controlling with respect to the Affected Properties are made consistent with the Watt-McKee Development Agreement, to which Mosssdale and Ramona Chace both are successors-in-interest to a Watt-McKee Development Agreement Original Owner (as defined therein).

E. Each Party Owner represents that it is a successor-in-interest to a Development Agreement Original Owner (as defined herein).

F. Immediately before this First Amendment becomes effective, the: (1) Party Owners are the only owners of property in the Project and part of the Subject Property whose interests are affected by the approval, execution, effectiveness and recording of this First Amendment, and (2) Affected Properties are the only properties in the Project and part of the Subject Property affected by the approval, execution, effectiveness, and recording of this First Amendment.

G. When this First Amendment becomes effective, development of the Affected Properties will proceed in accordance with and be subject to the conditions, rights and obligations as set forth in the Development Agreement as hereby modified with respect to Development Agreement Sections 1.03(d) (clarifying the “Effective Date” of the Development Agreement); Sections 1.04(a)(1)(A) and 1.04(a)(2) (which, together, restate the term of the Development Agreement); and Sections 1.04(a)(3) and 1.04(a)(4) (which delete two terms in the Development Agreement rendered unnecessary by the other, superseding, changes made in this Amendment and replace each such deleted section with the word “Reserved”) (“**Agreement**”).

H. Nothing in this First Amendment is intended to affect or affects the rights, obligations or interests of any Original Owner or, other than Party Owners, any successor in interest to any Original Owner under the Development Agreement (collectively, “**Other Owners**”). This Amendment preserves, without altering, the respective rights and obligations of all Other Owners arising under the Development Agreement and, consistent therewith: (1) none of the Other Owners is, or is required to be, a party to or to consent to this First Amendment and (2) all of the Other Owners and all properties in the Subject Property other than the Affected Properties intentionally and expressly are excluded from the operative effect of this First Amendment. Accordingly, only the approval of the Parties hereto, as evidenced by their execution of this First Amendment, and the approvals of the City Planning Commission and the City Council, as reflected herein, are required for this First Amendment to become effective upon the date the ordinance approving this First Amendment takes effect.

I. Due to various economic and market conditions, industry factors and other business considerations that occurred after the Effective Date of the Original Development Agreement, Party Owners and their predecessors in interest have not completed development of the Affected Properties. To facilitate completion of that development and to make the Development Agreement more uniform and consistent, the Parties desire to extend the Term of the Development Agreement applicable to the Affected Properties until March 16, 2029, so that the Term of the Agreement is concurrent with the Term (as defined therein) of the Watt-McKee Development Agreement, to which the Mossdale Property and certain other Ramona Chace properties are subject.

J. As of the Effective Date of this First Amendment, each Party Owner, for itself, represents that it is in full compliance with the terms, conditions, and obligations under the Development Agreement. City's approval of this Amendment is not a confirmation by the City of the Party Owner's representations in this Recital J.

K. On December 19, 2018, the City Planning Commission held a duly noticed public meeting wherein the Planning Commission reviewed this First Amendment.

L. On January 14, 2019, the City Council held a duly noticed public hearing on this First Amendment in accordance with Government Code Section 65868 and introduced Ordinance No. \_\_\_\_\_ approving and authorizing execution of this First Amendment.

M. On \_\_\_\_\_, the City Council approved this First Amendment to the Development Agreement.

N. On the terms stated herein, this First Amendment amends certain provisions of the Development Agreement applicable to the Subject Property. The City finds that (1) this First Amendment is consistent with and falls within the scope of the previously granted Project Approvals, and therefore, is not a new project, but is covered by, and requires no modification of, the existing Final Supplemental Environmental Impact Report (FSEIR) (SCH #2004052069) certified for the Project and (2) and constitutes a Subsequent Approval within the meaning of Section 1.02(a)(64) of the Development Agreement.

### AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual promises, covenants and conditions contained herein, the Parties agree as follows and as set forth in the foregoing Preamble and Recitals Sections and each Exhibit attached hereto, all of which also are material parts hereof and are incorporated herein by reference, with all references herein (a) to the "Affected Properties" referring and limited to, and meaning, the "Affected Properties" as defined in Recital B of this Amendment; (b) to Section 1.03(d), Section 1.04(a)(1)(A), Section 1.04(a)(2), Section 1.04(a)(3) and Section 1.04(a)(4) each referring to the corresponding section of the Development Agreement as modified and superseded by this Amendment; and (c) to Section 1.03(a)(5) referring to that section of the Development Agreement, unchanged by this Amendment:

SECTION 1. AMENDMENT TO SECTION 1.03. A new Section 1.03(d) is added to the Development Agreement, as follows:

"(d) Notwithstanding anything to the contrary in Section 1.03(a) ("Effective/Operative") of this Agreement the **Effective Date** of this Agreement as to the Affected Properties is November 5, 2004 (30 days following the second reading and adoption of the approving ordinance) without regard to which portion or portions of the Affected Properties are part of the **Vallentyne Property** and/or the **Azevedo Property.**"

SECTION 2. AMENDMENT TO SECTION 1.04(a)(1). Section 1.04 (a)(1)(A) of the Development Agreement is deleted and replaced with the following:

**"Section 1.04. Term.**

(a) In General.

(1) The "**Term**" of this Agreement shall be:

(A) (i) twenty-five years for the **Vallentyne and Azevedo Properties**, as shown on **Exhibits "1" and "2"** to this Agreement to the extent either or both includes the Affected Properties; and (ii) fifteen years as to all other portions of the Vallentyne and Azevedo Properties, as shown on **Exhibits "A" and "B"** to this Agreement."

SECTION 3. AMENDMENT TO SECTIONS 1.04(a)(2). Section 1.04(a)(2) of the Development Agreement is amended to read as follows: “(2) **As to those portions of the Vallentyne and Azevedo Properties defined above as the Mossdale Property, the Ramona Chace Property, or both,** the Term shall commence on November 5, 2004 for each such property set forth in Section 1.03(d) hereof and shall continue as to each until, and then subject to Section 1.04(a)(5) terminate on March 16, 2029, unless this Agreement is otherwise terminated, modified or extended.

SECTION 4. AMENDMENT TO SECTION 1.04(a)(3). Section 1.04 (a)(3) of the Development Agreement is deleted and replaced with the following: “(3) Reserved.”

SECTION 5. AMENDMENT TO SECTION 1.04(a)(4). Section 1.04 (a)(4) of the Development Agreement is deleted and replaced with the following: “(4) Reserved.”

SECTION 6. EFFECTIVE DATE. This First Amendment automatically shall take effect upon the date the ordinance approving this First Amendment takes effect (“**Effective Date**”). Subject to the superseding terms of this First Amendment, the Development Agreement remains in full force and effect and, as of the Effective Date, hereby is reaffirmed.

SECTION 7. RECORDING AND ADDITIONAL CONFORMING PROVISIONS. Within ten (10) calendar days after the Effective Date, the City shall record this First Amendment with the San Joaquin County Recorder's Office. Any delay in the recording of this First Amendment does not and will not affect or impair its effectiveness, validity or enforceability. Each capitalized term used and not otherwise defined herein has the meaning ascribed to it in the Development Agreement. The Development Agreement, as hereby amended, remains in full force and effect as of the Effective Date of this First Amendment.

IN WITNESS WHEREOF, the Parties have executed this Original First Amendment To Development Agreement as of the first date appearing above.

**CITY OF LATHROP,**  
a Municipal corporation

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

Name: \_\_\_\_\_

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

**ATTEST:**

By: \_\_\_\_\_  
Teresa Vargas, City Clerk

**RAMONA CHACE, LLC,**  
a California limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Managing Member

**MOSSDALE LANDING, LLC,**  
a California limited liability company

By: The Schussing Company, Inc., a California corporation  
Its: Manager

By: \_\_\_\_\_  
Nicholas J. Whetstone, Vice President

**Approved as to form:**

By: \_\_\_\_\_  
Salvador Navarrete, City Attorney

Dated: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**Exhibit No. "1"**  
**"Mossdale Property"**

# "EXHIBIT NO 1"

OCTOBER 23, 2018  
JOB NO. 1465-010

EXHIBIT A  
LEGAL DESCRIPTION  
LOT LINE ADJUSTMENT  
LLA 18-99  
RESULTANT PARCEL 1  
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA

ALL THAT REAL PROPERTY SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING ALL OF PARCELS ONE AND TWO AND A PORTION OF PARCEL THREE, AS SAID PARCELS ARE DESCRIBED IN THE GRANT DEED TO MOSSDALE LANDING, LLC, RECORDED MAY 15, 2018, AS DOCUMENT NO. 2018-053462 IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PARCEL ONE (I.N. 2018-053462);

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE EXTERIOR BOUNDARY OF ABOVE SAID MOSSDALE LANDING, LLC PARCELS (I.N. 2018-053462), THE FOLLOWING EIGHT (8) COURSES:

- 1) SOUTH 89°06'50" EAST 358.32 FEET,
- 2) SOUTH 07°25'33" WEST 327.07 FEET,
- 3) NORTH 89°06'41" WEST 210.20 FEET,
- 4) SOUTH 00°53'19" WEST 163.23 FEET,
- 5) NORTH 88°24'44" EAST 185.54 FEET,
- 6) SOUTH 07°25'33" WEST 249.84 FEET,
- 7) ALONG THE ARC OF A TANGENT 7,037.50 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 01°09'07", AN ARC DISTANCE OF 141.49 FEET,
- 8) SOUTH 06°16'26" WEST 211.74 FEET,

THENCE, LEAVING SAID EXTERIOR BOUNDARY, ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 82°00'18", AN ARC DISTANCE OF 35.78 FEET;

THENCE, SOUTH 88°16'44" WEST 100.19 FEET, TO THE EXTERIOR LINE OF QUEIROLO ROAD, AS SAID QUEIROLO ROAD IS SHOWN AND SO DESIGNATED ON PARCEL MAP 04-08-PM, FILED FOR RECORD OCTOBER 20, 2005, IN BOOK 23 OF PARCEL MAPS AT PAGE 146, IN SAID OFFICE OF THE COUNTY RECORDER;

THENCE, ALONG SAID EXTERIOR LINE THE FOLLOWING TWO (2) COURSES:

- 1) NORTH 55°49'18" WEST 18.02 FEET,
- 2) SOUTH 34°10'42" WEST 13.04 FEET;

THENCE, LEAVING SAID EXTERIOR LINE, SOUTH 88°16'44" WEST 186.15 FEET;

THENCE, ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 99°08'46", AN ARC DISTANCE OF 43.26 FEET, TO THE WESTERLY LINE OF SAID PARCEL THREE (I.N. 2018-053462);

THENCE, ALONG SAID WESTERLY LINE AND THE WESTERLY LINES OF SAID PARCELS ONE AND TWO, NORTH 07°25'30" EAST 1,095.86 FEET TO SAID POINT OF BEGINNING.

CONTAINING 361,794 SQUARE FEET OR 8.31 ACRES OF LAND, MORE OR LESS.

END OF DESCRIPTION

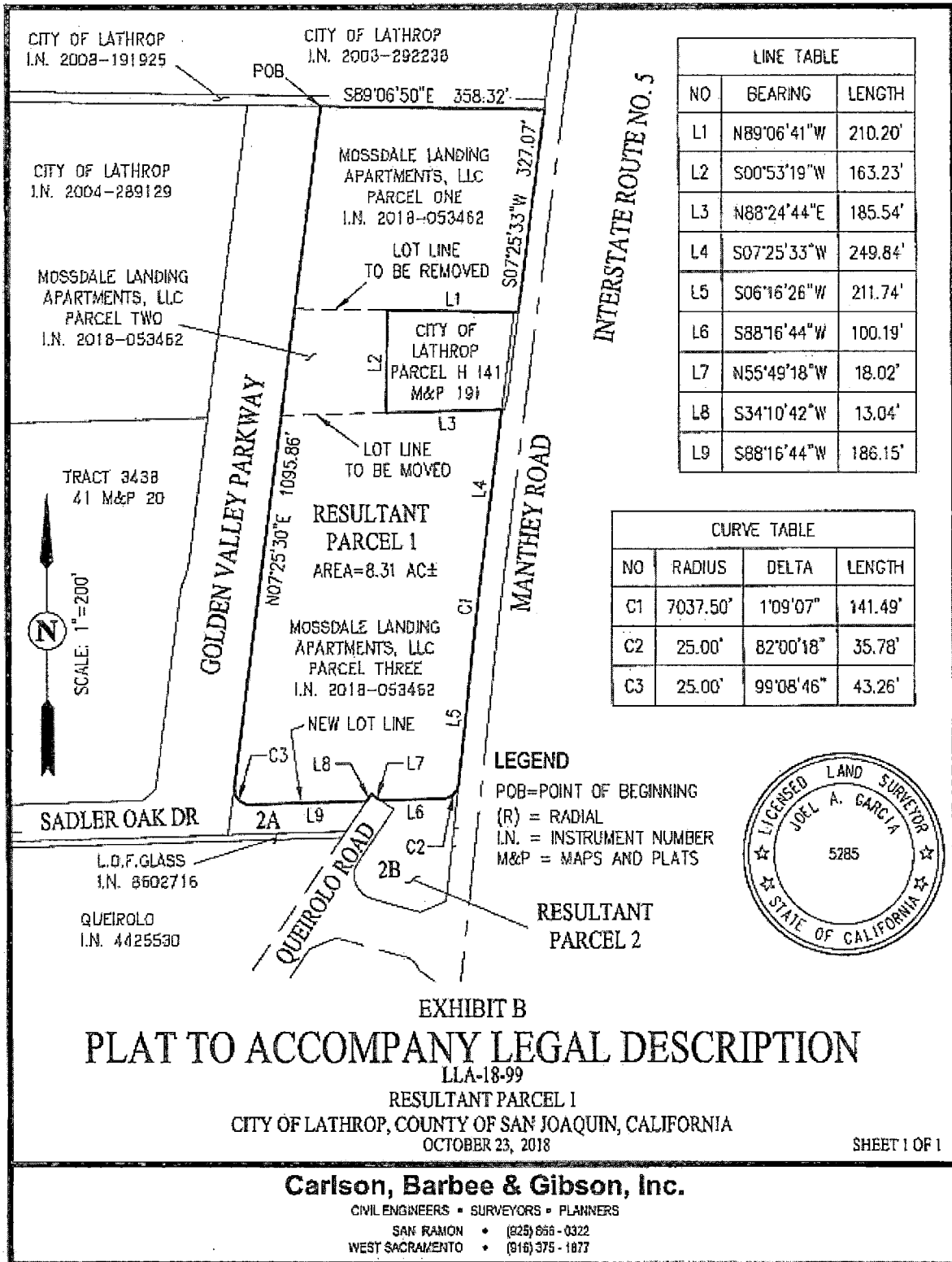
APN 241-020-65 AND A PORTION OF APN 241-020-66.

ATTACHED HERETO IS A PLAT ENTITLED EXHIBIT 'B' TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

THIS DESCRIPTION IS GIVEN IN COMPLIANCE WITH THE PROVISION AND CONDITIONS OF APPROVAL OF THE LOT LINE ADJUSTMENT NO. "LLA 18-99" BY THE CITY OF LATHROP, AND RECORDATION OF THIS DEED IS FOR THE PURPOSE OF ADJUSTING PROPERTY LINES ONLY AND DOES NOT CREATE OR CONVEY A SEPARATE PARCEL, AND SHALL HERINAFTER BE DESCRIBED AS ABOVE, AND IS SUBJECT TO ALL EXISTING RESTRICTIONS, RESERVATIONS AND EASEMENTS OF RECORD.

---

JOEL GARCIA, P.L.S.  
L.S. NO. 5285 EXPIRES 12/31/2019



**EXHIBIT B**  
**PLAT TO ACCOMPANY LEGAL DESCRIPTION**

LLA-18-99  
**RESULTANT PARCEL 1**  
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA  
OCTOBER 23, 2018

SHEET 1 OF 1

**Carlson, Barbee & Gibson, Inc.**

CIVIL ENGINEERS • SURVEYORS • PLANNERS

SAN RAMON • (925) 866-0322  
WEST SACRAMENTO • (916) 375-1877

**Exhibit No. "2"**  
**"Ramona Chace Property"**

EXHIBIT NO 2

OCTOBER 23, 2018  
JOB NO. 1465-010

EXHIBIT A  
LEGAL DESCRIPTION  
LOT LINE ADJUSTMENT  
LTA 18-99  
RESULTANT PARCEL 2  
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA

ALL THAT REAL PROPERTY SITUATE IN THE INCORPORATED TERRITORY OF THE  
CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED  
AS FOLLOWS:

BRING A PORTION OF PARCEL THREE, AS SAID PARCEL THREE IS DESCRIBED IN  
THE GRANT DEED TO MOSSDALE LANDING, LLC, RECORDED MAY 15, 2018, AS  
DOCUMENT NO. 2018-053462 (ALSO- PARCEL 2, ON PARCEL MAP FILED IN BOOK  
23 OF PARCEL MAPS AT PAGE 146) IN THE OFFICE OF THE COUNTY RECORDER OF  
SAN JOAQUIN COUNTY, CONSISTING OF TWO PARCELS, MORE PARTICULARLY  
DESCRIBED AS FOLLOWS:

RESULTANT 2A

BEGINNING AT THE SOUTHWEST CORNER OF SAID PARCEL THREE (I.N. 2018-  
053462);

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE WESTERLY LINE OF SAID  
PARCEL THREE (I.N. 2018-053462), NORTH 07°25'30" EAST 77.46 FEET;  
THENCE, LEAVING SAID WESTERLY LINE, ALONG THE ARC OF A NON-TANGENT  
25.00 FOOT RADIUS CURVE TO THE LEFT, FROM WHICH THE CENTER OF SAID  
CURVE BEARS SOUTH 82°34'30" EAST, THROUGH A CENTRAL ANGLE OF  
99°08'146", AN ARC DISTANCE OF 43.26 FEET;

THENCE, NORTH 88°16'44" EAST 186.15 FEET; TO THE NORTHERLY LINE OF  
QUERIROLO ROAD, AS SAID QUERIROLO ROAD IS SHOWN AND SO DESIGNATED ON  
PARCEL MAP 04-08-PM, FILED FOR RECORD OCTOBER 20, 2005, IN BOOK 23 OF  
PARCEL MAPS AT PAGE 146, IN SAID OFFICE OF THE COUNTY RECORDER;  
THENCE, ALONG SAID NORTHERLY LINE, SOUTH 34°10'42" WEST 58.64 FEET, TO  
THE SOUTHERLY LINE OF SAID PARCEL THREE (I.N. 2018-053462);

THENCE, ALONG SAID SOUTHERLY LINE, SOUTH 88°16'44" WEST 188.76 FEET,  
TO SAID POINT OF BEGINNING.  
CONTAINING 9,794 SQUARE FEET;

RESULTANT 2B

BEGINNING AT MOST SOUTHERLY CORNER OF SAID PARCEL THREE (I.N. 2018-  
053462), SAID CORNER ALSO BEING THE SOUTHWESTERLY TERMINUS OF THAT  
CERTAIN COURSE LISTED AS "N 74°26'34" N 80.01";  
THENCE FROM SAID POINT OF BEGINNING, ALONG THE EXTERIOR BOUNDARY OF  
SAID PARCEL THREE (D.N. 2018-053462) THE FOLLOWING FOUR (4) COURSES:

THIS DESCRIPTION IS GIVEN IN COMPLIANCE WITH THE PROVISION AND CONDITIONS OF APPROVAL OF THE LOT LINE ADJUSTMENT NO. "11A 18-99" BY THE CITY OF LATHROP, AND RECORDATION OF THIS DEED IS FOR THE PURPOSE OF ADJUSTING PROPERTY LINES ONLY AND DOES NOT CREATE OR CONVEY A SEPARATE PARCEL, AND SHALL HEREAFTER BE DESCRIBED AS ABOVE, AND IS SUBJECT TO ALL EXISTING RESTRICTIONS, RESERVATIONS AND EASEMENTS OF RECORD.

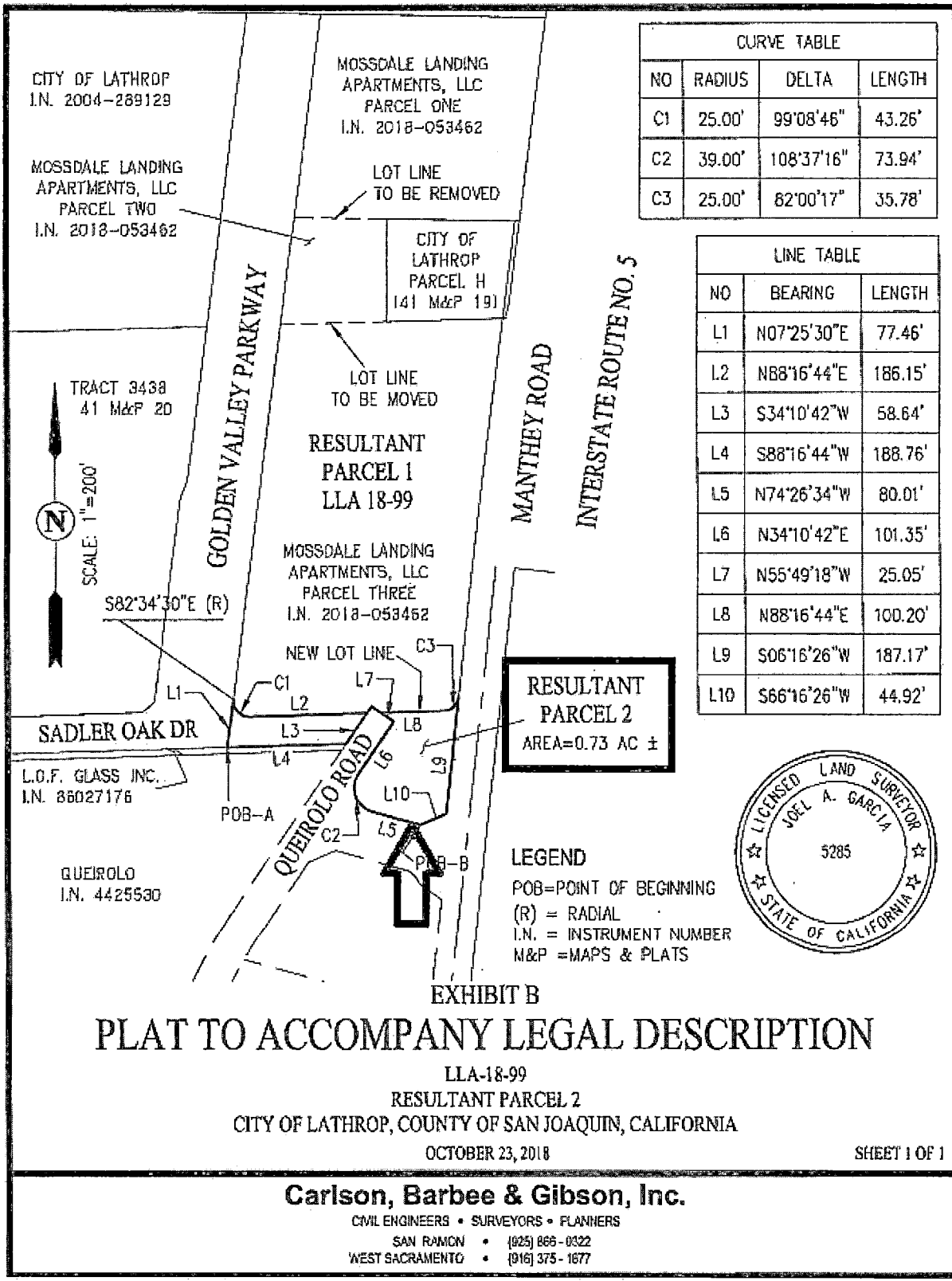
ATTACHED HERETO IS A PLAT ENTITLED EXHIBIT 'B' TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

A PORTION OF APN 241-020-61

END OF DESCRIPTION

FOR A TOTAL AREA OF 31,938 SQUARE FEET OR 0.73 ACRES OF LAND MORE OR LESS.  
CONTAINING 22,144 SQUARE FEET;  
THENCE, SOUTH 66°16'26" WEST 44.92 FEET TO SAID POINT OF BEGINNING.  
THENCE, ALONG SAID EASTERLY LINE, SOUTH 06°16'26" WEST 187.17 FEET;  
CENTRAL ANGLE OF 82°00'17", AN ARC DISTANCE OF 35.78 FEET, TO THE EASTERLY LINE OF SAID PARCEL THREE (D.N. 2018-053462);  
THENCE, ALONG A TANGENT 25.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 108°37'16", AN ARC DISTANCE OF 73.94 FEET,  
1) NORTH 74°26'34" WEST 80.01 FEET,  
2) ALONG A TANGENT 39.00 FOOT RADIUS CURVE TO THE RIGHT, THROUGH A CENTRAL ANGLE OF 108°37'16", AN ARC DISTANCE OF 73.94 FEET,  
3) NORTH 34°10'42" EAST 101.35 FEET;  
4) NORTH 55°49'18" WEST 25.05 FEET  
THENCE, LEAVING SAID EXTERIOR BOUNDARY, NORTH 88°16'44" EAST 100.20 FEET;





RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

Ramona Chace, LLC  
Attn: Ronald M. Tate  
22 South Santa Cruz Ave., 2<sup>nd</sup> Floor  
Los Gatos, CA 95030

---

SPACE ABOVE THIS LINE FOR RECORDER'S USE

ASSIGNMENT AND ASSUMPTION AGREEMENT  
OF A PORTION OF THE DEVELOPMENT AGREEMENT  
BY AND BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE,  
AND TCN PROPERTIES REGARDING THE MOSSDALE LANDING SOUTH PROJECT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "**Agreement**"; alternatively, the "**Vallentyne DA Assignment**") is entered into and, regardless of when signed, is effective as of May 15, 2018 (the "**Effective Date**"), by and between RAMONA CHACE, LLC, a California limited liability company ("**Developer**"), and MOSSDALE LANDING APARTMENTS, LLC, a California limited liability company ("**Assignee**"), with the consent of the City of Lathrop, California ("**City**").

RECITALS

A. The City is a party to that certain agreement entitled "DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE, AND TCN PROPERTIES REGARDING THE MOSSDALE LANDING SOUTH PROJECT" (as amended, transferred or modified from time to time, the "**Development Agreement**"), pursuant to which the City, TCN Properties, a California limited partnership ("**Original Developer**") and certain other owners of portions of certain property more particularly described in the Development Agreement (hereinafter the "**Subject Property**"), agreed that the development would be completed in accordance with and subject to the conditions, rights and obligations as set forth in the Development Agreement. The Development Agreement was recorded against the Subject Property in the Official Records of San Joaquin County on July 6, 2005 as Document No. 2005-163943.

B. By a Grant Deed recorded with the San Joaquin County Recorder on May 15, 2018, as Document #2018-053462 ("**Deed**"), Developer conveyed to Assignee that portion of the Subject Property consisting of 18250 S. Manthey Road, APN 241-020-61, more particularly described on **Exhibit "A"** attached hereto ("**Assigned Parcel**").

C. With respect to the Assigned Parcel: (1) Developer is a successor-in-interest to the Original Developer under the Development Agreement and (2) Mossdale is the successor-in-interest to Developer under the Development Agreement.

D. Assignee confirms (1) it is aware that as of the Effective Date and upon execution of this Agreement, the City and Developer are in the process of further amending the Development Agreement to clarify certain terms in, and to extend the expiration date of, the Development Agreement on the terms provided therein ("**Pending Development Agreement Amendment**") and that it has seen, is familiar with, and approves of the terms of the Pending Development Agreement Amendment in both form and substance as it exists on the Effective Date hereof; and (2) that it understands, acknowledges and agrees

that the Pending Development Amendment permissibly may be modified further after the Effective Date hereof and before it becomes effective (as defined therein).

E. Except as provided in and expressly subject to Recital G and Section 1 of this Agreement, Developer desires to assign and Assignee desires to assume all of Developer's right, title, interest, burdens and obligations under the Development Agreement with respect to and as related and limited to the Assigned Parcel as set forth below.

F. Except as provided herein with respect to the Assigned Parcel, nothing in this Agreement alters Developer's rights or obligations under the Development Agreement with respect to any other portion of the Subject Property owned by Developer on the Effective Date.

G. Developer and Assignee confirm that this Agreement is subject to the terms and conditions of a Promissory Note, Deed of Trust, Collateral Security Agreement and one or more UCC Financing Statements, and a Delegation and Assumption of Roadway Obligation Agreement, each of even date herewith, all of which, like this Agreement, were prepared pursuant to the Purchase and Sale Agreement and Escrow Instructions dated on or about March 14, 2018, as thereafter amended and assigned to Assignee, between Developer, as Seller, and Assignee, as Buyer (the "**Purchase Agreement**") that, at the related close of escrow on May 15, 2018, resulted in recordation of the Deed and Memorandum of the Roadway Agreement. City makes no representation about all or any of these matters.

#### ASSIGNMENT AND ASSUMPTION

NOW, THEREFORE Developer and Assignee, with City's consent, agree as follows:

1. Developer hereby transfers and assigns all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel, excluding however, the rights to receive reimbursements and/or refunds due to Developer, directly or indirectly, from (a) the City, (b) any other governmental agency or subdivision thereof, and/or (c) any utility arising from Developer's prior contribution of or expenditure of funds relating to the design or construction of sewer and/or water facilities and any other infrastructure improvements benefiting the Subject Property, including all or portions of the Assigned Parcel and/or any other part of the Subject Property owned by Developer, all of which are retained by Developer. Excluding only the Assigned Parcel, which is owned by Assignee, and all other rights herein reserved by Developer, Developer retains all the rights, title, interest, burdens and obligations under the Development Agreement with respect to all other property within the Subject Property owned by Developer not constituting part of the Assigned Parcel as assigned, transferred and conveyed to Assignee. Developer and Assignee hereby acknowledge and agree that all obligations under the Development Agreement accruing from and after the Transfer Effective Date requiring the construction of infrastructure improvements or the payment of fees (other than those fees solely allocable to the portion of the Subject Property retained by Developer) are, to the fullest extent possible, assessable to the Assigned Parcel, Assignee's (and not Developer's) obligations and are appurtenant exclusively to the Assigned Parcel for purposes of the Development Agreement; provided however, the foregoing shall not in any way alter any valid and enforceable reimbursement obligations between Developer and Assignee or any other enforceable rights that Developer has against Assignee, whether existing hereunder and/or pursuant to the terms of any other agreement(s). Notwithstanding anything herein to the contrary, Ramona Chace, LLC, as Developer, assigns to Assignee only those rights associated with the Assigned Parcel that are expressly designated, described and defined herein and reserves exclusively to itself all of Ramona Chace, LLC's rights, status, privileges and benefits not expressly assigned herein and hereby and/or by the Deed to Assignee. This Agreement: (1) confirms that on and effective as of May 15, 2018, the Effective Date of this Agreement and the date on which the Deed was recorded ("**Transfer Effective Date**"), Developer assigned and transferred to Assignee and

Assignee accepted from Developer pursuant to an earlier version of this Agreement dated as of May 11, 2018, and signed by Developer and Assignee, but not by the City (“**Closing Assignment**”), a transfer and assignment of the rights and delegation of the obligations herein transferred; (2) ratifies each transfer made in and pursuant to the Closing Assignment; and (3) when fully executed, supersedes and replaces the Closing Assignment as of the Transfer Effective Date. The City of Lathrop further confirms and acknowledges that, (i) pursuant to Section 7.04 of said Development Agreement, Assignee may, without City's consent of a transfer agreement, transfer all or any portion of its rights and obligations under the Development Agreement to any Affiliated Party (which for the avoidance of doubt, and without limitation, shall include any entity that is a joint venture between Assignee and an equity investor), and (ii) pursuant to Section 8.01 et seq. of said Development Agreement, Assignee's lender or such Affiliated Party's lender acquiring by foreclosure or deed-in-lieu of foreclosure shall take such acquired property subject to the terms of said Development Agreement without City's consent of a transfer agreement. Provided, however, Assignee shall not be released from any obligation herein unless and until such release is reviewed and expressly approved in writing by the City Manager.

2. As of the Transfer Effective Date: (a) except as otherwise expressly provided herein, Assignee hereby assumes, effective as of the Transfer Effective Date, all of the rights, title, interest, burdens and obligations of Developer under the Development Agreement with respect to the Assigned Parcel, (b) Assignee agrees to observe and fully and faithfully perform all of the duties and obligations of, and instead and in place of, Developer under the Development Agreement with respect to the Assigned Parcel, and (c) Assignee will become subject to and agrees to perform all the terms and conditions of the Development Agreement that pertain to the Assigned Parcel. The parties intend that, as of the Transfer Effective Date, and except as otherwise expressly provided herein, for all purposes of the Development Agreement, including future amendments thereof, if any, Assignee irrevocably and conclusively will be fully substituted for Developer as the "Developer" with respect to all matters arising under the Development Agreement that relate or pertain to the Assigned Parcel.

3. As of the date of Transfer Effective Date, Developer is and forever and for all purposes shall be released from all obligations arising under the Development Agreement with respect to the Assigned Parcel. Pursuant to Section 7.02(b) of the Development Agreement, as of the date City consents to this Agreement, City agrees that Developer shall be free from any and all liabilities assumed by Assignee hereunder including, without limitation, those arising or accruing on or after the Transfer Effective Date with respect to the Assigned Parcel and that no default under the Development Agreement by Assignee with respect to any obligation arising under the Development Agreement with respect to the Assigned Parcel shall be attributed to or constitute a breach or default by Ramona Chace, LLC, as Developer, and that Ramona Chace, LLC's rights as Developer under the Development Agreement are independent and may not be terminated or diminished in any way by such default.

4. Developer has the right under the Purchase Agreement to attempt to obtain the City's consent and approval of the Pending Development Agreement Amendment, including such modifications as the City may require as a condition to approval and execution of the Pending Development Agreement Amendment.

5. Assignee agrees at all times to use its best efforts and to cooperate fully and in good faith with Developer in connection with the Pending Development Agreement Amendment, including, without limitation, by promptly providing information and materials as requested by the City and/or Developer, by accepting and agreeing to commercially reasonable changes that are proposed, and, post-Closing, once the final form of the agreement has been approved by all of the parties thereto, with prompt execution and delivery of the Pending Development Agreement Amendment as the sole owner of the Assigned Parcel.

6. All of the covenants, terms and conditions set forth herein are binding upon and inure to the benefit of the City and the parties hereto and their respective heirs, successors and assigns.

7. The Notice Address described in Section 9.07 of the Development Agreement for the Assignee with respect to the Assigned Parcel shall be:

MOSSDALE LANDING APARTMENTS, LLC  
1004 Reno Dr.  
Modesto, CA 95351  
Attn: \_\_\_\_\_  
Tel.: (209) \_\_\_\_\_  
Fax.: (209) \_\_\_\_\_

8. Each party hereto warrants that each person signing this Agreement on its behalf has all necessary power, the right and all authority necessary to execute and deliver this Agreement, and that when fully executed, this Agreement is binding on each of them in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written, without regard to whether or when this document is recorded in the Official Records of the Recorder of San Joaquin County, California. This Agreement may be signed in identical counterparts all of which together constitute one and the same instrument.

ASSIGNEE:

DEVELOPER:

MOSSDALE LANDING APARTMENTS, LLC,  
a California limited liability company

RAMONA CHACE, LLC,  
a California limited liability company

By: The Schussing Company, Inc.,  
a California corporation  
Its: Manager

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: Managing Member

By: \_\_\_\_\_  
Nicholas J. Whetstone, Vice President

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

ACKNOWLEDGMENT AND CONSENT

Pursuant to Section 7.02 of the DEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE, AND TCN PROPERTIES REGARDING THE MOSSDALE LANDING SOUTH PROJECT, the City of Lathrop, a municipal corporation, hereby approves and consents to the foregoing assignment by Ramona Chace, LLC, a California limited liability company, of Developer's rights under the Development Agreement to Assignee, MOSSDALE LANDING APARTMENTS, LLC, a California limited liability company, with respect to the Assigned Parcel, and the corresponding acceptance thereof and assumption by Assignee of Developer's obligations under the Development Agreement with respect to the Assigned Parcel, as set forth in the foregoing Assignment and Assumption of Agreement, and confirms all rights and obligations reserved by Ramona Chace, LLC in the foregoing Assignment and Assumption Agreement with respect to the remainder of the Subject Property owned by Ramona Chace, LLC.

CITY OF LATHROP

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

ACKNOWLEDGMENT

State of California

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_,  
*(here insert name and title of the officer)*

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)



EXHIBIT "A"

LEGAL DESCRIPTION OF THE ASSIGNED PARCEL

[To Be Attached]

RECORDING REQUESTED BY:

Old Republic Title Company

Escrow No.: 0618013969

APN: 241-020-66, 241-020-61, 241-020-65

When Recorded Mail Document and Tax Statements to:

Mossdale Landing Apartments, LLC  
1004 Reno Drive  
Modesto, CA 95351

Old Republic Title Company hereby certifies that the within instrument is a true and correct copy of the original instrument recorded in the Office of the Recorder of the County of Santa Clara,

State of California on 5/15/2018

Recorder's Serial No. 2018-05-3402

Old Republic Title Company

By: [Signature]

\$53

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

**Grant Deed**

~~Exempt from fee per GC27388.1; Document recorded in connection with a concurrent transfer subject to the imposition of documentary transfer tax~~

The undersigned grantor(s) declare(s):  
Documentary Transfer Tax is \$6,490.55

(X) computed on full value of property conveyed, or

( ) computed on full value less of liens and encumbrances remaining at time of sale.

( ) Unincorporated area: (X) City of Lathrop

Exempt from fee per GC27388.1;  
document is subject to the imposition  
of documentary transfer tax

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,  
Ramona Chace, LLC, a California limited liability company

hereby GRANT(S) to  
Mossdale Landing Apartments, LLC, a California limited liability company

that property in City of Lathrop, San Joaquin County, State of California, described as:

\*\*\* See "Exhibit A" attached hereto and made a part hereof. \*\*\*

Date: May 09, 2018

Ramona Chace, LLC, a California limited liability company

By: Ronald M. Tate 1988 Separate Property Trust dated  
April 13, 1988, as amended,  
Its: Managing Member

[Signature]

By: Ronald M. Tate, Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

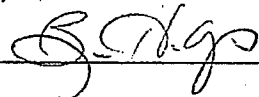
State of California  
County of Santa Clara

On Stobers before me, Bill Hastings a Notary Public, personally appeared Ronald M. Tate, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

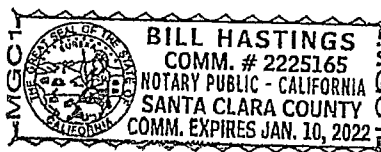
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_



Name: Bill Hastings  
(Typed or Printed)



(Seal)

**EXHIBIT A**

The land referred to is situated in the County of San Joaquin, City of Lathrop, State of California, and is described as follows:

**PARCEL ONE:**

Resultant Parcel A, described in that certain Notice of Lot Line Adjustment LLA 08-123, recorded January 21, 2009, Series No. 2009-010053, as follows:

All that certain real property situate in the City of Lathrop, County of San Joaquin, State of California, being all of Parcel A as shown on that certain Parcel Map filed for record June 5, 1981, in Volume 10 of Maps and Plats at Page 63, records of San Joaquin County, and a portion of Parcel G as shown on that certain Tract Map No. 3073 filed for record November 15, 2006 in Book 41 of Maps and Plats, at Page 19, records of San Joaquin County being more particularly described as follows:

Beginning at the Northwesterly corner of said Parcel G, said point being on the Easterly right of way line of Golden Valley Parkway as shown on the above mentioned Tract Map No. 3073; thence from said point of beginning along the Northerly line of said Parcel G and Parcel A, South 89° 06' 50" East, 358.32 feet to the Easterly line of said Parcel A;

Thence along said Easterly line, South 07° 25' 33" West, 327.07 feet to the Southerly line of said Parcel A;

Thence along said Southerly line and its projection thereof, North 89° 06' 41" West, 358.32 feet to a point on the Westerly line of said Parcel G, said line common to the Easterly right of way line of Golden Valley Parkway;

Thence along said common line, North 07° 25' 30" East, 327.05 feet to the point of beginning.

EXCEPTING THEREFROM unto Andrew B. Calori and Thelma Calori, his wife, as joint tenants, an undivided one-half interest in all oil, gas, minerals and other hydrocarbon substances, upon death of Andrew B. Calori and Thelma Calori, his wife, said undivided one-half interest shall automatically transfer to Grantee and her heirs and assigns, as reserved in the Deed executed by Andrew B. Calori, et ux, to Janice F. Perry, by Instrument recorded December 9, 1976 in Vol. 4205 of Official Records, Page 201, San Joaquin County Records.

APN: 241-020-65

**PARCEL TWO:**

All that certain real property situate in the City of Lathrop, County of San Joaquin, State of California, being a portion of Parcel G as shown on that certain Tract Map No. 3073 filed for record, November 15, 2006 in Book 41 of Maps and Plats at Page 19, Records of San Joaquin County, being more particularly described as follows:

Beginning at the Southwesterly corner of said Parcel G. said point also being a point on the Easterly right of way line of Golden Valley Parkway as shown on the above mentioned Tract Map No. 3073; thence from said point of beginning along the Southerly and Easterly line of said Parcel G, North 88° 24' 44" East 167.81 feet;

Thence North 00° 53' 19" East 163.23 feet to the Northerly line of said Parcel G, said Northerly line common to the Southerly line of Parcel A as shown on that certain Parcel Map, filed for record June 5, 1981 in Volume 10 of Maps and Plats at Page 63, Records of San Joaquin County;

Thence along said common line and its protection thereof North 89° 06' 41" West 148.12 feet to a point on the Westerly line of said Parcel G, said Westerly line common to the Easterly right of way line of Golden Valley Parkway;

Thence along said common line South 07° 25' 30" West 171.60 feet to the point of beginning, as set forth in Lot Line Adjustment recorded January 21, 2009 Instrument No. 2009-010053, Official Records.

APN: 241-020-66

PARCEL THREE:

Parcel 2, as shown on Parcel Map filed October 20, 2005 in Book 23 of Parcel Maps at Page 146, San Joaquin County Records.

APN: 241-020-61 (affects this and other land)

PARCEL FOUR:

All that certain real property situate in the City of Lathrop, County of San Joaquin, State of California, Being a portion of Section 3, Township 2, Range 6 East, Mount Diablo and Meridian, said real property being a portion of Queirolo Road, 43.07 feet wide, said road as shown on that certain Parcel Map filed for record October 20, 2005 in Book 23 of Parcel Maps at Page 146, Records of San Joaquin County, California being more particularly described as follows:

Beginning at the most Northerly corner of said Queirolo Road, said point being common with the general Southerly line of Parcel Two of the above mentioned Parcel Map; thence along the Northeasterly line of Queirolo Road, South 55°40'18" East, 18.02 feet to a point 47.50 feet Northerly of and at right angles to the Easterly prolongation of the Southerly line of said Parcel 2, being of said Southerly line of said Parcel 2, bearing of said Southerly line stated as North 88°16'44" East on said Parcel Map; thence leaving said Northeasterly line of Queirolo Road along a line parallel with and 47.50 feet Northerly of said Easterly prolongation, South 88°16'44" West, 22.24 feet to a point on the Northwestly line of Queirolo Road; thence along said Northwestly line of Queirolo Road North 34°10'42" East, 13.04 feet to the Point of Beginning.

as shown on that certain Quitclaim Deed from the City of Lathrop, recorded June 20, 2007, instrument No. 070113897, San Joaquin County Records.

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## Quarterly Investment Report December 2018

This report presents a detailed discussion of the City's investment portfolio as of December 31, 2018. It includes all investments managed by the City on its own behalf as well as the City's Trustees. The report provides information on cash flows, broken down by both investment manager (City or Trustee) and by percentage allocation within the portfolio.

As of December 31, 2018, the investment portfolio was in compliance with all state laws and the City's Investment Policy (see Attachment 1).

### Current Portfolio Summary

As directed by the Investment Policy adopted by City Council, City staff strives to attain three primary goals with the City's investments as follows (in order of priority):

1. Safety – Preservation of the principal of invested funds
2. Liquidity – Ability to liquidate one or more of the City's investments if unexpected expenditures arise
3. Return – Attainment of a market rate of return

The majority of the portfolio is invested in the Local Agency Investment Fund (LAIF), which is administered by the California State Treasurer's office. LAIF provides the City with an investment vehicle with yields that are slightly greater than U.S. Treasuries (T-bills) with a 2-year maturity or less. LAIF is a high quality investment in terms of safety, liquidity, and yield. Additionally, LAIF is an "On Demand" account; meaning funds may be withdrawn upon with 1 day notice, representing maximum liquidity.

In addition to LAIF, the City holds investments in Money Market Mutual Funds, Nonnegotiable Certificates of Deposit, and State and Local Government Securities (SLGS). These investments are prudent investment choices and are included in the City's Investment Policy as allowable investments.

Each investment mentioned above has a specific maturity date. However, much of the portfolio is On Demand. The short weighted average maturity provides the City with a great deal of liquidity during this period of heightened economic uncertainty and period of low investment yields. This liquidity places the City to invest in longer term maturity investments once interest rates begin to move up toward their historical norms; overall macroeconomic indicators signal solid and consistent growth in future years.

The following table (Table: 1) provides a summary of the City's cash and investments, by holding party, based on recorded value as of December 31, 2018 compared with the prior quarter:

<b>Table: 1</b>				
<b>Holding Party</b>	<b>September 30, 2018</b>		<b>December 31, 2018</b>	
	<b>Fund Amounts (1)</b>	<b>% of Portfolio</b>	<b>Fund Amounts (1)</b>	<b>% of Portfolio</b>
Investments/cash held by the City	\$84,978,674	71%	\$85,271,214	69%
Investments held by Trustees	\$35,185,795	29%	\$37,906,188	31%
<b>TOTAL</b>	<b>\$120,164,469</b>	<b>100%</b>	<b>\$123,177,401</b>	<b>100%</b>

(1) Small variances are due to the summation and rounding of multiple figures to the nearest whole dollar

Please see the following pages (Tables: 2 through 5) for a more detailed analysis of transactional additions and reductions due to cash flow needs, debt service payments, and maturities/rollovers of certain investments.

Revenues arrived during the quarter, per City staff expectations, are as follows: utility payments, property tax, franchise fees, sales tax (including Measure C), developer billing fees, grant reimbursements, building permit fees, plan check fees, and Transient Occupancy Tax (TOT).


Significant payables paid out during the quarter include:

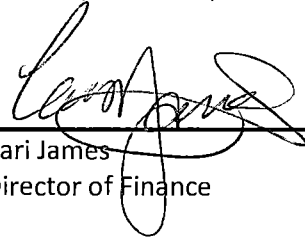
- I. Nonrecurring Expenditure Capital Improvement Projects – General Government, Parks, Streets, Water, and Wastewater
- II. Recurring Expenditures
  - a. Contractual – Park & Street Landscaping, and Water Treatment Services
  - b. Intergovernmental payments – San Joaquin County (Police Services), Lathrop Manteca Fire District

**Quarterly Economic Update**

According to the latest projections from the Business Forecasting Center at the University of the Pacific, California’s economic growth is forecast at a strong 3.4% through 2019, and then declining to 1.9% in 2021 as recession risk grows. Regionally, the Central Valley is expected to show job growth due to the booming logistics sector as it has added jobs to the trucking and warehousing industry. In addition, the Center estimates that most Central Valley metro areas will average single-digit unemployment in 2018. The strengthening housing market is lending support to manufacturing, which was hit by deep federal government spending cuts and slowing global demand. Locally, the San Joaquin Valley area experienced a decrease in unemployment rates (San Joaquin County: 5%; City of Lathrop: 4.6%). While these rates are within the forecasted levels, caution is key to carry out with the business demands of the City.

I certify that all of the investments reported herein are in accordance with the "City of Lathrop Investment Policy" adopted on November 5, 2012, with the Government Code, and other contractual agreements. I further certify the investments reported herein provide for the ability of the City to meet cash flow needs for the next six months.

  
 \_\_\_\_\_  
 Stephen Salvatore  
 City Manager

  
 \_\_\_\_\_  
 Cari James  
 Director of Finance



**TABLE: 2**  
**CITY OF LATHROP**  
**Summary of All Investments**  
**As of December 31, 2018**

<b>City Held Investments</b>	<b>Recorded Value</b>	<b>Current Yield</b>	<b>Percent of Portfolio</b>	<b>Market Value</b>
Local Agency Investment Fund	\$ 51,546,981	0.228%	55.86%	\$ 51,546,981
Wells Fargo Money Market Mutual Funds	\$ 2,823,237	0.000%	3.06%	\$ 2,823,237
<b>Total Investments Held by the City (1)</b>	<b>\$ 54,370,218</b>	<b>0.216%</b>	<b>58.92%</b>	<b>\$ 54,370,217</b>

<b>Trustee Held Investments</b>	<b>Recorded Value</b>	<b>Current Yield</b>	<b>Percent of Portfolio</b>	<b>Market Value</b>
Union Bank	\$ 4,009,400	0.027%	4.34%	\$ 4,009,400
UMB Bank	\$ 2,356,950	0.000%	2.55%	\$ 2,356,950
US Bank	\$ -	0.025%	0.00%	\$ -
SJ County Pooled Funds	\$ 253,786	0.260%	0.28%	\$ 253,786
PFM Asset Management	\$ 30,794,343	0.000%	33.37%	\$ 30,794,343
BBVA Compass Bank	\$ 491,708	0.230%	0.53%	\$ 491,708
<b>Total Investments Held by Trustees (2)</b>	<b>\$ 37,906,188</b>	<b>0.008%</b>	<b>41.08%</b>	<b>\$ 37,906,188</b>

<b>Total City &amp; Trustee Held Investments &amp; Cash</b>	<b>Recorded Value</b>	<b>Current Yield</b>	<b>Percent of Portfolio</b>	<b>Market Value</b>
Investments Held by the City and Trustees	\$ 92,276,405	0.131%	100.00%	\$ 92,276,405
Cash in Checking Accounts - Recorded Value	\$ 30,900,996			
<b>Total Cash and Investments</b>	<b>\$ 123,177,401</b>			

Weighted Average Maturity of Portfolio (days): 1  
 One month benchmark for U.S. Treasuries: 0.02%  
 Three month benchmark for U.S. Treasuries: 0.03%

**Notes:**

- (1) See Table: 4 for detailed investments held by the City.  
 (2) See Table: 5 for detailed investments held by Trustees.

**TABLE: 3**  
**CITY OF LATHROP**  
**Investments Cash Flow Analysis**  
**As of December 31, 2018**

<b>Investments Held by the City</b>	<b>Prior Month Recorded Value</b>	<b>Purchased (Buy)</b>	<b>Redeemed (Sell)</b>	<b>Current Month Recorded Value</b>
Local Agency Investment Fund (1)	\$ 51,546,981			\$ 51,546,981
Wells Fargo Money Market Mutual Funds (2)	\$ 2,818,234	5,003		\$ 2,823,237
<b>Total Investments Held by the City</b>	<b>\$ 54,365,215</b>	<b>5,003</b>	<b>-</b>	<b>\$ 54,370,217</b>

<b>Investments Held by Trustees</b>	<b>Prior Month Recorded Value</b>	<b>Purchased (Buy)</b>	<b>Redeemed (Sell)</b>	<b>Current Month Recorded Value</b>
BBVA Compass Bank	\$ 491,333	376		\$ 491,708
SJ County Pooled Funds	\$ 253,786			\$ 253,786
UMB Bank	\$ 2,352,899	4,291	(240)	\$ 2,356,950
Union Bank (3)	\$ 3,711,236	298,164		\$ 4,009,400
PFM Asset Management	\$ 30,452,010	2,315,304	(1,972,971)	\$ 30,794,343
<b>Total Investments Held by Trustees</b>	<b>\$ 37,261,263</b>	<b>\$ 2,618,135</b>	<b>\$ (1,973,211)</b>	<b>\$ 37,906,188</b>

<b>Total Cash in Checking Accounts Held by the City (2)</b>	<b>\$ 31,657,959</b>	<b>3,743,470</b>	<b>(4,500,433)</b>	<b>\$ 30,900,996</b>
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<b>Total Cash and Investments Held by the City and Trustees</b>	<b>\$ 123,284,437</b>	<b>\$ 6,366,608</b>	<b>\$ (6,473,643)</b>	<b>\$ 123,177,401</b>
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**Notes:**

(1) LAIF interest income is paid quarterly (Mar/Jun/Sept/Dec) and received in the following month (Apr/Jul/Oct/Jan).

(2) Property Tax, Building permit revenue, TOT, Developer payments, and Utility payments; nonrecurring expenses paid during the month: General government, Parks, Streets, Wastewater, and Water CIPs; also, recurring expenses: Park & street landscape maintenance, and water treatment services; lastly, intergovernmental payments and transfers: Police Services expenses, and SSJID SCSWSP O & M expenses.

(3) Interest earnings, debt service payments.

**TABLE: 4**  
**CITY OF LATHROP**  
**Investments Held by City - Detail**  
**As of December 31, 2018**

Agency (Broker)	Investment Description	Coupon Rate	Yield to Maturity	Purchase Date	Maturity Date	Market Value (No Accruals)	Recorded Value
<b>Local Agency Investment Fund</b>							
	Money Market Fund City Acct No. 98-39-437	N/A	0.257%	Varies	On Demand	51,546,981	51,546,981
						<b>\$ 51,546,981</b>	<b>\$ 51,546,981</b>
<b>Wells Fargo Mutual Funds</b>							
	Money Market Mutual Fund City Acct No. 12641627	N/A	0.000%	Varies	On Demand	2,823,237	2,823,237
						<b>\$ 2,823,237</b>	<b>\$ 2,823,237</b>
<b>TOTAL INVESTMENTS HELD BY CITY</b>						<b>\$ 54,370,217</b>	<b>\$ 54,370,218</b>

**TABLE: 5**  
**CITY OF LATHROP**  
**Investments Held by Trustee - Detail**  
**As of December 31, 2018**

Investment Description	CUSIP	Current Yield	Purchase Date	Maturity Date	Value	Recorded Value
<b>Investments Held by Union Bank by Account</b>						
<i>03-1 Series 2015 - Mossdale Village Assessment District</i>						
Mossdale Village Assessment Dist. No. 03-1 Series 2015 - Redemption Fund		0.010%	10/18/05	On Demand	\$ 73	\$ 73
Mossdale Village Assessment Dist. No. 03-1 Series 2005/2015 - Reserve Fund		0.010%	10/18/05	On Demand	\$ 242,113	\$ 242,113
<i>2000 North Harlan Improvement District 99-01</i>						
Money Market - Reserve Account		0.010%	7/12/00	On Demand	\$ 92,847	\$ 92,847
Money Market - Redemption Account		0.010%	7/12/00	On Demand	\$ 17	\$ 17
<i>2003-2A Lathrop CFD</i>						
Money Market- Interest Account		0.010%	12/12/03	On Demand	\$ 56	\$ 56
LAIF - Interest Account		0.257%	03/19/03	On Demand	\$ 729,260	\$ 729,260
<i>CDPH/CDWR - SRF Loan</i>						
Agreement Account		0.000%	12/22/10	On Demand	\$ 293,098	\$ 293,098
Agreement Account - Reserve Fund		0.000%	12/22/10	On Demand	\$ 603,262	\$ 603,262
<i>2013-1 Mossdale Village</i>						
2013-1 Refunding Improvement Bonds		0.000%	10/1/13	On Demand	\$ 138	\$ 138
2013-1 Refunding Improvement Bonds		0.000%	10/1/13	On Demand	\$ 953,729	\$ 953,729
<i>2013-1 Special Tax Bonds</i>						
2013-1 Mossdale Special Tax		0.000%	10/1/13	On Demand	\$ 264,719	\$ 264,719
2013-1 Mossdale Special Tax		0.000%	10/1/13	On Demand	\$ 75	\$ 75
<i>2015 Crossroads Series B</i>						
2015 Crossroads Series B - LOIB RDP		0.000%	9/1/15	On Demand	\$ 102	\$ 102
2015 Crossroads Series B - LOIB Reserve		0.000%	9/1/15	On Demand	\$ 747,564	\$ 747,564
2015 Crossroads Series B - Improvements		0.000%	9/1/15	On Demand	\$ 82,347	\$ 82,347
<b>Total Investments Held by Trustee - Union Bank</b>					<b>\$ 4,009,400</b>	<b>\$ 4,009,400</b>
<b>Investments Held by BBVA Compass Bank by Account</b>						
<i>2012 Water Loan (Refunding of 2000 Water COPs)</i>						
Certificate of Deposit - Reserve Fund		0.230%	4/24/13	4/24/14	\$ 491,708	\$ 491,708
<b>Total Investments Held by Trustee -BBVA Compass Bank</b>					<b>\$ 491,708</b>	<b>\$ 491,708</b>

**TABLE: 5**  
**CITY OF LATHROP**  
**Investments Held by Trustee - Detail**  
**As of December 31, 2018**

Investment Description	CUSIP	Current Yield	Purchase Date	Maturity Date	Value	Recorded Value
<b>Investments Held by UMB Bank by Account</b>						
<i>2006-1 Central Lathrop Phase I Infrastructure CFD</i>						
Special Tax Fund		0.000%	9/12/06	On Demand	\$ 2,316,880	\$ 2,316,880
Interest Fund		0.000%	9/12/06	On Demand	\$ 1	\$ 1
TTEE Fee & Comp Exp		0.002%	9/12/06	On Demand	\$ 40,018	\$ 40,018
Reserve Fund		0.000%	9/12/06	On Demand	\$ 0	\$ 0
Improvement Fund		0.000%	9/12/06	On Demand	\$ 51	\$ 51
<b>Total Investments Held by Trustee - UMB Bank</b>					<b>\$ 2,356,950</b>	<b>\$ 2,356,950</b>
<b>Investments Held by San Joaquin County by Account</b>						
<i>Sanitary Sewer Assessment District #1</i>						
Pooled Funds - Redemption Account		0.260%	10/1/87	On Demand	\$ 253,786	\$ 253,786
<b>Total Investments Held by Trustee -San Joaquin County</b>					<b>\$ 253,786</b>	<b>\$ 253,786</b>
<b>Investments Held by PFM Asset Management by Account</b>						
<i>PFM Asset Management</i>						
Money Market Fund		0.000%	5/28/15	05/28/15	\$ 50,942	\$ 50,942
US Treasury Notes	9128282K5	1.38%	7/31/17	7/31/19	\$ 297,949	\$ 297,949
US Treasury Notes	912828WW6	1.63%	7/31/14	7/31/19	\$ 447,592	\$ 447,592
US Treasury Notes	912828UL2	1.38%	1/31/13	1/31/20	\$ 409,569	\$ 409,569
US Treasury Notes	912828H52	1.25%	12/1/16	1/31/20	\$ 886,992	\$ 886,992
US Treasury Notes	912828H52	1.25%	2/2/15	1/31/20	\$ 1,773,985	\$ 1,773,985
US Treasury Notes	912828W22	1.38%	2/15/17	2/15/20	\$ 788,969	\$ 788,969
US Treasury Notes	912828J84	1.38%	3/31/15	3/31/20	\$ 1,182,374	\$ 1,182,374
US Treasury Notes	912828K58	1.38%	4/30/15	4/30/20	\$ 984,609	\$ 984,609
US Treasury Notes	912828XE5	1.50%	6/1/15	5/31/20	\$ 418,758	\$ 418,758
US Treasury Notes	912828XH8	1.63%	6/30/15	6/30/20	\$ 1,504,388	\$ 1,504,388
US Treasury Notes	912828XM7	1.63%	7/31/15	7/31/20	\$ 739,365	\$ 739,365
US Treasury Notes	912828L32	1.38%	8/31/15	8/31/20	\$ 1,030,190	\$ 1,030,190
US Treasury Notes	912828L99	1.38%	10/31/15	10/31/20	\$ 1,028,672	\$ 1,028,672
US Treasury Notes	912828M98	1.63%	11/30/15	11/30/20	\$ 590,110	\$ 590,110
US Treasury Notes	912828N48	1.75%	12/31/15	12/31/20	\$ 798,451	\$ 798,451
US Treasury Notes	912828N48	1.75%	12/31/15	12/31/20	\$ 1,133,603	\$ 1,133,603

**TABLE: 5**  
**CITY OF LATHROP**  
**Investments Held by Trustee - Detail**  
**As of December 31, 2018**

Investment Description	CUSIP	Current Yield	Purchase Date	Maturity Date	Value	Recorded Value
US Treasury Notes	912828N89	1.38%	1/31/16	1/31/21	\$ 488,535	\$ 488,535
US Treasury Notes	912828N89	1.38%	1/31/16	1/31/21	\$ 669,293	\$ 669,293
US Treasury N/B Notes	9128283X6	2.25%	2/1/18	2/15/21	\$ 611,661	\$ 611,661
US Treasury Notes	912828C57	2.25%	3/31/14	3/31/21	\$ 472,551	\$ 472,551
US Treasury Notes	912828C57	2.25%	3/31/14	3/31/21	\$ 572,035	\$ 572,035
US Treasury Notes	912828WG1	2.25%	4/30/14	4/30/21	\$ 1,094,843	\$ 1,094,843
US Treasury Notes	912828WN6	2.00%	6/2/14	5/31/21	\$ 642,789	\$ 642,789
US Treasury Notes	912828WR7	2.13%	6/30/14	6/30/21	\$ 1,066,098	\$ 1,066,098
US Treasury Notes	9128284W7	2.75%	8/15/18	8/15/21	\$ 1,006,758	\$ 1,006,758
US Treasury Notes	912828D72	2.00%	9/2/14	8/31/21	\$ 1,086,336	\$ 1,086,336
US Treasury N/B	9128285A4	2.75%	9/17/18	9/15/21	\$ 503,477	\$ 503,477
US Treasury Notes	9128285F3	2.88%	10/15/18	10/15/21	\$ 631,592	\$ 631,592
US Treasury Notes	9128285L0	2.88%	11/15/18	11/15/21	\$ 1,011,133	\$ 1,011,133
<b>US Treasury Subtotal:</b>					<b>\$ 23,872,676</b>	<b>\$ 23,872,676</b>
<b>Federal Agency Bond/Note</b>						
FHLB Global Notes	3130A8DB6	1.13%	6/2/16	6/21/19	\$ 24,828	\$ 24,828
FHLB Global Notes	3130A8DB6	1.13%	6/27/16	6/21/19	\$ 1,017,958	\$ 1,017,958
FHLMC Reference Note	3137EAEB1	0.88%	7/20/16	7/19/19	\$ 282,281	\$ 282,281
FHLMC Reference Note	3137EAEB1	0.88%	10/3/16	7/19/19	\$ 891,415	\$ 891,415
FNMA Benchmark Note	3135G0N33	0.88%	8/2/16	08/02/19	\$ 890,911	\$ 890,911
FNMA Notes	3135G0P49	1.00%	9/2/16	08/28/19	\$ 1,523,590	\$ 1,523,590
FNMA Notes	3135G0T29	1.50%	2/28/17	2/28/20	\$ 296,585	\$ 296,585
FHLMC Agency Notes	3137EAEF2	1.38%	4/20/17	4/20/20	\$ 492,431	\$ 492,431
Fannie Mae Notes	3135G0U35	2.75%	6/25/18	6/22/21	\$ 447,497	\$ 447,497
Federal Home Loan Banks Agcy	313AEXV7	3.00%	9/20/18	9/20/12	\$ 451,124	\$ 451,124
Federal Home Loan Banks Agcy	3130AF5B9	3.00%	10/12/18	10/12/21	\$ 430,421	\$ 430,421
<b>Federal Agency Subtotal:</b>					<b>\$ 6,749,042</b>	<b>\$ 6,749,042</b>
<b>Interest</b>						
Accrued Interest					\$ 121,684	\$ 121,684
<b>Total Investments Held by Trustee -PFM Asset Management</b>					<b>\$ 30,794,343</b>	<b>\$ 30,794,343</b>
* Investments made per CLSP Bond Indenture						
<b>Total Investments Held by Trustees</b>					<b>\$ 37,906,188</b>	<b>\$ 37,906,188</b>

**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING****ITEM: REVISED WASTEWATER TREATMENT CAPACITY  
(ISU) TRANSFER POLICY****RECOMMENDATION: Adopt Resolution Approving a Revised Wastewater  
Treatment Capacity (ISU) Transfer Policy for  
Capacity Allocated by the City of Lathrop in the  
Manteca Water Quality Control Facility (MWQCF)**

---

**SUMMARY:**

The City of Lathrop has an adopted Wastewater Treatment Capacity Transfer Policy (ISU Transfer Policy) for the prioritization, allocation, reallocation and/or transfer of wastewater treatment capacity at its wastewater treatment facilities. Wastewater treatment capacity under this policy is allocated as Interceptor Sewer Units (ISUs) which is the estimated amount of wastewater generated by a typical single family home each day.

The Transfer Policy has been revised over the years to reflect the City's changing infrastructure, wastewater demand factors and economic conditions. Staff recommends that the Transfer Policy be revised to account for the Lathrop Consolidated Treatment Facility (LCTF) Design & Construction Funding Agreement, approved by council on November 21, 2016, and to be consistent with information gathered during the Wastewater Master Plan Update.

**BACKGROUND:**

On January 19, 1993, due to the limited availability of unallocated wastewater treatment capacity at the MWQCF, the Council adopted Wastewater Treatment Allocation Criteria to prioritize commercial projects to receive unallocated ISUs. A Wastewater Treatment Capacity Transfer Policy (ISU Transfer Policy) was adopted by City Council on January 16, 1996 and Council has approved revisions to the policy on October 21, 1997; August 15, 2000; May 2, 2006; January 9, 2007; April 17, 2007; May 29, 2007; January 9, 2012, and May 4, 2015. The ISU Transfer Policy is used to prioritize, manage and track the allocation, reallocation and/or transfer of wastewater treatment capacity at the wastewater treatment facilities.

**CITY MANAGER'S REPORT** **Page 2**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**REVISED WASTEWATER TREATMENT CAPACITY (ISU) TRANSFER POLICY**  
**FOR THE MWQCF**

The revised ISU Transfer Policy has been included as Attachment B with significant proposed revisions listed below:

1. Manteca Water Quality Control Facility (MWQCF)  
The ISU Transfer Policy to be revised so that it applies only to capacity allocated to the MWQCF. The expansion of the LCTF included a Design & Construction Funding Agreement that was approved by Council on November 21, 2016. The Design & Construction Funding Agreement provides specific guidelines for the allocation of reserve capacity in the LCTF and capacity in LCTF should therefore be exempt from the ISU Transfer Policy.
2. Lower Wastewater Demand Factor  
Staff recommends that the ISU Transfer Policy be revised by lowering the wastewater treatment capacity per ISU from 260 gpd to 240 gpd. Lowering the demand factor is based on a recently completed flow monitoring study within the MWQCF Sewer area as part of the Wastewater Master Plan Update. This revision increases the amount of unallocated capacity in the MWQCF from 156 ISUs to 438 ISUs. The additional treatment capacity, 282 ISUs, would be assigned to the City's reserve capacity and then allocated to new users based on the ISU Transfer Policy.
3. Eliminate Foundational and Land Use Criteria  
Staff recommends that the ISU Transfer Policy be revised to eliminate the "Foundational Criteria" and the "Land Use Criteria." These criteria were originally developed to prioritize remaining unallocated capacity in the MWQCF for commercial projects and are no longer needed because of the increased number of ISUs made available by lowering the residential wastewater demand factor and capacity per ISU. Recent data gathered while updating the Wastewater Master Plan anticipates that sufficient wastewater treatment capacity exists at the MWQCF to support planned development through 2040.
4. ISU Transfer Approval Process  
The current ISU Transfer Policy requires that all transfers be approved by Council. New development projects, including the sewer capacity allocations would be approved by Council during the normal planning approval process under the revised policy. Therefore, Staff recommends that the ISU Transfer Policy be revised to authorize the City Manager to approve ISU transfers for all approved projects. Allowing ISU Transfers to be approved at staff level will make the Transfer Policy easier to implement and more efficient.



**CITY MANAGER'S REPORT** **Page 3**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**REVISED WASTEWATER TREATMENT CAPACITY (ISU) TRANSFER POLICY**  
**FOR THE MWQCF**

**REASON FOR RECOMMENDATION:**

The ISU Transfer Policy needs to be revised to more accurately reflect the City's current infrastructure and information gathered during the Wastewater Master Plan Update.

**COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

This agenda item promotes Economic Growth by improving the ISU Transfer Policy which facilitates land development projects.

**FISCAL IMPACT:**


None at this time.

**ATTACHMENTS:**

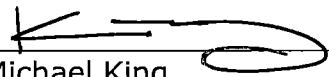
- A. Resolution Approving a Revised Wastewater Treatment Capacity (ISU) Transfer Policy for Capacity allocated by the City Of Lathrop in the Manteca Water Quality Control Facility (MWQCF)
- B. Revised City of Lathrop Wastewater Treatment Capacity (ISU) Transfer Policy for the Manteca Water Quality Control Facility dated, February 11, 2019

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**REVISED WASTEWATER TREATMENT CAPACITY (ISU) TRANSFER POLICY**  
**FOR THE MWQCF**

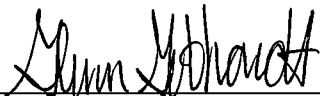
**APPROVALS:**

  
\_\_\_\_\_  
Greg Gibson  
Senior Civil Engineer

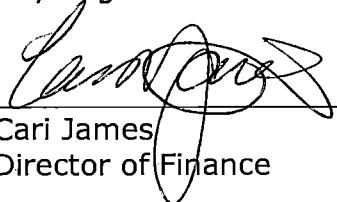
2/4/19  
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Date

  
\_\_\_\_\_  
Michael King  
Assistant Public Works Director

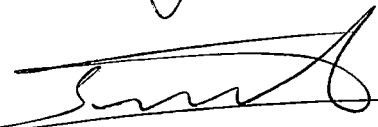
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Glenn Gebhardt  
City Engineer

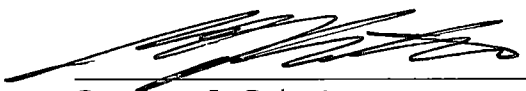
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Date

  
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Cari James  
Director of Finance

2/4/19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Salvador V. Navarrete  
City Attorney

2-5-19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2.6.19  
\_\_\_\_\_  
Date

**RESOLUTION NO. 19 -**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
APPROVING A REVISED WASTEWATER TREATMENT CAPACITY (ISU)  
TRANSFER POLICY FOR CAPACITY ALLOCATED BY THE CITY OF LATHROP  
IN THE MANTECA WATER QUALITY CONTROL FACILITY (MWQCF)**

**WHEREAS**, the City has a Wastewater Treatment Capacity Transfer Policy (ISU Transfer Policy) for the allocation, reallocation and/or transfer of wastewater treatment capacity that has been revised numerous times over time to reflect changes in available reserve capacity, wastewater demand factors, and economic conditions; and

**WHEREAS**, staff recommends the ISU Transfer Policy should be revised so that it only applies for ISU transfers of capacity in the Manteca Water Quality Control Facility (MWQCF) since terms and conditions contained in the Design & Construction Funding Agreement for the Lathrop Consolidated Treatment Facility (LCTF) Phase 2 Expansion Project (CIP# WW 14-14) which govern the transfer of sewer allocations in the LCTF to developers or third parties; and

**WHEREAS**, the ISU Transfer Policy should be revised to lower the amount of wastewater treatment capacity per ISU from 260 to 240 gpd/ISU to be consistent with the recently completed draft wastewater master plan update that indicates the wastewater demand from an average single family home wastewater demand factor should be revised from 260 to 240 gpd/home for the MWQCF service area; and

**WHEREAS**, the revised ISU Transfer Policy increases the amount of unallocated capacity in the MWQCF from 156 to 438 ISUs for a total of 282 additional ISUs that would be made available to support new development and generate revenue to support the MWQCF operations and capital replacement funds and offset the need for future increases to the wastewater rates and connection fees; and

**WHEREAS**, the ISU Transfer Policy should be revised to eliminate the foundational and land use criteria contained in the current policy because the draft wastewater master plan demonstrates that sufficient wastewater treatment capacity exists at the MWQCF to support planned development through 2040; and

**WHEREAS**, the revised ISU Transfer Policy will be much easier to administer using the new criteria, and authorizes the City Manager to approve ISU transfers for all approved project as the sewer capacity allocations for new development projects will be approved by Council during the normal planning approval process under the revised policy.

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Lathrop approves the revised Wastewater Treatment Capacity Transfer Policy (ISU Transfer Policy) for the allocation, reallocation and/or transfer of wastewater treatment capacity in the Manteca Water Quality Control Facility, and assigns the additional reserve capacity created by the revised policy to the City's reserve capacity so that it can be made available to new users and generate revenue to support the MWQCF operations and capital replacement funds and reduce the need to increase wastewater rates and connection fees.

The foregoing resolution was passed and adopted this 11th day of February, 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

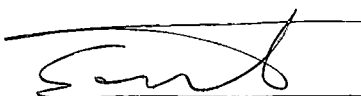
ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**CITY OF LATHROP**  
**WASTEWATER TREATMENT CAPACITY (ISU) TRANSFER POLICY FOR THE**  
**MANTECA WATER QUALITY CONTROL FACILITY**

**APPROVED BY CITY COUNCIL RESOLUTION 19-**

**FEBRUARY 11, 2019**

**PURPOSE:** To Allocate, Reallocate, and/or Transfer Wastewater Treatment Capacity in the Manteca Water Quality Control Facility (MWQCF).

**Introduction:**

This policy covers the allocation, reallocation, and/or transfer of wastewater treatment capacity for users utilizing capacity in the Manteca Wastewater Quality Control Facility (MWQCF). The wastewater treatment capacity is allocated as an "Interceptor Sewer Unit" (ISU) that is equivalent to 240 gallons per day of treatment capacity. The allocation, reallocation, or transfer of existing ISUs between customers or between properties shall be considered a "transfer".

**General Guidelines:**

1. All transfer requests shall be in the form of a written request to the Public Works Director and subject to approval by the City Manager.
2. Transfers of available ISUs may be made to or from a property located within the service area of the MWQCF affected by the transfer, or to or from the reserve capacity owned by the City. Undeveloped and underdeveloped private property must retain a minimum number of ISUs, generally one (1) per parcel, to permit future development unless the application is accompanied by an offer to dedicate all development rights with respect to a parcel in a form acceptable to the City Attorney.
3. The cost of purchasing ISUs from the City or obtaining City approval of a "parcel to parcel" transfer shall depend on the original funding source of the capacity but, shall generally conform to the following guidelines:
  - a. If the capacity is located in the existing MWQCF collection area, the cost shall be the Sewer Capital Facilities Fee (CFF) adopted by the City Council at the time the transfer or purchase is approved by the City or when the payment is made to the City, whichever is greater.

- b. If the capacity is located in the existing MWQCF collection area, AND, within an Assessment District (AD) or Community Facilities District (CFD) which paid for the original capacity, the cost shall be the higher of the Sewer Capital Facilities Fee (CFF) or the AD/CFD payoff amount at the next bond redemption period, whichever is greater.
    - c. The fee shall be paid to the City by the applicant upon approval of the transfer by the City. Upon receipt and verification of funds of final payment by the applicant, the original owner of the ISU will be reimbursed the purchase price less the City's administrative fee.
4. The City's purchase of capacity shall be effective upon mailing of a letter from the Public Works Director or designee to the address on file for the applicant. ISUs may not be purchased for or transferred to undeveloped land unless a proposed project exists for that land. If ISUs are purchased for a proposed project and a building permit, parcel map or final map is not approved within one (1) year from the City's approval of the transfer, the City may, at its sole discretion, repurchase the capacity from the applicant. The repurchase price shall be the same as the cost paid by the transferee at the time the transfer originally took place, less the City's administrative fee. Original owner or recipient may request a Form 1099 to document income received from the City for the purchase of sewer capacity.
5. For the purposes of this Wastewater Transfer Policy, a "proposed project" shall include, at a minimum, a formal planning application submitted to the Community Development Department. The application number assigned to the project by that Department shall be clearly indicated on Exhibit "A" and on all other forms and communications with respect to a transfer application. A planning pre-application submittal or verbal project description does not constitute a "proposed project" and is not sufficient to initiate a transfer per this Policy.
6. An applicant may apply to the City to transfer ISUs either before or after the City has taken action on a proposed project. The transfer must be obtained before recordation of a parcel map or final map. At the discretion of the Public Works Director, the transfer may be required before final approval of a proposed project.
7. Applicant, upon approval of the transfer by the City Manager, may become responsible for ongoing operations and maintenance associated with the capacity being transferred, regardless of whether the proposed projects builds or not. This responsibility will end upon repurchase of the capacity by the City. The responsibility to pay for operations and maintenance cost incurred prior to any repurchase of capacity by the City will not end upon that repurchase at the City's discretion, the repurchase cost may be reduced by the value of any operations and maintenance unpaid by the applicant.

## Application Process:

The applicant should contact the Public Works Department to determine if there are unallocated ISUs available for purchase, or if it is possible to transfer ISUs from undeveloped or underdeveloped property. If the applicant wishes to purchase unallocated ISUs, or to transfer ISUs from undeveloped or underdeveloped property to the property of a proposed project, the following process shall be followed:

1. The applicant shall make a written request to the Public Works Director to transfer ISUs to a proposed project. The request shall include:
  - a. An executed copy of Exhibit "A", *Application for Wastewater Treatment Capacity Transfer*, which shall include the requisite information and be submitted with the \$500 application fee.
  - b. An executed copy of Exhibit "B", *Purchase of ISU Agreement*. The Agreement establishes the ISU transfer is under review but not yet finalized. The Applicant must agree to pay the City the final cost of the ISUs, as established by City ordinance, when that cost is determined
  - c. A commitment signed by a person authorized to bind the applicant to obtain a building permit, parcel map or final map within one (1) year from City Council's approval of the transfer. At the City's sole discretion, the ISUs shall revert back to the City at the end of one (1) year unless the City Council approves an extension of time. Any request for an extension of time must be provided in writing and addressed to the Director of Public Works. The repurchase price shall be the cost paid by the transferee, less the City's administrative fee.
  - d. A commitment signed by one authorized to bind the applicant to construct any sewer line extensions and other facilities necessary to utilize the ISUs
2. Upon an applicant's completion of an application pursuant to paragraph 1 immediately above, and after determination that the minimum eligibility criteria for a transfer have been met, the Public Works Director shall consider the following factors in approving or denying a transfer request:
  - a. Is the request consistent with the City's General Plan?
  - b. Is the request consistent with the City's Wastewater Master Plan?
  - c. Is the request consistent with any other applicable local, state or federal laws, regulations or ordinances?
3. For projects that meet the criteria described above, the Public Works Director will request payment from the applicant for the final costs of the ISUs, and recommend approval for the City Manager and City Attorney to execute the agreement.



4. If City approves a transfer of ISUs between parcels, the applicant shall pay all costs to prepare and record an agreement(s) for the transfer. The agreement(s) shall run with the land and be recorded to give notice to future property owners of the transfer and limitations on future development arising from the transfer.
5. The fully executed agreement(s), and payment in the amount of 100% of the cost of the units, shall be submitted to the Public Works Director. The Public Works Director will cause the funds to be paid to the transferee or deposited with the City and will record any agreement(s). The applicant may then obtain a building permit, parcel map or final map if all other necessary permits and approvals for their proposed development/project have been issued.

**EXHIBIT A**

**APPLICATION FOR WASTEWATER TREATMENT CAPACITY  
TRANSFER**

This is a request to allocate, reallocate or transfer wastewater treatment capacity defined as Interceptor Sewer Units (ISUs) for service to the following real property:

Applicant Name: \_\_\_\_\_

Address: \_\_\_\_\_

APN(s): \_\_\_\_\_

Project Planning Application No.: \_\_\_\_\_

Number of ISUs requested: \_\_\_\_\_ ISUs

Project Description:(Attach additional sheets if needed)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

For parcel-to-parcel transfers, if this request is approved by the City Council, then the City shall record in the County of San Joaquin Recorder / Clerk's Office, a Notice of Transfer of Interceptor Sewer Units Affecting Certain Real Property (Exhibit "C"). The form of this Notice will be provided by the City; however, before the Notice is executed, acknowledged by a notary public or recorded, the applicant shall provide the City an accurate legal description of the subject property.

I, the undersigned, owner and / or agent declare under penalty of perjury under the laws of the State of California that:

1. The information provided by the undersigned to the City in support of this request is true and correct.
2. The applicant will make best efforts to obtain a building permit, parcel map or final map within one (1) year from City Council's approval of the transfer and recognizes that the ISUs will revert to the City if the applicant does not obtain a building permit, parcel map or final map in that time unless the City Council grants an extension of time.
3. The applicant will construct any sewer line extensions and other facilities necessary to utilize the ISUs to the satisfaction of the Public Works Director and in compliance with applicable City standards prior to obtaining a building permit, parcel map or final map.
4. The applicant agrees to accept responsibility for paying any ongoing maintenance cost associated with the ISU's being purchased/transferred/reassigned, beginning from the date the transferred is approved by the City Council.

**SIGNATURES**

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Signature

Date

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Print Name

***As agent for:***

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Applicant (*if the Applicant is an entity, print its legal name here*)

***Recommended for Approval By:***

---

Signature

Date

---

Title

**EXHIBIT B**

**CITY OF LATHROP PURCHASE  
OR TRANSFER OF ISU  
AGREEMENT**

This PURCHASE OF ISU AGREEMENT ("Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between The City of Lathrop ("City") and \_\_\_\_\_ ("Builder").

**RECITALS**

**WHEREAS**, City has certain reserved capacity for sewage disposal in the Manteca Water Quality Control Facility ("MWQCF").

**WHEREAS**, that reserved, but unused, capacity is expressed, for purposes of this Agreement, as a certain number of Interceptor Service Units ("ISU") of 240 gallons per day of sewer treatment capacity in the MWQCF.

**WHEREAS**, Builder desires to purchase, and City desires to sell, \_\_\_\_\_ ISUs.

NOW THEREFORE, for valuable consideration, receipt of which is hereby acknowledged, Builder and City hereby agrees as follows:

1. City hereby sells to Builder \_\_\_\_\_ ISUs for use on the property identified as (street address or APN) ("the Land").
2. Builder understands and agrees that the price of an ISU that is serviced by the MWQCF includes two (2) components: a Capacity Cost and a Collection System Cost. The current Capacity Cost for sewer service in the MWQCF is \$\_\_\_\_\_ per ISU for a total cost of: \_\_\_\_\_ dollars (\$\_\_\_\_\_); The Capacity Cost is due within thirty (30) days of Council approval of the ISU purchase. The current Collection System Cost is project-specific and is based upon the size of the water meter(s) utilized for the project. Collection System costs can be found on the City Website under utility rates. The Collection System Cost is collected during the Building Permit process and is due from Builder prior to the issuance of Building Permits and Builder agrees City will not issue building permits for structures to be served the ISUs sold under this agreement until Builder pays that Collection System Cost to City.

3. Builder acknowledges that the transfer of \_\_\_\_\_ ISU's from the MWQCF requires the new owner to pay operations and maintenance costs from the date the capacity is approved by the City until the date the proposed project is occupied and payment of wastewater monthly fees begin. The City estimates the annual operations and maintenance costs for this transfer to be \$\_\_\_\_\_/year.
  
4. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior understandings or agreements. This Agreement may be modified only by a writing signed by both parties. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. If any term, covenant, condition or provision of this Agreement, or the application thereto to any person or circumstance, shall to any extent be held by a court of competent jurisdiction or rendered by the adoption of a statute by the State of California or the United States invalid, void or unenforceable, the remainder of the terms, covenant, conditions or provisions of this Agreement, or the application thereto to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
  
5. A copy of this Agreement shall be filed with the City of Lathrop's Director of Public Works and shall run with the land, and City shall record a notice of this Agreement against the Land in the form attached hereto as Exhibit C.
  
6. This Agreement may be terminated only in accordance with the City's then-current policy regarding the transfer of ISUs between persons or properties. If the City agrees to terminate this Agreement pursuant to that policy, City shall record a release of this Agreement as to the Land.



**EXHIBIT C**

**NOTICE OF TRANSFER OF  
INTERCEPTOR SEWER UNITS (ISUs)  
AFFECTING CERTAIN REAL PROPERTY**

Notice is hereby given that \_\_\_\_\_ (owner / grantor) hereby transfers to \_\_\_\_\_ (buyer / grantee) \_\_\_\_\_ Interceptor Sewer Units (ISUs) pursuant to an Agreement with the City of Lathrop dated \_\_\_\_\_, 20\_\_\_\_, which Agreement affects the real property commonly known as

\_\_\_\_\_, City of Lathrop, County of San Joaquin, State of California, and the legal description of the real property from which the ISUs are transferred is attached as Exhibit "1" and incorporated by reference herein.

Notice is given further that the real property to which the ISUs are transferred is commonly known as \_\_\_\_\_, City of Lathrop, County of San Joaquin, State of California, and the legal description of said real property is attached as Exhibit "2" and incorporated by reference herein.

This notice shall be duly recorded in the records of the County of San Joaquin Clerk / Recorder's Office.

**Dated:** \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
**Owner/Grantor Signature**

\_\_\_\_\_  
**Print Name**



**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM:**                                    **CITY VEHICLE PURCHASE FOR PUBLIC WORKS CONSTRUCTION, STREETS AND UTILITY MAINTENANCE**

**RECOMMENDATION:**    **Adopt a Resolution Approving the Purchase of Five (5) City Vehicles from Steve's Chevrolet/Buick Inc. for Public Works Construction, Streets, and Utility Maintenance**

**SUMMARY:**

The City operates and maintains a fleet of work vehicles for the purpose of inspecting, maintaining and operating City facilities and infrastructure. Due to recent new hires and existing fleet vehicles at the end of their service life, staff is requesting Council approval to place an order for the following vehicles:

<b>Division</b>	<b>Vehicle Description</b>	<b>Quantity</b>	<b>Extended Price (Including Tax, Licensing and Fees)</b>
Construction	2019 Chevrolet Colorado 4WD	2	\$28,369.54
Streets and Utility	2019 Chevrolet Colorado 2WD	1	\$23,475.68
Streets and Utility	2019 Chevrolet 1500 2WD	1	\$25,391.64
Streets and Utility	2019 Chevrolet 2500 4WD	1	\$30,646.87
Subtotal			\$136,071.27

In addition to the vehicle order, staff further requests Council approval to order additional vehicle equipment with an estimated cost of \$10,000 for a total authorization of \$146,071.27. Additional vehicle equipment includes boxes for truck beds, light bars, lift gates, etc. needed to safely perform work tasks. Sufficient funds exist in the adopted Fiscal Year 2018/19 budget to approve the requested expenditures.

**BACKGROUND:**

The City operates and maintains a fleet of work vehicles for the purpose of inspecting, maintaining and operating City facilities and infrastructure. Staff requested a proposal from Steve's Chevrolet/Buick, Inc., a specialty Chevrolet Dealer in Oakdale, which included the General Motors Government Bid Assistance program. This program provides government agencies discounted vehicle pricing that is similar to the California Multiple Award Schedule (CMAS) vehicle purchasing program pricing guidelines.

**CITY MANAGER'S REPORT** **PAGE 2**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**CITY VEHICLE PURCHASE FOR PUBLIC WORKS CONSTRUCTION, STREETS**  
**AND UTILITY MAINTENANCE**

**RECOMMENDATION:**

Five (5) vehicles are needed to equip recent new hires and replace existing vehicles at the end of their service life.

**CITY COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

This agenda item promotes Public Safety by allowing staff to efficiently and safely inspect, maintain and operate City facilities and infrastructure.

**FISCAL IMPACT:**

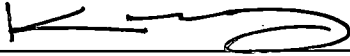
The adopted Fiscal Year 2018/19 Budget included sufficient funds to purchase these vehicles.

**ATTACHMENTS:**

- A. Resolution Approving the Purchase of Five (5) City Vehicles from Steve's Chevrolet/Buick Inc. for Public Works Construction, Streets and Utility Maintenance
- B. Quote - 2019 Chevrolet Colorado 4WD
- C. Quote - 2019 Chevrolet Colorado 2WD
- D. Quote - 2019 Chevrolet Silverado 1500 2WD
- E. Quote - 2019 Chevrolet Silverado 2500HD 4WD

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**CITY VEHICLE PURCHASE FOR PUBLIC WORKS CONSTRUCTION, STREETS**  
**AND UTILITY MAINTENANCE**

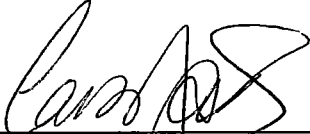
**APPROVALS:**



\_\_\_\_\_  
Michael King  
Assistant Director of Public Works

2-4-19

Date



\_\_\_\_\_  
Cari James  
Director of Finance

2/4/19

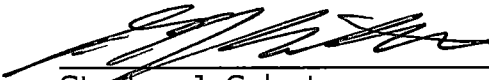
Date



\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-4-19

Date



\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2-5-19

Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
APPROVING THE PURCHASE OF FIVE (5) CITY VEHICLES FROM STEVE'S  
CHEVROLET/BUICK INC. FOR PUBLIC WORKS CONSTRUCTION, STREETS  
AND UTILITY MAINTENANCE**

**WHEREAS**, the City operates and maintains a fleet of work vehicles for the purpose of inspecting, maintaining and operating City facilities and infrastructure; and

**WHEREAS**, five (5) new vehicles are needed to equip new hires and replace existing vehicles at the end of their service life; and

**WHEREAS**, staff requested a proposal from Steve's Chevrolet/Buick, Inc., a specialty Chevrolet Dealer in Oakdale, which included the General Motors Government Bid Assistance program; and

**WHEREAS**, the General Motors Government Bid Assistance program price provides government agencies discounted vehicle pricing that is similar to the California Multiple Award Schedule (CMAS) vehicle purchasing program pricing guidelines; and

**WHEREAS**, staff is requesting Council approval to place an order for the following vehicles:

<b>Division</b>	<b>Vehicle Description</b>	<b>Quantity</b>	<b>Extended Price (Including Tax, Licensing and Fees)</b>
Construction	2019 Chevrolet Colorado 4WD	2	\$28,369.54
Streets and Utility	2019 Chevrolet Colorado 2WD	1	\$23,475.68
Streets and Utility	2019 Chevrolet 1500 2WD	1	\$25,391.64
Streets and Utility	2019 Chevrolet 2500 4WD	1	\$30,646.87
Subtotal			\$136,071.27

**WHEREAS**, staff further requests Council approval to order additional vehicle equipment, boxes for truck beds, light bars, lift gates, etc., with an estimated cost of \$10,000 for a total authorization of \$146,071.27; and

**WHEREAS**, sufficient funds exist in the adopted Fiscal Year 2018/19 budget to approve the requested expenditures;

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve placing an order for five (5) City vehicles from Steve's Chevrolet/Buick Inc. and additional equipment assigned to Public Works Construction, Streets and Utility Maintenance division from for a total amount of \$146,071.27.

The foregoing resolution was passed and adopted this 11<sup>th</sup> day of February, 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:


ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney



# STEVES CHEVROLET BUICK INC

ALAN BERG | (209)847-2261 | alan@steveschevrolet.com

[Fleet] 2019 Chevrolet Colorado (12M53) Ext Cab 128.3" (3)

## Window Sticker

### SUMMARY

[Fleet] 2019 Chevrolet Colorado (12M53) 4WD Ext Cab 128.3" Work Truck

MSRP:\$28,700.00

Interior:Jet Black/Dark Ash, Vinyl seat trim

Exterior 1:Summit White

Exterior 2:No color has been selected.

Engine, 2.5L I4, DI, DOHC, VVT

Transmission, 6-speed automatic, HMD, 6L50

### OPTIONS

CODE	MODEL	MSRP
12M53	[Fleet] 2019 Chevrolet Colorado (12M53) 4WD Ext Cab 128.3" Work Truck	\$28,700.00
<b>OPTIONS</b>		
4WT	Work Truck Preferred Equipment Group	\$0.00
AR7	Seats, front bucket	\$0.00
ATG	Remote Keyless Entry, extended range	Inc.
C5G	GVWR, 5600 lbs. (2540 kg)	\$0.00
GAZ	Summit White	\$0.00
GT5	Rear axle, 4.10 ratio	\$0.00
H2Q	Jet Black/Dark Ash, Vinyl seat trim	\$0.00
IOR	Audio system, Chevrolet Infotainment 3 system	\$0.00
K34	Cruise control, electronic, automatic	Inc.
LCV	Engine, 2.5L I4, DI, DOHC, VVT	\$0.00
MYB	Transmission, 6-speed automatic, HMD, 6L50	\$0.00
PCN	WT Convenience Package	\$490.00
PPA	Tailgate, EZ-Lift and Lower	Inc.
QDC	Tire, compact spare T175/80R18, blackwall	\$0.00
QJJ	Tires, P265/70R16 all-season, blackwall	\$0.00
RS2	Wheels, 16" x 7" (40.6 cm x 17.8 cm) Ultra Silver Metallic steel	\$0.00
UTJ	Theft-deterrent system, unauthorized entry	Inc.
YF5	Emissions, California state requirements	\$0.00

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Data Version: 7507. Data Updated: Jan 23, 2019 9:58:00 PM PST.



# STEVES CHEVROLET BUICK INC

ALAN BERG | (209)847-2261 | alan@steveschevrolet.com

[Fleet] 2019 Chevrolet Colorado (12M53) Ext Cab 128.3" (3)

ZY1	Solid Paint	\$0.00
<b>SUBTOTAL</b>		<b>\$29,190.00</b>
	Adjustments Total	\$0.00
	Destination Charge	\$1,095.00
<b>TOTAL PRICE</b>		<b>\$30,285.00</b>

### FUEL ECONOMY

Est City:19 (2018) MPG

Est Highway:24 (2018) MPG

Est Highway Cruising Range:504.00 mi

*Selling Price* 25966.30  
*Tax* 2279.49  
*License* Exempt  
*Doc Fee* 115.00  
*Tire fee* 8.75  


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*Total, \$28,369.54*

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Data Version: 7507. Data Updated: Jan 23, 2019 9:58:00 PM PST.



Quote Worksheet

Quote Number:	115290	14. CALIF TIRE FEE:	\$ 8.75
1. Customer Number:	28762	15. CVR:	\$ 30.00
2. Buyer Residence Info:		16. DMV Additional Fee:	
3. Cust Name:	CITY OF LATHROP	17. License Fee:	
4. Stock Number:		18. GAP:	
5. Sales Price:	\$ 25,966.30	19. Service Contract:	
6. Accessories:		20. Sales Tax:	8.7500% \$ 2,279.49
7. Documentation Serv:	\$ 85.00	Sale Subtotal:	\$ 25,966.30
8. Cash Down:		Total Financed:	\$ 28,369.54
9. Rebate:		21. APR:	
10. Trade 1 Allowance:		22. Term:	
11. Trade 1 Payoff:		23. MONTHLY PAYMENT:	\$ 28,369.54
Trade 1 Net Allow:		24. 1st Payment Date:	01/24/19
12. Trade 2 Allowance:		Finance Charge:	
13. Trade 2 Payoff:		Deferred Price:	
Trade 2 Net Allow:			
Total Down:			

Command Window  
Command (?):

Enter a command, a field number, or press a function key. Enter ? for help.

F3-Sv/Ex	F5-RRcall	F6-Cust	F7-Veh	F8-Trd	F10-Misc	SF11->
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# STEVES CHEVROLET BUICK INC

ALAN BERG | (209)847-2261 | alan@steveschevrolet.com

[Fleet] 2019 Chevrolet Colorado (12M53) Ext Cab 128.3" (2)

## Window Sticker

### SUMMARY

[Fleet] 2019 Chevrolet Colorado (12M53) 2WD Ext Cab 128.3" Work Truck

MSRP:\$24,000.00

Interior:Jet Black/Dark Ash, Cloth seat trim

Exterior 1:Summit White

Exterior 2:No color has been selected.

Engine, 2.5L I4, DI, DOHC, VVT

Transmission, 6-speed manual

### OPTIONS

CODE	MODEL	MSRP
12M53	[Fleet] 2019 Chevrolet Colorado (12M53) 2WD Ext Cab 128.3" Work Truck	\$24,000.00
<b>OPTIONS</b>		
2WT	Work Truck Preferred Equipment Group	\$0.00
AR7	Seats, front bucket	\$0.00
ATG	Remote Keyless Entry, extended range	Inc.
CHL	GVWR, 5400 lbs. (2449 kg)	\$0.00
E63	Pickup box	\$0.00
GAZ	Summit White	\$0.00
GT5	Rear axle, 4.10 ratio	\$0.00
H2R	Jet Black/Dark Ash, Cloth seat trim	\$0.00
IOR	Audio system, Chevrolet Infotainment 3 system	\$0.00
K34	Cruise control, electronic, automatic	Inc.
LCV	Engine, 2.5L I4, DI, DOHC, VVT	\$0.00
N8D	Transmission, 6-speed manual	\$0.00
PCN	WT Convenience Package	\$490.00
PPA	Tailgate, EZ-Lift and Lower	Inc.
QDC	Tire, compact spare T175/80R18, blackwall	\$0.00
QJJ	Tires, P265/70R16 all-season, blackwall	\$0.00
RS2	Wheels, 16" x 7" (40.6 cm x 17.8 cm) Ultra Silver Metallic steel	\$0.00
UTJ	Theft-deterrent system, unauthorized entry	Inc.

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Data Version: 7183. Data Updated: Dec 10, 2018 9:39:00 PM PST.



# STEVES CHEVROLET BUICK INC

ALAN BERG | (209)847-2261 | alan@steveschevrolet.com

[Fleet] 2019 Chevrolet Colorado (12M53) Ext Cab 128.3" (2)

YF5	Emissions, California state requirements	\$0.00
ZY1	Solid Paint	\$0.00
<b>SUBTOTAL</b>		<b>\$24,490.00</b>
	Adjustments Total	\$0.00
	Destination Charge	\$995.00
	<b>TOTAL PRICE</b>	<b>\$25,485.00</b>

### FUEL ECONOMY

Est City:20 (2018) MPG

Est Highway:26 (2018) MPG

Est Highway Cruising Range:546.00 mi

*Selling Price 21471.20*  
*Tax (8.75%) 1885.73*  
*License Exempt*  
*Doc Fee 110.00*  
*Tire Fee 8.75*  


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*Total \$ 23,475.68*

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Data Version: 7183. Data Updated: Dec 10, 2018 9:39:00 PM PST.

Quote Worksheet		util	exit
Quote Worksheet			Quote Wkst-P LATHROP,CITY OF
Quote Number:	114772	14. CALIF TIRE FEE:	\$ 8.75
1. Customer Number:	28762	15. CVR:	\$ 30.00
2. Buyer Residence Info:		16. DMV Additional Fee:	
3. Cust Name:	CITY OF LATHROP	17. License Fee:	
4. Stock Number:		18. GAP:	
5. Sales Price:	\$ 21,471.20	19. Service Contract:	
6. Accessories:		20. Sales Tax:	8.7500% \$ 1,885.73
7. Documentation Serv:	\$ 80.00	Sale Subtotal:	\$ 21,471.20
8. Cash Down:		Total Financed:	\$ 23,475.68
9. Rebate:		21. APR:	
10. Trade 1 Allowance:		22. Term:	
11. Trade 1 Payoff:		23. MONTHLY PAYMENT:	\$ 23,475.68
Trade 1 Net Allow:		24. 1st Payment Date:	12/11/18
12. Trade 2 Allowance:		Finance Charge:	
13. Trade 2 Payoff:		Deferred Price:	
Trade 2 Net Allow:			
Total Down:			
<b>Command Window</b>			
Command (?):			
Enter a command, a field number, or press a function key. Enter ? for help.			
F3-Sv/Ex	F5-RRecall	F6-Cust	F7-Veh
F8-Trd	F10-Misc	SF11->	

2wd Colorado



# STEVES CHEVROLET BUICK INC

ALAN BERG | (209)847-2261 | alan@steveschevrolet.com

[Fleet] 2019 Chevrolet Silverado 1500 (CC10753) 2WD Double Cab 147"

## Window Sticker

### SUMMARY

[Fleet] 2019 Chevrolet Silverado 1500 (CC10753) 2WD Double Cab 147" Work Truck

MSRP:\$32,200.00

Interior:Jet Black, Cloth seat trim

Exterior 1:Summit White

Exterior 2:No color has been selected.

Engine, 4.3L EcoTec3 V6

Transmission, 6-speed automatic, electronically controlled

### OPTIONS

CODE	MODEL	MSRP
CC10753	[Fleet] 2019 Chevrolet Silverado 1500 (CC10753) 2WD Double Cab 147" Work Truck	\$32,200.00
<b>OPTIONS</b>		
1WT	Work Truck Preferred Equipment Group	\$0.00
A52	Seats, front 40/20/40 split-bench	\$0.00
AQQ	Remote Keyless Entry, with 2 transmitters	Inc.
C5U	GVWR, 6800 lbs. (3084 kg)	\$0.00
DLF	Mirrors, outside heated power-adjustable	Inc.
GAZ	Summit White	\$0.00
GU6	Rear axle, 3.42 ratio	\$0.00
H1T	Jet Black, Cloth seat trim	\$0.00
IOR	Audio system, Chevrolet Infotainment 3 system	\$0.00
K34	Cruise control, electronic	Inc.
LV3	Engine, 4.3L EcoTec3 V6	\$0.00
MYC	Transmission, 6-speed automatic, electronically controlled	\$0.00
QBN	Tires, P255/70R17 all-season, blackwall	\$0.00
QT5	Tailgate, gate function manual	Inc.
RD6	Wheels, 17" x 8" (43.2 cm x 20.3 cm) Ultra Silver painted steel	\$0.00
YF5	Emissions, California state requirements	\$0.00
ZLQ	WT Fleet Convenience Package	\$695.00

### SUBTOTAL

\$32,895.00

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Data Version: 7190. Data Updated: Dec 11, 2018 9:54:00 PM PST.



# STEVES CHEVROLET BUICK INC

ALAN BERG | (209)847-2261 | alan@steveschevrolet.com

[Fleet] 2019 Chevrolet Silverado 1500 (CC10753) 2WD Double Cab 147"

Adjustments Total	\$0.00
Destination Charge	\$1,495.00
<b>TOTAL PRICE</b>	<b>\$34,390.00</b>

## FUEL ECONOMY

Est City: N/A

Est Highway: N/A

Est Highway Cruising Range: N/A

*Selling Price* 23,233  
*Tax (8.75%)* 2,039.89  
*License* Exempt  
*Doc Fee* 110.00  
*Tire Fee* 8.75

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*Total* \$25,391.64

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Data Version: 7190. Data Updated: Dec 11, 2018 9:54:00 PM PST.

Quote Worksheet

Quote Number:	114791	14. CALIF TIRE FEE:	\$ 8.75
1. Customer Number:	28762	15. CVR:	\$ 30.00
2. Buyer Residence Info:		16. DMV Additional Fee:	
3. Cust Name:	CITY OF LATHROP	17. License Fee:	
4. Stock Number:		18. GAP:	
5. Sales Price:	\$ 23,233.00	19. Service Contract:	
6. Accessories:		20. Sales Tax:	8.7500%    \$ 2,039.89
7. Documentation Serv:	\$ 80.00	Sale Subtotal:	\$ 23,233.00
8. Cash Down:		Total Financed:	\$ 25,391.64
9. Rebate:		21. APR:	
10. Trade 1 Allowance:		22. Term:	
11. Trade 1 Payoff:		23. MONTHLY PAYMENT:	\$ 25,391.64
Trade 1 Net Allow:		24. 1st Payment Date:	12/12/18
12. Trade 2 Allowance:		Finance Charge:	
13. Trade 2 Payoff:		Deferred Price:	
Trade 2 Net Allow:			
Total Down:			

Command Window

Command (?):

Enter a command, a field number, or press a function key. Enter ? for help.

F3-Sv/Ex

F5-RRrecall

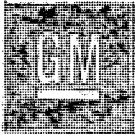
F6-Cust

F7-Veh

F8-Trd

F10-Misc

SF11->



# STEVES CHEVROLET BUICK INC

ALAN BERG | (209)847-2261 | alan@steveschevrolet.com

[Fleet] 2019 Chevrolet Silverado 2500HD (CK25753) 4WD Double Cab 144.2"

## Window Sticker

### SUMMARY

[Fleet] 2019 Chevrolet Silverado 2500HD (CK25753) 4WD Double Cab 144.2" Work Truck

MSRP:\$40,200.00

Interior:Dark Ash with Jet Black Interior Accents, Cloth seat trim

Exterior 1:Summit White

Exterior 2:No color has been selected.

Engine, Vortec 6.0L Variable Valve Timing V8 SFI, E85-compatible, FlexFuel

Transmission, 6-speed automatic, heavy-duty, electronically controlled

### OPTIONS

CODE	MODEL	MSRP
CK25753	[Fleet] 2019 Chevrolet Silverado 2500HD (CK25753) 4WD Double Cab 144.2" Work Truck	\$40,200.00
<b>OPTIONS</b>		
1WT	Work Truck Preferred Equipment Group	\$0.00
A91	Remote Locking Tailgate	Inc.
AE7	Seats, front 40/20/40 split-bench, 3-passenger, driver and front passenger recline	\$0.00
AKO	Glass, deep-tinted	Inc.
AQQ	Remote Keyless Entry	Inc.
DD8	Mirror, inside rearview auto-dimming	Inc.
DPN	Mirrors, outside heated power-adjustable vertical trailing, upper glass, manual-folding and extending, Black;	Inc.
GAZ	Summit White	\$0.00
GT5	Rear axle, 4.10 ratio	\$0.00
H2R	Dark Ash with Jet Black Interior Accents, Cloth seat trim	\$0.00
IOB	Audio system, Chevrolet Infotainment System with 7" diagonal color touch-screen, AM/FM stereo	\$0.00
K14	Power outlet, 110-volt AC	Inc.
L96	Engine, Vortec 6.0L Variable Valve Timing V8 SFI, E85-compatible, FlexFuel	\$0.00
MYD	Transmission, 6-speed automatic, heavy-duty, electronically controlled	\$0.00
NZ4	Wheels, 17" x 7.5" (43.2 cm x 19.1 cm) full-size, steel spare.	\$0.00

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Data Version: 7183. Data Updated: Dec 10, 2018 9:39:00 PM PST.



# STEVES CHEVROLET BUICK INC

ALAN BERG | (209)847-2261 | alan@steveschevrolet.com

[Fleet] 2019 Chevrolet Silverado 2500HD (CK25753) 4WD Double Cab 144.2"

PCM	WT Fleet Convenience Package (Double Cab and Regular Cab only)	\$1,000.00
PYN	Wheels, 17" (43.2 cm) steel	\$0.00
QHJ	Tires, LT245/75R17E all-season, blackwall	\$0.00
YF5	Emissions, California state requirements	\$0.00
ZY1	Paint, solid	\$0.00
<b>SUBTOTAL</b>		<b>\$41,200.00</b>
Adjustments Total		\$0.00
Destination Charge		\$1,495.00
<b>TOTAL PRICE</b>		<b>\$42,695.00</b>

### FUEL ECONOMY

Est City: N/A

Est Highway: N/A

Est Highway Cruising Range: N/A

*Selling Price 28,065.40*  
*Tax (8.75%) 2,462.72*  
*License Exempt*  
*Doc Fee 110.00*  
*Tire Fee 8.75*  


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*Total \$ 30,646.87*

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Data Version: 7183. Data Updated: Dec 10, 2018 9:39:00 PM PST.



Quote Worksheet

Quote Number:	114772	14. CALIF TIRE FEE:	\$ 8.75
1. Customer Number:	28762	15. CVR:	\$ 30.00
2. Buyer Residence Info:		16. DMV Additional Fee:	
3. Cust Name:	CITY OF LATHROP	17. License Fee:	
4. Stock Number:		18. GAP:	
5. Sales Price:	\$ 28,065.40	19. Service Contract:	
6. Accessories:		20. Sales Tax:	8.7500% \$ 2,462.72
7. Documentation Serv:	\$ 80.00	Sale Subtotal:	\$ 28,065.40
8. Cash Down:		Total Financed:	\$ 30,646.87
9. Rebate:		21. APR:	
10. Trade 1 Allowance:		22. Term:	
11. Trade 1 Payoff:		23. MONTHLY PAYMENT:	\$ 30,646.87
Trade 1 Net Allow:		24. 1st Payment Date:	12/11/18
12. Trade 2 Allowance:		Finance Charge:	
13. Trade 2 Payoff:		Deferred Price:	
Trade 2 Net Allow:			
Total Down:			

Command Window

Command (?):

Enter a command, a field number, or press a function key. Enter ? for help.

F3-Sv/Ex

F5-RRecall

F6-Cust

F7-Veh

F8-Trd

F10-Misc

SF11->

3/4 ton 4x4 Double Cab

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**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM: PARKING LOT IMPROVEMENTS AT VALVERDE PARK**

**RECOMMENDATION: Adopt a Resolution Creating Capital Improvement Project, PK 19-06, for Valverde Park Parking Lot Repairs, Curb and Gutter Realignment, and Related Budget Amendment**

---

**SUMMARY:**

Staff is requesting that City Council Council consider the creation of Capital Improvement Project (CIP) PK 19-06 for the proposed design services, parking lot repairs and curb and gutter re-alignment at Valverde Park.

Staff recommends funding the proposed improvement at Valverde Park from the Measure C funds. On January 29, 2019, the Measure C Oversight Committee reviewed this project and found it in compliance with the intent of the Measure. Currently there are not funds budgeted within the General Fund to cover these improvements.

**BACKGROUND:**

A number of years ago, ash trees were planted in the planters throughout the parking lots at Valverde Park. The ash trees have a very invasive root system which, over the years, have caused a substantial amount of damage to the asphalt of the parking lot in Valverde Park. Recently, eight(8) trees were removed from the north parking lot (adjacent to the Community Center) to prepare for the installation of solar panels as part of Phase 2 of the City's Solar Energy project, while an additional seven (7) trees were removed from the south parking lot (adjacent to the Senior Center) to prevent additional damage to the parking lot, curbing and sidewalk.

The tree roots have not only lifted the asphalt in a number of areas, they have also lifted the curb and gutter in the parking lot which prevent the lots from draining properly. The proposed improvement would include the removal of the asphalt, curb and gutters to expose damaging tree roots, and the removal of these tree roots in the effected areas. Following the removal of the tree roots, the asphalt and curb and gutters will be replaced to allow water to drain from the parking lot as it was designed.

Concrete Curb and Gutter Repairs	\$34,000
Asphalt Repairs	\$52,000
15% project contingency	<u>\$12,900</u>
<b>Projected Estimate</b>	<b>\$98,900</b>

**CITY MANAGER'S REPORT** **PAGE 2**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**PARKING LOT REPAIRS, CURB AND GUTTER RE-ALIGNMENT AT VALVERDE**  
**PARK**

The estimated total repair and replacement of the curbs, gutters, and asphalt including contingency, is approximately \$ 98,900.

**REASON FOR RECOMMENDATION:**

Staff asks Council to receive this report and provide direction on the creation of CIP PK 19-06 for the parking lot repairs, curb and gutter re-alignment at Valverde Park.

Approval of these items would allow staff to move forward with design and scheduling of the proposed project.

**COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

- This agenda item promotes Public Safety by making the necessary repairs to the parking lot at Valverde Park.
- Promoting Community Values by maintaining a community resource

**FISCAL IMPACT:**

Staff is requesting that the City Council consider a budget amendment of \$ 98,900 to create CIP PK 19-06 for design services, parking lot repairs, curb and gutter re-alignment at Valverde Park.

**Allocation of funds to CIP PK 19-06**

**Budget Amendment**

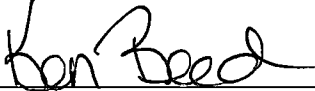
Transfer Out		
1060-99-00-990-90-10	(Measure C)	\$ 98,900
Transfer In		
3010-99-00-393-00-00	PK 19-06	\$ 98,900
Increase Expenditure		
3010-80-00-420-12-00-00	PK 19-06	\$ 98,900

**ATTACHMENTS:**

- A. Resolution Approving the Creation of CIP PK 19-06 and Authorizing Related Budget Amendments.

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**PARKING LOT REPAIRS, CURB AND GUTTER RE-ALIGNMENT AT VALVERDE**  
**PARK**

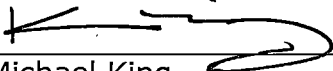
**APPROVALS:**



Ken Reed  
Projects Manager

1-24-2019

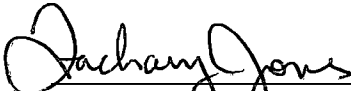
Date



Michael King  
Assistant Director of Public Works

1-24-19

Date



Zachary Jones  
Director of Parks and Recreation

1-24-2019

Date



Cari James  
Director of Finance

1/25/19

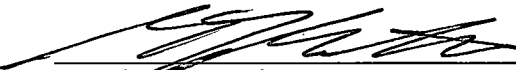
Date



Salvador Navarrete  
City Attorney

1-24-19

Date



Stephen J. Salvatore  
City Manager

1-25-19

Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
APPROVING THE CREATION OF CAPITAL IMPROVEMENT PROJECT PK 19-06  
FOR PARKING LOT REPAIRS, CURB AND GUTTER RE-ALIGNMENT AT  
VALVERDE PARK AND RELATED BUDGET AMENDMENT**

**WHEREAS,** City Council considered the creation of Capital Improvement Project (CIP) PK 19-06 for parking lot repairs, curb re-alignment, at Valverde Park; and

**WHEREAS,** City Council also considered a budget amendment of \$ 98,900 from Measure C funds, as reviewed and recommended for funding by the Measure C Committee at the January 29<sup>th</sup> meeting, for parking lot repairs, re-alignment of curbing and gutters at Valverde Park; and

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Lathrop approves the creation of CIP PK 19-06 as well as the following budget amendment for parking lot repairs, re-alignment of curbing and gutters at Valverde Park from Measure C funds.

**Allocation of funds to CIP PK 19-06  
Budget Amendment**

Transfer Out		
1060 -99-00-990-90-10	(Measure C)	\$ 98,900
Transfer In		
3010-99-00-393-00-00	PK 19-06	\$ 98,900
Increase Expenditure		
3010-80-00-420-12-00-00	PK 19-06	\$ 98,900

The foregoing resolution was passed and adopted this 11<sup>TH</sup> day of February 2019, by the following vote of:

AYES:

NOES:

ABSTAIN:

ABSENT:

---

Sonny Dhaliwal, Mayor

**ATTEST:**

---

Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**



---

Salvador Navarrete, City Attorney

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**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM:** **ACCEPT GRAVITY SEWER MAIN CONSTRUCTED BY  
TEICHERT & SONS, DBA TEICHERT CONSTRUCTION,  
AT 2131 & 2301 E. LOUISE AVENUE**

**RECOMMENDATION:** **Adopt a Resolution Accepting Gravity Sewer Main  
Improvements Constructed by Teichert  
Construction Under Contract with Developer DPIF  
CA 1 Lathrop, LLC, at 2131 & 2301 E. Louise Avenue  
and Authorize the Release of the Performance Bond  
and the Filing of a Notice of Completion**

---

**SUMMARY:**

DPIF CA 1 Lathrop, LLC, the developer for the Logisticenter (formerly Exel Warehouse Distribution Center) project located at 2131 & 2301 E. Louise Avenue, contracted Teichert & Sons, DBA Teichert Construction (Teichert), to construct a 1196-foot, 10-inch gravity sewer main on E. Louise Avenue from the Logisticenter to McKinley Avenue and a 1364-foot, 12-inch gravity sewer main from the intersection of E. Louise and McKinley to the McKinley Sewer Pump Station to accommodate their needs as well as future flows. Teichert has completed construction of the gravity sewer main in accordance with their encroachment permit, No. 16-36, as shown on the Sewer Improvement Plans for Logisticenter dated August 2016, by Kier & Wright Civil Engineers and Surveyors, Inc. The gravity sewer main was inspected by City Staff and has been deemed complete and ready for acceptance.

DPIF CA 1 Lathrop, LLC, confirmed it has been paid in full for the off-site work and has paid all supplier and subcontractors on this project. Staff therefore recommends that City Council accept these improvements and authorize City staff to release the performance bond for DPIF CA 1 Lathrop, LLC, in the amount of \$460,000 in association with the encroachment permit and file a Notice of Completion with the San Joaquin County Clerk.

**BACKGROUND:**

On May 11, 2016, the City's Planning Commission approved the developer's site plan for the development of the Logisticenter project by Resolution 16-10. The project site is located at 2131 & 2301 E. Louise Avenue. A condition of the project was to construct an off-site gravity sewer main from the project location to the McKinley Sewer Pump Station. The sewer main was sized to accommodate the ultimate flows from the surrounding areas as shown on the Sewer Improvement Plans for Logisticenter. Staff has inspected the improvements and confirmed that they were completed in a satisfactory manner.

**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
ACCEPT GRAVITY SEWER MAIN CONSTRUCTED BY TEICHERT & SONS, INC,  
DBA TEICHERT CONSTRUCTION, AT 2131 & 2301 E. LOUISE AVENUE AND  
AUTHORIZE THE RELEASE OF THE PERFORMANCE BOND AND THE FILING  
OF A NOTICE OF COMPLETION**

**PAGE 2**

**REASON FOR RECOMMENDATION:**

Since the developer has completed its obligation to construct the sewer facility, staff requests that the City Council accept the sewer improvements and authorize staff to release the performance bond for DPIF CA 1 Lathrop, LLC, in association with the encroachment permit.

**COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

This agenda item promotes Economic Growth by accepting infrastructure improvements for public use.

**FISCAL IMPACT:**

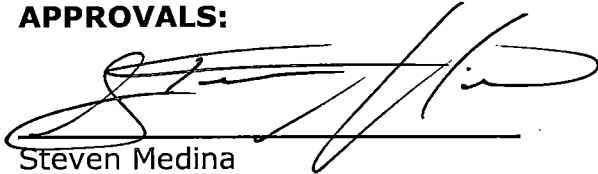
The City's maintenance costs for the new gravity sewer main are included in the sewer operating budget.

**ATTACHMENTS:**


- A. A Resolution of the City Council of the City of Lathrop Accepting Gravity Sewer Main Improvements Constructed by Teichert & Sons, Inc, DBA Teichert Construction, in Conjunction With DPIF CA 1 Lathrop, LLC, at 2131 & 2301 E. Louise Avenue
- B. GASB 34 Report
- C. Notice of Completion

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**ACCEPT GRAVITY SEWER MAIN CONSTRUCTED BY TEICHERT**  
**CONSTRUCTION AT 2131 & 2301 E. LOUISE AVENUE AND AUTHORIZE THE**  
**RELEASE OF THE PERFORMANCE BOND AND THE FILING OF A NOTICE OF**  
**COMPLETION**


**APPROVALS:**

  
\_\_\_\_\_  
Steven Medina  
Assistant Engineer

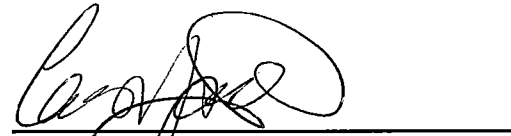
2-4-19  
Date

  
\_\_\_\_\_  
Michael King  
Assistant Director of Public Works

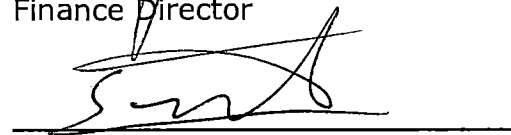
2-5-19  
Date

  
\_\_\_\_\_  
Glenn Gebhardt  
City Engineer

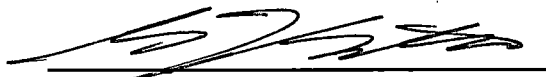
2/4/19  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

2/4/19  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-5-19  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2.6.19  
Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
ACCEPTING GRAVITY SEWER MAIN IMPROVEMENTS CONSTRUCTED BY  
TEICHERT & SONS, INC, DBA TEICHERT CONSTRUCTION, UNDER  
CONTRACT WITH DEVELOPER DPIF CA 1 LATHROP, LLC, AT 2131 & 2301 E.  
LOUISE AVENUE AND AUTHORIZE THE RELEASE OF THE PERFORMANCE  
BOND AND THE FILING OF A NOTICE OF COMPLETION**

**WHEREAS**, on May 11, 2016, the City's Planning Commission approved the developer's site plan for the development of the Logistcenter (formerly Exel Warehouse Distribution Center) project by Resolution No. 16-10; and

**WHEREAS**, a condition of the project was to construct an off-site gravity sewer main at 2131 & 2301 E. Louise Avenue; and

**WHEREAS**, DPIF CA 1 Lathrop, LLC, the developer for the Logistcenter project, has contracted with Teichert Construction to construct a 1196-foot, 10-inch gravity sewer main on E. Louise Avenue from the Logistcenter to McKinley Avenue and a 1364-foot, 12-inch gravity sewer main from the intersection of E. Louise and McKinley to the McKinley Sewer Pump Station; and

**WHEREAS**, the facilities were built as shown on the Sewer Improvement Plans for Logistcenter dated August, 2016, by Kier & Wright Civil Engineers and Surveyors, Inc.; and

**WHEREAS**, the improvements have been inspected by City staff and have been deemed complete and ready for acceptance; and

**WHEREAS**, City staff recommends Council accept the gravity sewer main improvements for maintenance and authorize City staff to release the performance bond submitte by DPIF CA 1 Lathrop, LLC, in the amount of \$460,000 in association with the encroachment permit, EP 16-36;

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop accepts the gravity sewer main improvements and authorizes the City Clerk to release the performance bond in association with the encroachment permit and file a Notice of Completion with the San Joaquin County Clerk.

The foregoing resolution was passed and adopted this 11<sup>th</sup> day of February 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**CITY OF LATHROP  
PROJECT ACCEPTANCE  
(GASB 34 REPORT)**

Date 02/04/19

Teichert			
<b>Invoice Item</b>	<b>Description</b>	<b>Cost</b>	
1.(a-n)	Off-site Sanitary Sewer Plans (Teichert)	\$	657,695.00
SCO #9	Sanitary Sewer Systems (Teichert)	\$	344,007.00
SCO #12	Sanitary Sewer Systems (Teichert)	\$	19,455.00
SCO #13	Sanitary Sewer Systems (Teichert)	\$	30,557.00
VI	Off-site Sanitary Sewer Plans (Kier & Wright)	\$	37,500.00
	<b>Total</b>	<b>\$</b>	<b>1,089,214.00</b>

RECORDING REQUESTED BY

CITY OF LATHROP

AND WHEN RECORDED MAIL TO

NAME City of Lathrop  
 City Clerk  
 STREET 390 Towne Centre Drive  
 ADDRESS Lathrop, CA 95330  
 CITY &  
 STATE  
 ZIP

### NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN:

1. That the interest or estate stated in paragraph 3 herein in the real property herein described is owned by:
 

NAME	STREET AND NO.	CITY	STATE
<u>City of Lathrop</u>	<u>390 Towne Centre Drive</u>	<u>Lathrop</u>	<u>California</u>

(If more than one owner of the interest stated, the name and address of each must be stated)
2. That the full name and address of the owner of said interest or estate, if there is only one owner, and that the full names and addresses of all the co-owners who own said interest or estate as tenants in common, as joint tenants, or otherwise, if there is more than one owner, are set forth in the preceding paragraph.
3. That the nature of title or the stated owner, or if more than one owner, then of the stated owner and co-owners is: Logisticenter Gravity Sewer Main 10" & 12" in diameter and 2,560 linear feet under EP 16-36 as shown on the Sewer Improvement Plans for Logisticenter dated August 2016, by Kier & Wright Civil Engineers and Surveyors, Inc. at 2131 & 2301 E. Louise Avenue constructed by Teichert & Son, Inc, DBA Teichert Construction, in conjunction with DPIF CA 1 Lathrop.
4. That on the 11 day of February, 2019 a work of improvement on the real property herein described was completed.
5. That the name of the original contractor, if any, for said work of improvement was: Teichert Construction.
6. That the name and address of the transferor is:
 

NAME	STREET AND NO.	CITY	STATE
<u>DPIF CA 1 Lathrop, LLC.</u>	<u>5500 Equity Avenue</u>	<u>Reno</u>	<u>Nevada</u>
<u>Teichert &amp; Sons, Inc.</u>	<u>8760 Kiefer Boulevard</u>	<u>Sacramento</u>	<u>California</u>
7. That the real property herein referred to is situated in the City of Lathrop County of San Joaquin, State of California, and is described as follows:
 

Logisticenter Gravity Sewer Main 10" & 12" in diameter and 2,560 linear feet under EP 16-36 as shown on the Sewer Improvement Plans for Logisticenter dated August 2016, by Kier & Wright Civil Engineers and Surveyors, Inc. at 2131 & 2301 E. Louise Avenue constructed by Teichert & Son, Inc, DBA Teichert Construction, in conjunction with DPIF CA 1 Lathrop.

By: \_\_\_\_\_  
City Manager

That the undersigned has knowledge of the contents herein and states under penalty of perjury that the foregoing is true and correct.

By: \_\_\_\_\_  
City Clerk



**CERTIFICATE OF ACCEPTANCE**

This is to certify that the interest in real property conveyed by the NOTICE OF COMPLETION dated **February 11, 2019, from DFIP CA 1 Lathrop, LLC**, to the **City of Lathrop**, a political corporation and/or governmental agency, is hereby accepted by the undersigned officer or agent on behalf of the City Council pursuant to authority conferred by minute action of the City Council adopted on **February 11, 2019**, and the grantee consents to recordation thereof by its duly authorized officer.

Dated \_\_\_\_\_

By \_\_\_\_\_  
City Manager

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**CITY MANAGER REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM: RECOMMENDATION TO CHANGE "NESTLE WAY" TO  
"TESLA DRIVE"**

**RECOMMENDATION: Adopt a Resolution Approving Street Name  
Modification to Change "Nestle Way" to "Tesla  
Drive"**

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**SUMMARY:**

Staff is requesting to rename "Nestle Way" to "Tesla Drive". This effort is to recognize Tesla's contribution to the local community by providing jobs and their continued investment in the City of Lathrop.

Staff requests the City Council adopt a Resolution approving the proposed street name change as shown in the attached exhibit.

**BACKGROUND:**

In 2014, Tesla occupied an existing 431,000 square foot facility in the Crossroads Industrial Park that was previously used as a former parts distribution center for Chrysler. Tesla repurposed the building into a remote manufacturing facility to support the Fremont plant to increase production. Since that time, Tesla has expanded its presence in the City by occupying several warehouse facilities including the new 870,000 square foot building currently under construction just south of the former Pilkington Glass Plant. The City of Lathrop has gained nationwide attention by having Tesla in the community and staff believes that the company's presence in the central valley will help attract high-tech jobs and other businesses to the region.

Staff is requesting to rename "Nestle Way" to "Tesla Drive". This effort is to recognize Tesla's contribution to the local community by providing jobs and their continued investment in the City of Lathrop.

**ANALYSIS:**

Notification letters were sent out on December 28, 2018 to affected property owners, various utility companies, school district, county agencies and postal service. In addition, emergency personnel (San Joaquin Sheriff's Office and Lathrop Manteca Fire Department) have reviewed and approved the proposed street name.

The exhibit below illustrates the proposed street name modification:



**RECOMMENDATION:**

Staff recommends the City Council adopt a Resolution approving the proposed street name change from "Nestle Way" to "Tesla Drive" as shown in the attached exhibit.

**COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

This agenda item promotes Economic Growth and Team Work by renaming a street after a company that has contributed to the community with jobs and investments.

**FISCAL IMPACT:**

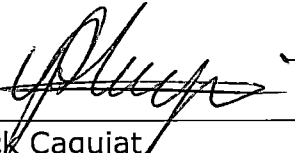
The cost of replacing three street name signs will be funded by the City.

**ATTACHMENTS:**


1. Resolution Approving the Proposed Street Name Changes
2. Street Name Exhibit

**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
TESLA STREET NAME CHANGE**


**APPROVALS**

  
\_\_\_\_\_  
Rick Caguiat  
Principal Planner

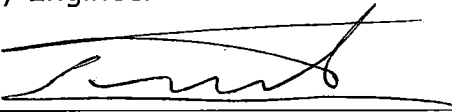
1/31/19  
Date

  
\_\_\_\_\_  
Mark Meissner  
Community Development Director

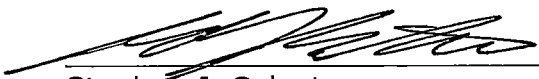
1/31/19  
Date

  
\_\_\_\_\_  
Glenn Gebhardt  
City Engineer

1/31/19  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

1-31-19  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2-5-19  
Date

**PASSED AND ADOPTED** by the City Council of the City of Lathrop at a regular meeting on the 11<sup>th</sup> of February, 2019 by the following vote:

AYES:

NOES:

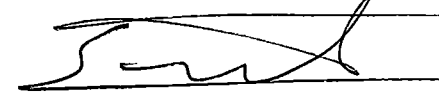
ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:



\_\_\_\_\_  
Teresa Vargas, City Clerk

\_\_\_\_\_  
Salvador Navarrete, City Attorney

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING STREET NAME MODIFICATION TO CHANGE "NESTLE WAY" TO "TESLA DRIVE"**

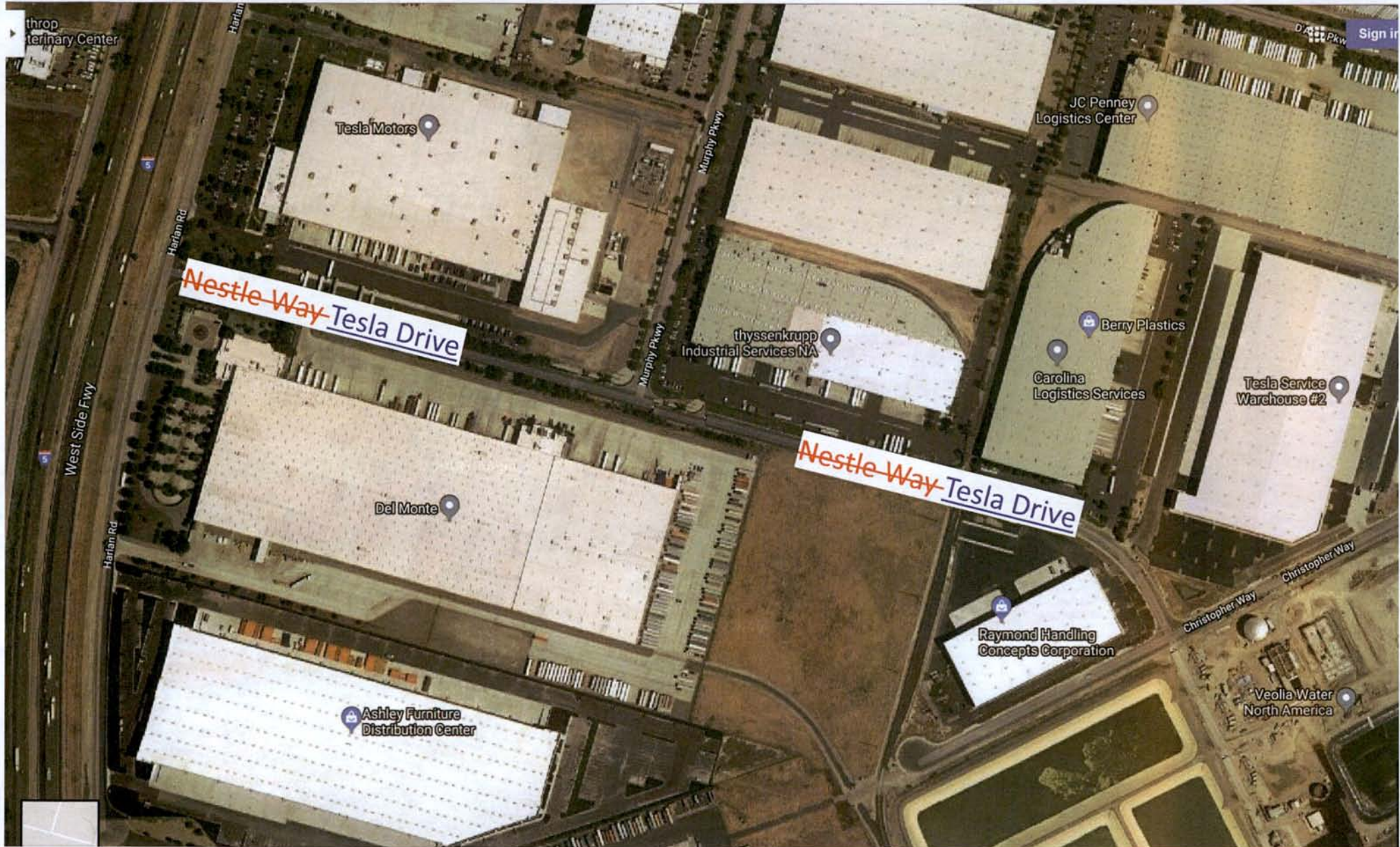
**WHEREAS**, the proposed street name modification was initiated by staff to recognize Tesla's contribution to the local community by providing jobs and their continued investment in the City of Lathrop; and

**WHEREAS**, the San Joaquin County Sheriff's Office and the Lathrop Manteca Fire Department have reviewed and approved the proposed street name change; and

**WHEREAS**, the street name of "Nestle Way" will be replaced with "Tesla Drive"; and

**WHEREAS**, notification letters were sent out on December 28, 2018, to all property owners affected by the proposed street name change and various utility companies, school district, county agencies and the postal service.

**NOW, THEREFORE, BE IT RESOLVED**, the City Council of the City of Lathrop does hereby approve the street name change as shown in Attachment 2 of the Staff Report, incorporated by reference herein.





**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING****ITEM: 2019 ONE VOICE TRIP REGIONAL PROJECT  
SUPPORT LETTER****RECOMMENDATION: Adopt a Resolution Authorizing Staff to Submit a  
Letter of Support for the Valley Link Commuter Rail  
Project Associated with the 2019 San Joaquin One  
Voice Program**

---

**SUMMARY:**

The Tri-Valley – San Joaquin Valley Regional Rail Authority is requesting that the City of Lathrop support their application to have the Valley Link Commuter Rail Project included with the 2019 San Joaquin One Voice program. The Valley Link Commuter Project will provide significant benefits along the I-205/I-580 corridor, including a reduction in commute times, improvements in goods movement, greater access to jobs and housing, fewer emissions, a framework for transit oriented development, the preservation of open space, and increases in safety.

Staff is requesting that City Council authorize a letter of support for the Valley Link Commuter Rail Project associated with the 2019 San Joaquin One Voice Program.

**BACKGROUND:**

Assembly Bill No. 758 (AB 758) approved by Governor Brown on October 13, 2017, established the Tri-Valley – San Joaquin Valley Regional Rail Authority (Authority) for purposes of planning, developing and delivering cost-effective and responsive transit connectivity between the Bay Area Rapid Transit and the Altamont Corridor Express commuter rail service in the Tri-Valley. Member Agencies of the Tri-Valley – San Joaquin Valley Regional Rail Authority include the City of Tracy, City of Manteca, City of Lathrop, City of Stockton, Mountain House Community Services District, County of San Joaquin, San Joaquin Regional Rail Commission (ACE), the Bay Area Rapid Transit District (BART), Livermore Amador Valley Transit Authority (LAVTA), County of Alameda, City of Livermore, City of Dublin, City of Pleasanton, City of San Ramon and the City of Danville.

The Valley Link Commuter Rail Project is a Northern California Megaregional rail project that will connect 25,000 commute trips daily in 2040 from San Joaquin Valley cities to the Dublin/Pleasanton BART station in the Tri-Valley. The project will provide significant benefits along the I-205/I-580 corridor, including a reduction in commute times, improvements in goods movement, greater access to jobs and housing, fewer emissions, a framework for transit oriented development, the preservation of open space, and increases in safety.

**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
2019 ONE VOICE TRIP REGIONAL PROJECT SUPPORT LETTER**

**PAGE 2**

Specifically, the Valley Link Commuter Rail Project application requests that the San Joaquin One Voice program advocate for a near-future \$25 million grant through the USDOT's Better Utilizing Investments to Leverage Development (BUILD) program for the purpose of providing funding for two Valley Link rail stations—Downtown Tracy and River Islands—in addition to the Tracy Maintenance Facility.

Annually the San Joaquin Council of Governments (SJCOG) solicits applications for The One Voice Program trip to Washington, D.C. to request federal fund appropriations for local and regional priority projects. The One Voice Program has been in effect for 16 years and is directly responsible for over \$105 million in additional federal revenues for San Joaquin County. Should City Council authorize the letter of support, the letter would be included with the Valley Link Commuter Rail Project application. This application would be submitted to SJCOG by The Tri-Valley – San Joaquin Valley Regional Rail Authority. The project applications are due to SJCOG by February 28, 2019.

**REASON FOR RECOMMENDATION:**

The Valley Link Commuter Project will provide significant benefits to the region and letter of support will aid in The Tri-Valley – San Joaquin Valley Regional Rail Authority's efforts to gain federal funding.

**COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

This agenda item promotes Economic Growth by improving goods movement, improving access to jobs and housing, and by establishing a framework for transit oriented development.

**FISCAL IMPACT:**

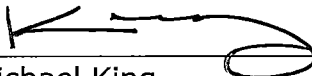
None.

**ATTACHMENTS:**

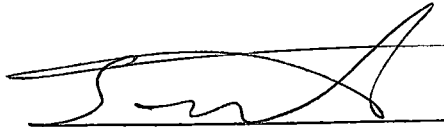
- A. Resolution Authorizing Staff to Submit a Letter of Support for the Valley Link Commuter Rail Project Associated with the 2019 SJCOG One Voice Program
- B. Letter of Support
- C. Vicinity Map

**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
2019 ONE VOICE TRIP REGIONAL PROJECT SUPPORT LETTER**

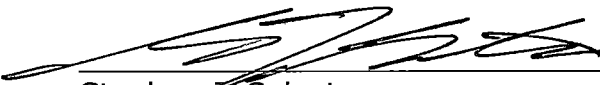
**APPROVALS:**

  
\_\_\_\_\_  
Michael King  
Assistant Public Works Director

2-5-19  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-5-19  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2.7.19  
Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
AUTHORIZING STAFF TO SUBMIT A LETTER OF SUPPORT FOR THE VALLEY  
LINK COMMUTER RAIL PROJECT ASSOCIATED WITH THE 2019 SAN  
JOAQUIN ONE VOICE PROGRAM**

**WHEREAS**, the San Joaquin Council of Governments (SJCOG) performs an annual One Voice trip to Washington, D.C., to request federal fund appropriations for local and regional priority projects; and

**WHEREAS**, the Tri-Valley – San Joaquin Valley Regional Rail Authority is requesting that the City of Lathrop support their application to have the Valley Link Commuter Rail Project included with the 2019 San Joaquin One Voice Program; and

**WHEREAS**, the Valley Link Commuter Project will provide significant benefits along the I-205/I-580 corridor, including a reduction in commute times, improvements in goods movement, greater access to jobs and housing, fewer emissions, a framework for transit oriented development, the preservation of open space, and increases in safety; and

**WHEREAS**, the Valley Link Commuter Project will provide significant benefits to the region and letter of support will aid in The Tri-Valley – San Joaquin Valley Regional Rail Authority's efforts to gain federal funding; and

**WHEREAS**, staff is requesting that City Council authorize a letter of support for the Valley Link Commuter Rail Project associated with the 2019 San Joaquin One Voice Program; and

**WHEREAS**, the Valley Link Commuter Project application would be submitted to SJCOG by The Tri-Valley – San Joaquin Valley Regional Rail Authority and are due by February 28, 2019 for inclusion in the 2019 San Joaquin One Voice Program;

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop authorizes staff to submit a letter of support for the Valley Link Commuter Rail Project associated with the 2019 San Joaquin One Voice Program.

The foregoing resolution was passed and adopted this 11<sup>th</sup> day of February 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney



---

**City Manager's Office**

390 Towne Centre Drive, Lathrop, CA 95330  
Phone (209) 941-7430 – fax (209) 941-7449  
[www.ci.lathrop.ca.us](http://www.ci.lathrop.ca.us)

February 11, 2019

Mr. Andrew Chesley  
Executive Director  
San Joaquin Council of Governments  
555 E Weber Avenue  
Stockton, CA 95202

**RE: One Voice Application - Valley Link Commuter Rail Project**

Dear Mr. Chesley:

The City of Lathrop submits this letter of support for the Valley Link Commuter Rail Project to be included in the 2019 San Joaquin One Voice program that will be promote issues of regional significance to federal legislators and agencies during its annual advocacy trip to Washington DC.

The Valley Link Commuter Rail Project is a Northern California Megaregional rail project that will connect 25,000 commute trips daily in 2040 from San Joaquin Valley cities to the Dublin/Pleasanton BART station in the Tri-Valley. The project will provide significant benefits along the I-205/I-580 corridor, including a reduction in commute times, improvements in goods movement, greater access to jobs and housing, fewer emissions, a framework for transit oriented development, the preservation of open space, and increases in safety.

Specifically, the Valley Link Commuter Rail Project application requests that the San Joaquin One Voice program advocate for a near-future \$25 million grant through the USDOT's Better Utilizing Investments to Leverage Development (BUILD) program for the purpose of providing funding for two Valley Link rail stations—Downtown Tracy and River Islands—in addition to the Tracy Maintenance Facility.

Included as an attachment to this letter of support is a San Joaquin One Voice Project Request. I appreciate the selection committee's consideration on this very important regional project.

Thank you,

Stephen J. Salvatore  
City Manager



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**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM: ACCEPTANCE OF PUBLIC RIGHT-OF-WAY DEDICATION ASSOCIATED WITH THE MOSSDALE LANDING APARTMENTS**

**RECOMMENDATION: Adopt a Resolution Accepting Dedication of Public Right-of-Way for Manthey Road and Sadler Oak Associated with the Mossdale Landing Apartments Project**

---

**SUMMARY:**

The Mossdale Landing Apartment Project (Formally the Fairfield Apartments) was approved by the Planning Commission in June 2016. The conditions of approval for the project required the landowner, Mossdale Landing Apartments, LLC, to dedicate right-of-way for Manthey Road and Sadler Oak. The landowner has submitted an offer of dedication, see Attachments B & C. The dedication of right-of-way is required prior to the start of construction.

Staff is requesting that City Council formally accept the dedication of public right-of-way for Manthey Road and Sadler Oak associated with the Mossdale Landing Apartments Project.

**BACKGROUND:**

Planning Commission approved the initial Site Plan Review (SPR 07-07) for the Mossdale Landing Apartment Project (Formally the Fairfield Apartments) on February 28, 2007 (Resolution NO. 07-05). The project was revised, and a Minor Site Plan Review (MSPR 14-34) was approved by Planning Commission on June 28, 2016.

Onsite improvement plans and offsite improvement plans have been submitted by the landowner and reviewed by City staff. Prior to the start of construction, the landowner is required to dedicate public right-of-way for Manthey Road and Sadler Oak. Plat and legal descriptions for both dedications have been reviewed and approved by staff.

**REASON FOR RECOMMENDATION:**

The dedication of right-of-way was included in the project's conditions of approval and must occur prior to construction. The landowner has submitted an offer of dedication, see Attachments B & C.

**CITY MANAGER'S REPORT** **PAGE 2**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**ACCEPTANCE OF PUBLIC RIGHT-OF-WAY DEDICATION ASSOCIATED WITH**  
**THE MOSSDALE LANDING APARTMENTS**

**FISCAL IMPACT:**

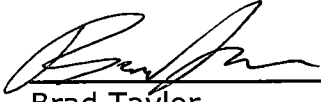
There is no cost to the City.

**ATTACHMENTS:**

- A. Adopt a Resolution Accepting Dedication of Public Right-of-Way for Manthey Road and Sadler Oak Associated with the Mossdale Landing Apartments Project
- B. Dedication of Public Right-of-Way of – Manthey Road
- C. Dedication of Public Right-of-Way of – Sadler Oak

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**ACCEPTANCE OF PUBLIC RIGHT-OF-WAY DEDICATION ASSOCIATED WITH**  
**THE MOSSDALE LANDING APARTMENTS**


**APPROVALS:**

  
\_\_\_\_\_  
Brad Taylor  
Associate Engineer

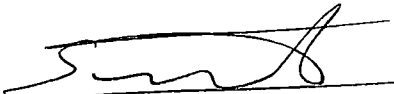
2/5/19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Michael King  
Assistant Public Works Director

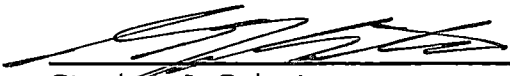
2-5-19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

2/5/19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-5-19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2-7-19  
\_\_\_\_\_  
Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
ACCEPTING DEDICATION OF PUBLIC RIGHT-OF-WAY FOR MANTHEY  
ROAD AND SADLER OAK ASSOCIATED WITH THE MOSSDALE LANDING  
APARTMENTS PROJECT**

**WHEREAS**, the Mosssdale Landing Apartment Project (Formally the Fairfield Apartments) was approved by Planning Commission in June 2016; and

**WHEREAS**, the initial Site Plan Review (SPR 07-07) for the Mosssdale Landing Apartment Project was approved by Planning Commission on February 28, 2007 (Reso 07-05); and

**WHEREAS**, the project was revised and a Minor Site Plan Review (MSPR 14-34) was approved by Planning Commission on June 28, 2016; and

**WHEREAS**, the requirement of dedication of public right-of-way for Manthey Road and Sadler Oak was included in the project's conditions of approval; and

**WHEREAS**, the dedication of public right-of-way must occur prior to construction; and

**WHEREAS**, developer provided the City a signed irrevocable offer of dedication of right-of-way, staff has review and approved the plat and legal descriptions for the dedications; and

**WHEREAS**, staff is requesting that City Council formally accept the offered dedication of public right-of-way for Manthey Road and Sadler Oak from the landowner of the Mosssdale Landing Apartments Project;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Lathrop that the irrevocable offer of dedication of public right-of-way for Manthey Road and Sadler Oak is hereby accepted.

The foregoing resolution was passed and adopted this 11<sup>th</sup> day of February 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---


Sonny Dhaliwal, Mayor

**APPROVED AS TO FORM:**

---

Teresa Vargas, City Clerk

**ATTEST:**



---

Salvador Navarrete, City Attorney

RECORDING REQUESTED BY:  
City of Lathrop, CA

WHEN RECORDED, PLEASE MAIL TO:  
City of Lathrop  
City Clerk  
390 Towne Centre Drive  
Lathrop, California 95330

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

**Offer of Dedication for  
Public Right-of-Way  
(Manthey Road)**

THIS INSTRUMENT BENEFITS THE CITY ONLY. NO FEE REQUIRED.

THE UNDERSIGNED GRANTOR(S) DECLARE(S): DOCUMENTARY TRANSFER TAX IS \$ 0.00 R&TC Transfer to Government Agency  
( ) computed on full value of property conveyed, or  
( ) computed on full value less liens and encumbrances remaining at time of sale.  
( ) Unincorporated area ( X ) City of Lathrop

For a valuable consideration, receipt of which is hereby acknowledged,  
**Mossdale Landing Apartments LLC, a California Limited Liability Company,**

hereby grants to

**CITY OF LATHROP**, a California municipal corporation,

that property in City of Lathrop, San Joaquin County, State of California, described as:

\*\*\*See attached Exhibit "A" and Exhibit "B" attached hereto and made a part hereof\*\*\*

**SIGNATURES:**

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

MOSSDALE LANDING APARTMENTS, LLC, A California Limited Liability Company

By: SEED DEVELOPMENT COMPANY, LLC, A California Limited Liability Company  
Its Manger

By: RUBIK INVESTMENT, LLC, A California Limited Liability Company

\_\_\_\_\_  
Nicholas J. Whetstone, Manager

Notary Acknowledgement Attached

EXHIBIT A  
LEGAL DESCRIPTION  
ROADWAY DEDICATION- EASEMENT (STREET RIGHT OF WAY)  
LANDS OF MOSSDALE LANDING, LLC  
RESULTANT PARCEL 1 (PORTION) LLA 18-99  
LATHROP, CALIFORNIA

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR STREET RIGHT OF WAY.

ALL THAT REAL PROPERTY SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION RESULTANT PARCEL 1, AS SAID PARCEL IS DESCRIBED IN THAT CERTAIN NOTICE OF LOT LINE ADJUSTMENT LLA 18-99, RECORDED NOVEMBER 15, 2018, AS INSTRUMENT NO. 2018-125703, IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERN CORNER OF SAID RESULTANT PARCEL 1, SAID POINT ALSO BEING ON THE WESTERLY LINE OF MANTHEY ROAD, AS SAID MANTHEY ROAD IS SHOWN AND SO DESIGNATED ON NOTICE OF LOT LINE ADJUSTMENT 08-123, RECORDED JANUARY 21, 2009, AS INSTRUMENT NO. 2009-010053, IN SAID OFFICE OF THE COUNTY RECORDER.

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE EXTERIOR BOUNDARY OF SAID RESULTANT PARCEL 1 (I.N. 2018-125703), THE FOLLOWING TWO (2) COURSES:

- 1) SOUTH 07°25'33" WEST 327.07 FEET,
- 2) NORTH 89°06'41" WEST 7.05 FEET,

THENCE, LEAVING SAID EXTERIOR BOUNDARY, PARALLEL TO AND 7.00 FEET, MEASURED AT RIGHT ANGLES, DISTANT FROM SAID WESTERLY LINE OF MANTHEY ROAD, NORTH 07°25'33" EAST 327.07 FEET, TO THE NORTHERLY LINE OF SAID RESULTANT PARCEL 1;

THENCE, ALONG SAID NORTHERLY LINE, SOUTH 89°06'50" EAST 7.05 FEET, TO SAID POINT OF BEGINNING.

CONTAINING 2,289 SQUARE FEET OR 0.23 ACRES OF LAND, MORE OR LESS.

ATTACHED HERETO IS A PLAT ENTITLED EXHIBIT B TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

END OF DESCRIPTION



MARK WEHBER, P.L.S.  
L.S. NO. 7960





CITY OF LATHROP  
I.N. 2008-191925

CITY OF LATHROP  
I.N. 2003-292238

L2

POB



SCALE: 1"=100'

### RESULTANT PARCEL 1 LLA 18-99

LINE TABLE		
NO	BEARING	LENGTH
L1	N89°06'41"W	7.05'
L2	S89°06'50"E	7.05'

ROADWAY DEDICATION  
AREA= 2289 SF

L1

CITY OF LATHROP  
PARCEL H (41 M&P 19)

N07°25'33"E 327.07'

S07°25'33"W 327.07'

MANTHEY ROAD

INTERSTATE ROUTE NO. 5

CITY OF LATHROP  
I.N. 2004-289129

GOLDEN VALLEY PARKWAY

TRACT 3438  
41 M&P 20

#### LEGEND

- POB=POINT OF BEGINNING
- (R) = RADIAL
- I.N. = INSTRUMENT NUMBER
- PM = PARCEL MAP



### EXHIBIT B

# PLAT TO ACCOMPANY LEGAL DESCRIPTION

ROADWAY DEDICATION- EASEMENT (STREET RIGHT OF WAY)  
 RESULTANT PARCEL 1 (PORTION) LLA 18-99  
 CITY OF LATHROP, COUNTY OF SAN JOAQUIN, CALIFORNIA

OCTOBER 23, 2018

SHEET 1 OF 1

## Carlson, Barbee & Gibson, Inc.

CIVIL ENGINEERS • SURVEYORS • PLANNERS  
 SAN RAMON • (925) 866-0322  
 WEST SACRAMENTO • (916) 375-1877

RECORDING REQUESTED BY:  
City of Lathrop, CA

WHEN RECORDED, PLEASE MAIL TO:  
City of Lathrop  
City Clerk  
390 Towne Centre Drive  
Lathrop, California 95330

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

**Offer of Dedication  
for Public Right-of-Way  
(Sadler Oak)**

THIS INSTRUMENT BENEFITS THE CITY ONLY. NO FEE REQUIRED.

THE UNDERSIGNED GRANTOR(S) DECLARE(S): DOCUMENTARY TRANSFER TAX IS \$ 0.00 R&TC Transfer to Government Agency  
( ) computed on full value of property conveyed, or  
( ) computed on full value less liens and encumbrances remaining at time of sale.  
( ) Unincorporated area ( X ) City of Lathrop

For a valuable consideration, receipt of which is hereby acknowledged,  
Mossdale Landing Apartments LLC, a California Limited Liability Company,

hereby grants to

CITY OF LATHROP, a California municipal corporation,

that property in City of Lathrop, San Joaquin County, State of California, described as:

\*\*\*See attached Exhibit "A" and Exhibit "B" attached hereto and made a part hereof\*\*\*

**SIGNATURES:**

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

MOSSDALE LANDING APARTMENTS, LLC, A California Limited Liability Company

By: SEED DEVELOPMENT COMPANY, LLC, A California Limited Liability Company  
Its Manger

By: RUBIK INVESTMENT, LLC, A California Limited Liability Company

\_\_\_\_\_  
Nicholas J. Whetstone, Manager

Notary Acknowledgement Attached

OCTOBER 23, 2018  
JOB NO. 1465-010

EXHIBIT A  
LEGAL DESCRIPTION  
ROADWAY DEDICATION- EASEMENT (STREET RIGHT OF WAY)  
LANDS OF MOSSDALE LANDING, LLC  
RESULTANT PARCEL 2 (PORTION)  
LATHROP, CALIFORNIA

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR STREET RIGHT OF WAY.

ALL THAT REAL PROPERTY SITUATE IN THE INCORPORATED TERRITORY OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

BEING A PORTION RESULTANT PARCEL 2, AS SAID PARCEL IS DESCRIBED IN THAT CERTAIN NOTICE OF LOT LINE ADJUSTMENT LLA 18-99, RECORDED NOVEMBER 15, 2018, AS INSTRUMENT NO. 2018-125703, IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, CONSISTING OF TWO (2) PARCELS, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL A

BEING ALL RESULTANT 2A, AS SAID RESULTANT 2A IS DESCRIBED IN THAT CERTAIN NOTICE OF LOT LINE ADJUSTMENT LLA 18-99, RECORDED NOVEMBER 15, 2018, AS INSTRUMENT NO. 2018-125703, IN SAID OFFICE OF THE COUNTY RECORDER;

CONTAINING 9,794 SQUARE FEET OR 0.23 ACRES OF LAND, MORE OR LESS.

PARCEL B

BEING A PORTION OF RESULTANT 2B, AS SAID RESULTANT 2B IS DESCRIBED IN THAT CERTAIN NOTICE OF LOT LINE ADJUSTMENT LLA 18-99, RECORDED NOVEMBER 15, 2018, AS INSTRUMENT NO. 2018-125703, IN SAID OFFICE OF THE COUNTY RECORDER, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHEASTERLY CORNER OF SAID RESULTANT 2B (I.N. 2018-125703);

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE EASTERLY LINE OF SAID RESULTANT 2B, SOUTH 06°16'26" WEST 121.18 FEET;

THENCE, LEAVING SAID EASTERLY LINE, ALONG THE ARC OF A NON-TANGENT 25.00 FOOT RADIUS CURVE TO THE LEFT, FROM WHICH THE CENTER OF SAID

CURVE BEARS NORTH 83°43'36" WEST, THROUGH A CENTRAL ANGLE OF 97°59'40", AN ARC DISTANCE OF 42.76 FEET;

THENCE, SOUTH 88°16'44" WEST 103.08 FEET, TO THE EXTERIOR BOUNDARY OF SAID RESULTANT 2B,

THENCE, ALONG SAID EXTERIOR BOUNDARY THE FOLLOWING FOUR (4) COURSES:

- 1) NORTH 34°10'42" EAST 68.28 FEET;
- 2) NORTH 55°49'18" WEST 25.05 FEET;
- 3) NORTH 88°16'44" EAST 100.20 FEET;
- 4) ALONG THE ARC OF A TANGENT 25.00 FOOT RADIUS CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 82°00'17", AN ARC DISTANCE OF 35.78 FEET TO SAID POINT OF BEGINNING.

CONTAINING 8,307 SQUARE FEET OR 0.19 ACRES OF LAND, MORE OR LESS.

FOR A TOTAL AREA OF 18,101 SQUARE FEET OR 0.42 ACRES OF LAND, MORE OR LESS.

ATTACHED HERETO IS A PLAT ENTITLED EXHIBIT B TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

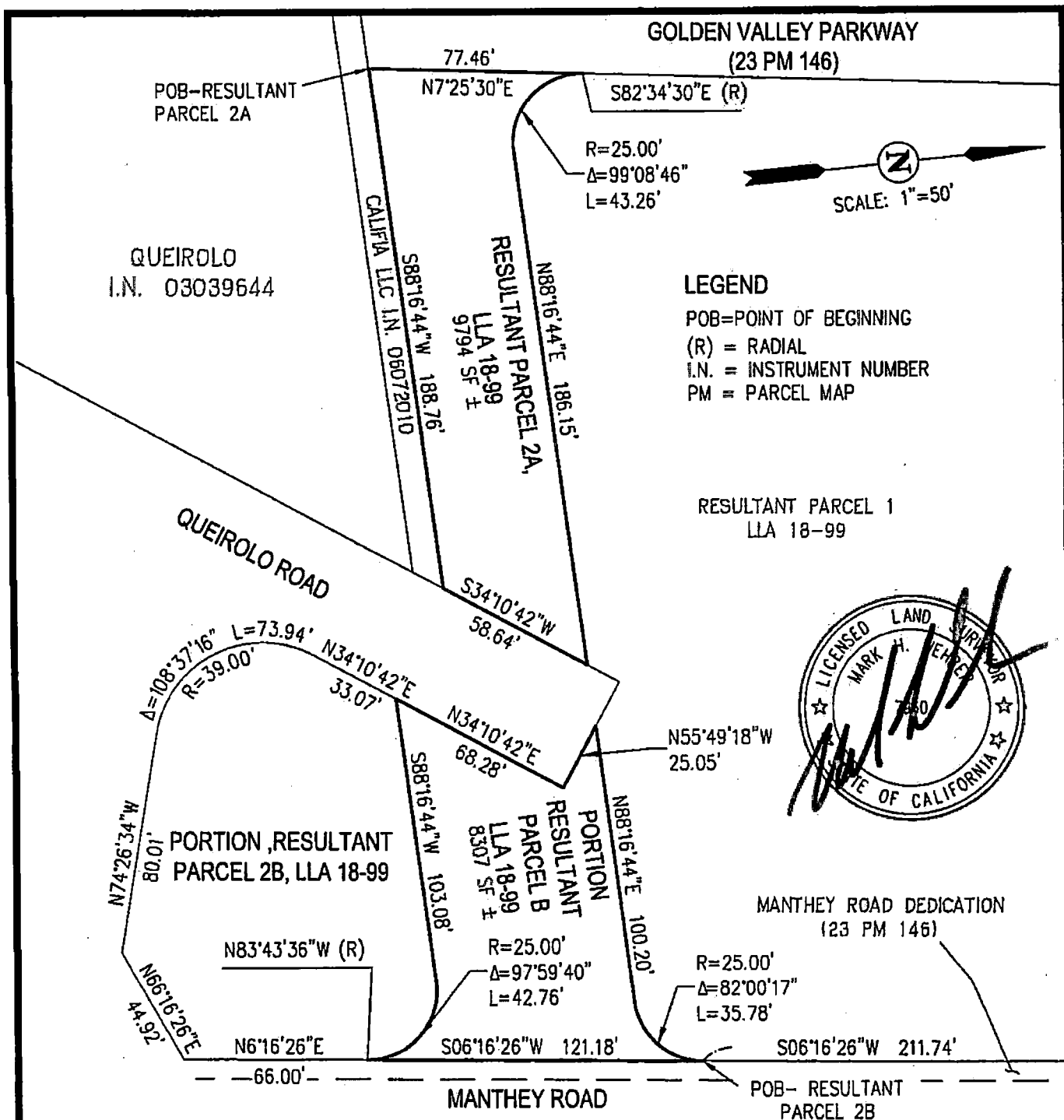
END OF DESCRIPTION



MARK WEHBER, P.L.S.

L.S. NO. 7960





**EXHIBIT B**  
**PLAT TO ACCOMPANY LEGAL DESCRIPTION**  
 ROADWAY DEDICATION- EASEMENT (STREET RIGHT OF WAY)  
 RESULTANT PARCEL 2 (PORTION) LLA 18-99  
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA  
 OCTOBER 23, 2018

SHEET 1 OF 1

**Carlson, Barbee & Gibson, Inc.**

CIVIL ENGINEERS • SURVEYORS • PLANNERS  
 SAN RAMON • (925) 866 - 0322  
 WEST SACRAMENTO • (916) 375 - 1877

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**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM: ACCEPT LANDSCAPE IMPROVEMENTS FROM  
RICHLAND COMMUNITIES FOR LAND APPLICATION  
SITE NUMBER 3 (LAS-3)**

**RECOMMENDATION: Adopt a Resolution Accepting Landscape  
Improvements from Richland Communities for LAS-  
3 and Authorize the Release of the Performance  
Bond**

---

**SUMMARY:**

Richland Communities (Richland), the developer for the Crossroads Commerce Center, has completed the conversion of Land Application Site No. 3 (LAS-3) to a percolation basin. The percolation basin is required for the land disposal of recycled water generated by treatment of wastewater from the Crossroads and the South Lathrop Specific Plan (SLSP) development areas. As part of the Land Application site, frontage landscape improvements were required. The construction of LAS-3 percolation basin was accepted on April 9, 2018 along with the GASB 34 report. The required landscape portion of the project has now been completed to the satisfaction of the Public Works Director. Staff is requesting Council to accept the landscape improvements and release the performance bond of \$70,000.

**BACKGROUND:**

The Crossroads Wastewater Treatment Plant (WWTP) Decommissioning project WW 15-20 was created in May 2015, to decommission the Crossroads WWTP and consolidate the facility with the Lathrop Consolidated Treatment Facility.

Richland, the developer for the Crossroads Commerce Center, completed construction of the conversion of LAS-3 to a percolation basin for the land disposal of recycled water generated by the Crossroads users and the SLSP development area. The construction of LAS-3 percolation basin was accepted on April 9, 2018 along with the GASB 34 Report. The required landscape portion of the project has now been completed to the satisfaction of the Public Works Director. Staff has received an unconditional lien release from the developer for this project.

**RECOMMENDATION:**

Staff is requesting City Council adopt a resolution accepting the Landscape Improvements from Richland for the LAS-3 percolation basin.

Richland has completed the frontage landscape improvements for the LAS-3 percolation basin and was inspected by City staff for conformance with contract plans and specifications and meet the satisfaction of the Public Works Director.

**CITY MANAGER'S REPORT** **PAGE 2**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**ACCEPTING LANDSCAPE IMPROVEMENTS FROM RICHLAND COMMUNITIES**  
**FOR LAS-3 AND RELEASE THE PERFORMANCE BOND**

With the acceptance of these improvements staff requests Council authorize the release of the performance bond filed for the project in the amount of \$70,000.

**CITY COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

This agenda item promotes Economic Growth in the Crossroads Commerce Center by providing a visually appealing project.

**FISCAL IMPACT:**

The Developer, Richland built and funded the LAS-3 conversion to a percolation basin, the City of Lathrop reimbursed Richland for a portion of the construction costs from the Crossroads Series B Bond funds. The frontage landscape improvements was a condition of the project and Richland funded the improvements with no additional reimbursements from the City.


**ATTACHMENTS:**

- A. Resolution Accepting Landscape Improvements from Richland Communities for LAS-3 and Authorize the Release of the Performance Bond.



**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**ACCEPTING LANDSCAPE IMPROVEMENTS FROM RICHLAND COMMUNITIES**  
**FOR THE LAS-3 AND RELEASE THE PERFORMANCE BOND**


**APPROVALS:**

  
\_\_\_\_\_  
Ken Reed  
Senior Construction Manager


2-6-2019  
Date

  
\_\_\_\_\_  
Michael King  
Assistant Public Works Director

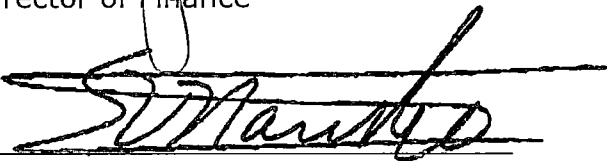
2-5-19  
Date

  
\_\_\_\_\_  
Glenn Gebhardt  
City Engineer

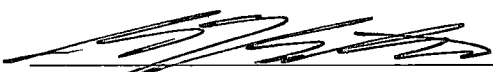
2-6-19  
Date

  
\_\_\_\_\_  
Cari James  
Director of Finance

2/6/19  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-6-19  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2-7-19  
Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP BY  
ACCEPTING LANDSCAPE IMPROVEMENTS FROM RICHLAND COMMUNITIES  
FOR THE LAS-3 CONVERSION AND AUTHORIZE THE RELEASE OF THE  
PERFORMANCE BOND**

**WHEREAS,** Wastewater Treatment Plant (WWTP) Decommissioning project WW 15-20 was created in May 2015, to decommission the Crossroads WWTP and consolidate the facility with the Lathrop Consolidated Treatment Facility; and

**WHEREAS,** a percolation basin for the land disposal of recycled water generated by the Crossroads users and the South Lathrop Specific Plan development area was needed; and

**WHEREAS,** Richland Communities (Richland), completed the frontage landscape improvements as required and staff has received an unconditional lien release from the developer for this project; and

**WHEREAS,** Richland Communities (Richland), the developer for the Crossroads Commerce Center has completed the Landscape improvements; and

**WHEREAS,** the work has been completed pursuant the plans and specifications, inspected by City staff and meets the satisfaction of the Department of Public Works; and

**WHEREAS,** staff is recommending Council accept the landscape improvements for public use and release the performance bond held by the City to guarantee this construction;

**NOW, THEREFORE, BE IT RESOLVED,** Richland has completed the frontage landscape improvements for the LAS-3 percolation basin and these improvements were inspected by City staff for conformance with contract plans and specifications and meet the satisfaction of the City Engineer. The City Council authorizes staff to release the performance bond for the amount \$70,000 that guaranteed the completion of the landscape improvements.

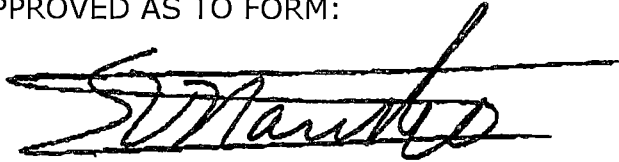
The foregoing resolution was passed and adopted this 11th day of February 2019, by the following vote of the City Council, to wit:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:



\_\_\_\_\_  
Teresa Vargas, City Clerk

\_\_\_\_\_  
Salvador Navarrete, City Attorney

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**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019, CITY COUNCIL REGULAR MEETING**

**ITEM: APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 35 LOTS IN TRACT 3892 VILLAGES "D" AND "E" WITHIN EAST VILLAGE OF RIVER ISLANDS**

**RECOMMENDATION: Adopt Resolution Approving Final Map for Tract 3892 Villages "D" and "E" within East Village District, Totaling 35 Single-Family Lots and a Subdivision Improvement Agreement with River Islands Development, LLC**

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**SUMMARY:**

On June 1, 2015, the City Council approved an amendment to Vesting Tentative Map Tract 3694 (VTM 3694), Phase 1 of River Islands at Lathrop, by Resolution No. 15-3912 and an Amendment to the West Lathrop Specific Plan and River Islands Urban Design Concept by Ordinance No. 15-344.

This proposed Final Map Tract 3892 will be the last tract map for the Village "D" and "E" area for New Home Company, named Tidewater. Tidewater spans both Villages "D" and "E" which consists of thirty-five (35) 55'x100' single-family lots. A vicinity map is included as Attachment B.

Staff recommends that the City Council approve the proposed Final Map Tract 3892 Village "D and E" within the East Village District, totaling 35 single-family lots, and a Subdivision Improvement Agreement (Attachment C) with River Islands Development, LLC.

**BACKGROUND:**

The land for Tract 3892 is within the geographic boundaries of VTM 3694 (Phase 1) approved by Council on March 27, 2007, and amended on June 1, 2015, with updated conditions of approval. On September 20, 2017, by Resolution No. 17-01, the Planning Commission approved an amendment to the East Village Architectural Design Guidelines and Development Standards (DG/DS) to accommodate the bungalows product within Village L (Tract 3833).

As required by the City's subdivision ordinance, all final maps must include a Subdivision Improvement Agreement (SIA) to guarantee certain off-site and on-site improvements. As a result, the SIA for Tract 3892 requires that security (cash or bonds) are posted to guarantee unfinished infrastructure within Villages "D" and "E". Bonds to satisfy this condition were posted with the first Tidewater tract (Tract 3826) in 2016. Subsequently, River Islands Public Financing Authority ("RIPFA") provided

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019, CITY COUNCIL REGULAR MEETING**  
**FINAL MAP FOR TRACT 3892 VILLAGE "D AND E", TOTALING 35 SINGLE**  
**FAMILY LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC**

a Letter of Guarantee (also called a "Set-Aside" Letter), that substituted funds from RIPFA for various performance bonds in the East Village District, including those in Villages "D" and "E". The Set-Aside Letter was extended by City action and expires in August 2019, at which time RIPFA is required to provide cash to the City of Lathrop to complete any unfinished street improvements. RID will have all improvements associated with East Village tracts accepted by the City Council prior to that time.

The SIA also refers to the Agreement for Dedication, Inspection, and Guarantee of Streets and Public Improvements ("Off-site Agreement") that was approved by the City on September 30, 2013, to the extent that the Off-site Agreement is still valid for certain improvements. Tract 3892 will not trigger any additional off-site improvements and the Off-site Agreement will apply to Tract 3892 as it has to all previous final maps in River Islands with no additional security for off-site improvements.

Acceptance of all public improvements will be processed by staff as previously mentioned no later than August 2019. At that time, RID will be required to post one (1) year maintenance bonds as a warranty for all completed infrastructure.

Finally, before the Final Map Tract 3892 is recorded, RID must also satisfy the Escrow Instructions (Attachment D) that guarantee all required payments to the Sierra Club are made under the terms of the 3rd Amendment to the Development Agreement.

**REASON FOR RECOMMENDATION:**

The applicant has substantially completed the street and utility improvements within the entirety of Villages "D" and "E." Prior to acceptance of public improvements within Village, "D" and "E" the RIPFA Set-Aside Letter will remain in full force and effect. RID shall provide a 10% maintenance bond to guarantee the full improvements (completed and uncompleted) for one year. Prior to acceptance of these improvements, RID has provided the tract map, the tract improvement plans, all required documents and all fees for Tract 3892.

This includes the following documents and fees:

<b>Documents</b>	<b>Status</b>
1. Final Map ready for signature	Completed
2. Subdivision Improvement Agreement	Completed
3. Performance Security – Uncompleted Landscaping and Miscellaneous Improvements provided by "Set-Aside Letter" dated January 14, 2019 from RIPFA	Completed
4. Labor and Materials Security – Uncompleted Landscaping and Miscellaneous Improvements provided by "Set-Aside Letter" dated January 14, 2019 from RIPFA	Completed

**CITY MANAGER'S REPORT**  
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**FAMILY LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC**

5.	Street Improvement, Landscape, Street Lights, JT Plans	Completed
6.	Geotechnical Report	Completed
7.	Agreement for Backbone Improvements and Parks (Agreement for Dedication, Inspection and Guarantee of Streets and Public Improvements)	Completed
8.	Approval of 3 <sup>rd</sup> Amendment to Development Agreement that guarantees creation of CFD for City Maintenance and Shortfalls, and Guarantee of Developer CFDs for Developer/other public agency maintenance	Completed
9.	Allocation of Water and Sewer capacity	Completed
10.	Recommendation for approval from Stewart Tract Design Review Committee	Completed
11.	Submitted Certificate of Insurance, Tax Letter	Completed
12.	Submitted Guarantee of Title, Escrow Instructions	Completed
13.	Lathrop Community Facilities District (CFD's)	Annexed with FM 3826 on September 1, 2016
<b>Fees</b>		<b>Status</b>
1.	Final Map plan check fee	Paid
2.	Improvement Plans - Plan check and inspection fees	Paid
3.	Sierra Club Settlement fee	To be paid in escrow

The above-noted documents and fees are required by the VTM 3694 conditions of approval prior to approval of the Final Map by City Council. The guarantee is in the form of the Subdivision Improvement Agreement with security and improvement plans.

Extensive off-site improvements to serve this Tract 3892 have already been completed including construction of levees, participation in construction of a Wastewater Treatment Plant (Lathrop Consolidated Treatment Facility or "LCTF") and related storage ponds and sprayfields, purchase of SSJID surface water and construction of utility infrastructure to serve the proposed Tract. RID has also expanded sprayfields for use with the LCTF and staff is currently processing approval with the state. Additional off-site improvements that are required to serve this Final Map are detailed in the Off-site Agreement approved by the City Council in 2014.

**BUDGET IMPACT:**

There is no budget impact to the City. All City costs are covered by development fees, and any shortfalls in City maintenance and operating costs are covered by the CFD's

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Page 4

for maintenance. RID is also providing funds necessary to defray any staff time required to process their request.

**ATTACHMENTS:**

- A. Resolution Approving Final Map for Tract 3892 Villages "D" and "E" within East Village District, Totaling 35 Single-Family Lots and a Subdivision Improvement Agreement with River Islands Development, LLC
- B. Village "D" and "E" Vicinity Map
- C. Subdivision Improvement Agreement between the City of Lathrop River Islands Development, LLC, a California Limited Liability Company for Tract 3892, Villages "D" and "E"
- D. Escrow Instructions for Final Map Tract 3892 Villages "D" and "E"



**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019, CITY COUNCIL REGULAR MEETING**  
**FINAL MAP FOR TRACT 3892 VILLAGE "D AND E", TOTALING 35 SINGLE**  
**FAMILY LOTS AND A SIA WITH RIVER ISLANDS DEVELOPMENT, LLC**

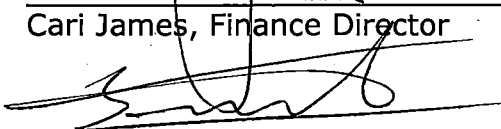
**APPROVALS**

  
\_\_\_\_\_  
Glenn Gebhardt, City Engineer

1/31/19  
Date

  
\_\_\_\_\_  
Cari James, Finance Director

2/5/19  
Date

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

2-4-19  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore, City Manager

2.5.19  
Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
APPROVING FINAL MAP FOR TRACT 3892, VILLAGES "D" AND "E"  
TOTALING 35 SINGLE-FAMILY LOTS AND A SUBDIVISION IMPROVEMENT  
AGREEMENT WITH RIVER ISLANDS DEVELOPMENT, LLC**

**WHEREAS**, on March 27, 2007, the City Council approved Vesting Tentative Map (VTM) No. 3694 with Conditions of Approval for a residential and commercial development that is consistent with the West Lathrop Specific Plan (WLSP) and the River Islands Urban Design Concept (UDC); and

**WHEREAS**, on June 1, 2015, the City Council approved amendments to the VTM, WLSP and UDC, with amended conditions of approval; and

**WHEREAS**, Tract 3892, the proposed subdivision, is part of the East Village District of River Islands as described in the UDC, consisting of 35 lots covered by VTM No. 3694, located on the west side of the San Joaquin River, north of Union Pacific Railroad; and

**WHEREAS**, in its review of Tract 3892, the Stewart Tract Design Review Committee recommended approval of Tract 3892 on June 30, 2016; and

**WHEREAS**, River Islands Development, LLC, has completed or has guaranteed completion of all public improvements on Tract Map 3892, as identified on the approved improvement plans, and has completed or guaranteed completion of all required documents and payment of all fees; and

**WHEREAS**, a Subdivision Improvement Agreement between the City and River Islands Development, LLC, and provision of security by River Islands Development, LLC, for unfinished and deferred improvements are required prior to final map approval per the Lathrop Municipal Code Section 16.16.190; and

**WHEREAS**, a Subdivision Improvement Agreement has been signed by River Islands Development, LLC, and presented to the City for approval and signature; and

**WHEREAS**, upon acceptance of all improvements as complete, a one-year maintenance and repair bond will be required to secure the River Islands Development, LLC, obligation to maintain all improvements and repair or correct any defective work; and

**WHEREAS**, several conditions of approval of VTM 3694 are satisfied by the 3rd Amendment to the Development Agreement between the City and Califia, LLC, which the City Council approved on October 7, 2013; and

**WHEREAS**, off-site improvements were guaranteed with the Dedication, Inspection and Guarantee of Streets and Public Improvements (Off-site Agreement), approved by City Council on September 30, 2013; and

**WHEREAS**, City staff has confirmed that all Conditions of Approval of VTM 3694 required for approval of Final Map 3892 have been met, including those Conditions of Approval satisfied under the Subdivision Improvement Agreement and Off-Site Agreement; and

**WHEREAS**, the City Engineer has confirmed that the Final Map for Tract 3892 is substantially the same as it appeared on VTM No. 3694, is technically correct and complies with the requirements of the Subdivision Map Act and Lathrop Municipal Code, Chapter 16.16; and

**WHEREAS**, the CFDs for the City, RD 2062 and River Islands Public Financing Authority (RIPFA) respectively recorded with Final Map 3826 on September 1, 2016; and

**WHEREAS**, RID will satisfy the escrow requirements prior to recordation of the Final Map for Tract 3892; and

**WHEREAS**, Capital Facilities Fees are not required until such time as the builder applies for building permits.

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Lathrop that makes and accepts the following actions:

1. That the Final Map for Tract 3892 Villages "D and E" is hereby approved as submitted as part of the public record with the San Joaquin County Assessor/Recorder/County Clerk Office.
2. That the City Manager, or their designee, is authorized to execute and file with the City Clerk a Subdivision Improvement Agreement with River Islands Development, LLC, in substantially the form as attached to the February 11, 2019, staff report.

**PASSED AND ADOPTED** by the City Council of the City of Lathrop this 11th day of February, 2019, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

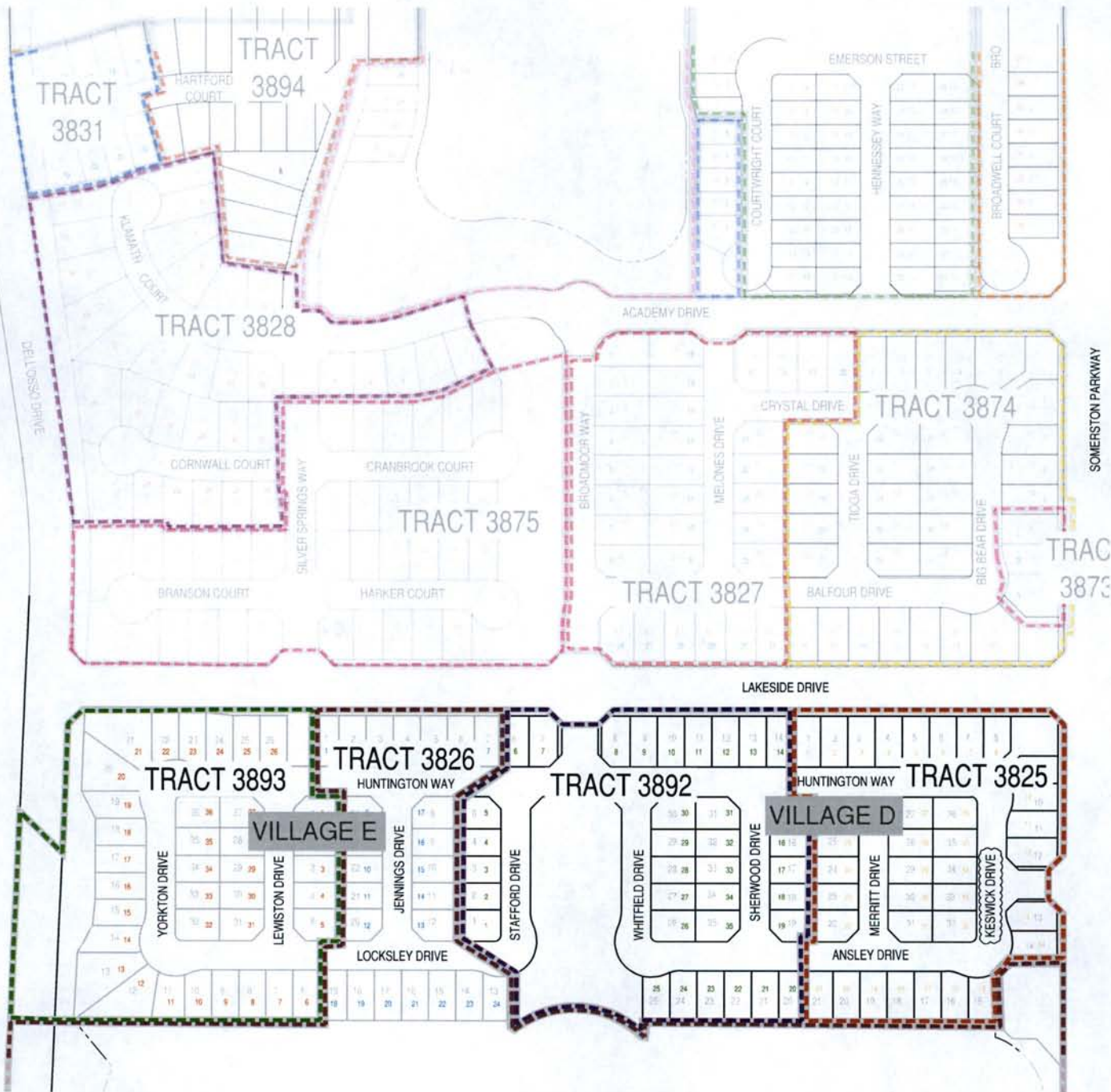
\_\_\_\_\_  
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney



**ATTACHMENT B**  
**VILLAGE "D" & "E"**  
**VICINITY MAP**  
**FEBRUARY 2019**

**SUBDIVISION IMPROVEMENT AGREEMENT**  
**BETWEEN THE CITY OF LATHROP AND**  
**RIVER ISLANDS DEVELOPMENT, LLC, (EAST VILLAGE DISTRICT)**  
**A CALIFORNIA LIMITED LIABILITY COMPANY,**  
**FOR 35 RESIDENTIAL LOTS IN TRACT 3892 VILLAGES “D” AND “E”**

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**RECITALS**

A. This Agreement is made and entered into this **11<sup>th</sup> day of February, 2019**, by and between the CITY OF LATHROP, a municipal corporation of the State of California (“CITY”), and River Islands Development, LLC, a California limited liability company (“SUBDIVIDER”).

B. At its September 30, 2013 meeting, the City Council approved an Irrevocable Offer of Dedication of Easement for Roadway Purposes and approved an Agreement for Dedication, Inspection and Guarantee of Public Streets and Improvements for certain backbone roads and improvements, including Lakeside Drive that provides initial public right of way access to Tract 3873, as well as other tracts within the Community at South River Bend neighborhood which connects to the East Village neighborhood.

C. Pursuant to Division 2 of Title 7 of the Government Code of the State of California and CITY’s Subdivision Regulations (City of Lathrop, Code of Ordinances, Chapter 16), SUBDIVIDER is required to make dedications and improve Tract 3825. However, SUBDIVIDER has completed all public infrastructure improvements associated with Tracts 3892 and the adjacent Tracts of 3825, 3826 and 3893 as part of the Village “D” and Village “E” area of the East Village District of River Islands except for thermoplastic striping. In April 2018, River Islands Public Financing Authority (“RIPFA”), provided alternative security for Villages D and E and other East Village tracts that replaced the bonds posted for Tracts 3825, 3826, 3892 and 3893 as provided in Exhibit “E” to this SIA (“set-aside letter”) and this letter was extended by CITY action on January 14, 2019. This SIA for Tract 3892 reaffirms the already posted set-aside letter provided by RIPFA, which will stay in full force and effect unless released by CITY upon successful completion of all improvements subject to RIPFA’s set-aside letter and said improvements accepted by CITY.

D. At its September 30, 2013, meeting, the City Council approved an Irrevocable Offer of Dedication of Easement for Roadway Purposes and approved an Agreement for Dedication, Inspection and Guarantee of Public Streets and Improvements for certain backbone roads and improvements, including Lakeside Drive that provides public right of way access to Tract 3892 and adjacent tracts.

E. SUBDIVIDER completed all joint trench improvements for Tracts 3892 and the adjacent Tracts of 3825, 3826 and 3893 at this time. As a result, no further security is necessary for joint trench improvements. However, SUBDIVIDER shall comply with CITY'S insurance requirements set forth on Exhibit C attached hereto and incorporated herein.

F. The term "Improvements" as used in this Agreement means all improvements necessary for Tracts 3825, 3826, 3892 and 3893. As a result, the total value of public improvements for these tracts is **\$4,500,000** as shown in Exhibit F to this Agreement. The required Maintenance Bond for Tract 3892 and all tracts within Villages D and E shall be equal to 10% of the cost of Improvements as shown in Exhibit F; (**\$4,500,000 X 10% = \$450,000** – maintenance bond amount). The maintenance bond shall be posted to guarantee maintenance of all improvements for a full year following acceptance by CITY.

**NOW THEREFORE** in consideration of CITY'S pending approval and acceptance of the Improvements upon their satisfactory completion and in consideration of SUBDIVIDER'S construction of Improvements in strict accordance with the terms of this Agreement, all applicable laws, statutes, ordinances, rules and regulations currently in force and effect in CITY, the terms and conditions of which are incorporated herein by this reference, the parties hereto mutually covenant and agree as follows:

1. SUBDIVIDER shall complete construction of, or cause construction to be completed at its sole cost and expense, the Improvements for all of the lots within the East Village neighborhood, to the limits identified on Exhibit A including the public landscaping, streetlight and joint trench improvements. All improvements shall be constructed to the satisfaction and approval of the City Engineer, in a good and workmanlike manner in accordance with the above-referenced improvement plans and specifications, the improvement standards and specifications of the CITY'S Department of Public Works, the applicable Ordinances of the City of Lathrop and the California Subdivision Map Act.
2. SUBDIVIDER shall complete the Improvements, including all deferred and unfinished improvements, prior to occupancy of the last home constructed in Tract 3892 that is conveyed to a private interest not associated with the transfer of title of Tract 3892 associated with the filing of Tract 3892. Such occupancy shall be documented by CITY in the form of a Certificate of Occupancy or Final Building Permit.
3. CITY or its agents shall, at any time during the progress of the Improvements, have free access thereto and shall be allowed to examine the same and all material to be used therein. If the Improvements or any part thereof are not completed in strict compliance with the standards set forth in Paragraph 1 above, CITY may refuse to accept and may reject the defective Improvements and/or materials therein.
4. SUBDIVIDER shall secure the services of skilled personnel necessary to construct the Improvements. CITY is not skilled in these matters and relies upon the skill of SUBDIVIDER to ensure that the construction of the Improvements is in the most skillful and durable manner.

5. CITY'S acceptance of the Improvements does not operate as a release of SUBDIVIDER from any guarantee hereunder.

6. SUBDIVIDER guarantees and warrants that the Improvements shall be constructed in compliance with the standards set forth in Paragraph 1 above, free from any defects in work or labor done and from any defects in materials furnished. Further, SUBDIVIDER shall repair and maintain the Improvements in good condition and in accordance with CITY specifications for one (1) year after CITY'S acceptance of the Improvements. Prior to acceptance of the Improvements, SUBDIVIDER shall deposit with the City Engineer a Maintenance Bond in the amount of \$295,300, equal to 10% of the estimated cost of the Improvements for the entire area as summarized in Recital F to insure SUBDIVIDER'S repair and maintenance of the Improvements in accordance with the terms of this Agreement. The Maintenance Bond shall be released at the end of the one-year guarantee period, provided there are no claims against it are then outstanding.

7. Because some of the backbone improvements referenced in Recital D were required to provide access and required utilities to Tract 3892 and are associated with adjacent tracts as otherwise described in this Agreement, as well as backbone roads associated with the Agreement for Dedication, Inspection and Guarantee of Public Streets and Improvements referenced in Recital D, the security required by the Agreement for Dedication, Inspection and Guarantee of Public Streets and Improvements shall remain in place until the backbone improvements associated with that agreement are complete and accepted by CITY or as is further described by the conditions below:

a. Rehabilitation of the pavement on Stewart/Cohen and Paradise Roads within the limits of Stewart Tract, as detailed on the attached Exhibit D, are now open to the public, and rehabilitation is guaranteed by a performance bond. Full improvement and acceptance of these streets shall be completed prior to release of security previously posted by SUBDIVIDER.

8. If SUBDIVIDER, in whole or in part, abandons the Improvements, unnecessarily or unreasonably delays construction of the Improvements, fails to complete construction of the Improvements within the time specified in this Agreement or fails to repair, replace or reconstruct any defects, as set forth in Paragraph 6 above, CITY may but is not required to proceed to complete and/or repair, replace, or reconstruct the Improvements, either by itself or by contract for such service, and CITY may cause to be forfeited such portion of any security deposited therein as is necessary to cover the costs of completion, repair, replacement, or reconstruction incurred by CITY. Once action is taken by CITY to complete, repair, replace and/or reconstruct the Improvements, SUBDIVIDER shall be responsible for all costs incurred by CITY even if SUBDIVIDER subsequently completes the work.

CITY shall have recourse against SUBDIVIDER for any and all amounts necessary to complete the obligations of SUBDIVIDER in the event the security (including but not limited to any Letter of Guarantee, Certificate of Deposit, cash, bond for performance, labor and materials, repair and maintenance, letter of credit or cash deposit) therefore is insufficient to pay such amounts. All administrative costs, including reasonable attorney's fees pursuant to Government Code Section



66499.4, incurred by CITY in addition to the costs of the improvements shall be a proper charge against the security and SUBDIVIDER.

In the event it becomes necessary for CITY to bring an action to compel performance of this Agreement or to recover costs of completing such improvements, SUBDIVIDER shall pay reasonable attorney's fees, costs of suit and all other expenses of litigation incurred by CITY in connection therewith.

9. Because the Improvements are substantially complete at this time other than thermoplastic striping and signage, SUBDIVIDER shall abide by the set-aside letter or its equivalent as determined by the City Engineer. Further, SUBDIVIDER shall also comply with CITY'S insurance requirements set forth on Exhibit C attached hereto and incorporated herein.

10. Any alterations made to the plans and specifications, which are a part of this Agreement, or any provision of this Agreement shall not operate to release any surety or sureties from liability on any bond or bonds attached hereto and made a part hereof. The above-referenced sureties hereby consent to such alterations and waive the provisions of California Civil Code Section 2819.

11. Neither CITY nor any of its officers, employees or agents shall be liable to SUBDIVIDER and/or SUBDIVIDER'S agents, contractors or subcontractors for any error or omission arising out of or in connection with any work to be performed under this Agreement.

12. Neither CITY nor any of its officers, employees, or agents shall be liable to SUBDIVIDER or to any person, entity, or organization for any injury or damage that may result to any person or property by or from any cause in, on, or about the subdivision of all or any part of the land covered by this Agreement.

13. SUBDIVIDER hereby agrees to and shall hold CITY, its elective and appointive boards, commissions, officers, agents and employees (collectively "Indemnitees") harmless from any liability for damage or claims which may arise from SUBDIVIDER and/or SUBDIVIDER'S contractors, subcontractors, agents, or employees' operations under this Agreement, whether such operations be by SUBDIVIDER or by any SUBDIVIDER contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, SUBDIVIDER or any of SUBDIVIDER'S contractors or subcontractors.

SUBDIVIDER shall at its own cost and expense defend any and all actions, suits, or legal proceedings or any type that may be brought or instituted against CITY and indemnities on any claim or demand, of any nature whatsoever, and pay or satisfy any judgment that may be rendered against CITY and the Indemnitees in any such action, suit or legal proceedings resulting from or alleged to have resulted from SUBDIVIDER'S performance or non-performance of its duties and obligations under this Agreement or from the negligent act or omission of itself, its agents, contractors, representatives, servants or employees. The promises and Agreement to indemnify and hold harmless set forth in this section is not conditioned or dependent on whether or not any indemnity has prepared, supplied or approved any plan or specification in connection with this

work or subdivision whether or not any such indemnity has insurance or indemnification covering any of these matters. CITY does not and shall not waive any rights against SUBDIVIDER which it may have by reason of the aforesaid hold harmless agreement because of the acceptance by CITY of any deposit with CITY by SUBDIVIDER. The aforesaid hold harmless agreement by SUBDIVIDER shall apply to all damages and claims for damages of every kind suffered or alleged to have been suffered by reason of any of the aforesaid operations referred to in this paragraph regardless of whether or not CITY has prepared, supplied or approved of plans and/or specifications for the subdivision.

14. Neither SUBDIVIDER nor any of SUBDIVIDER'S agents, contractors or subcontractors are or shall be considered to be agents of CITY in connection with the performance of SUBDIVIDER'S obligations under this Agreement.

15. Prior to acceptance of the Improvements by the City Council, SUBDIVIDER shall be solely responsible for maintaining the quality of the Improvements and maintaining safety at the project site. SUBDIVIDER'S obligation to provide the Improvements shall not be satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been satisfied, all outstanding fees and charges have been paid and the City Council has accepted the Improvements as complete. CITY and SUBDIVIDER have formed Community Facilities Districts ("CFD") to finance maintenance and improvements. CITY expects to preserve the ability to use future special taxes of the CFD for payment of the cost of acquisition of the Improvements which may require that acceptance of improvements by CITY be subject to the provisions of an acquisition agreement to be entered into by CITY and SUBDIVIDER providing that CITY expects to be paid or reimbursed acquisition costs through future CFD special taxes. SUBDIVIDER shall cooperate to facilitate such method of acquisition.

16. SUBDIVIDER shall pay service fees for the utility services from the time the Improvements are accepted by CITY to the end of the fiscal year or up to a one (1) year period, whichever is needed to ensure an opportunity for the Improvements to be included in the next fiscal year annual assessment.

17. SUBDIVIDER shall be responsible to sweep streets within the subdivision every two weeks as directed by the City Engineer on all streets where lots are occupied and all streets providing access to occupied lots until the Improvements are accepted by CITY.

18. SUBDIVIDER shall not assign this Agreement without the prior written consent of CITY. If such consent is given, the terms of this Agreement shall apply to and bind the heirs, successors, executors, administrators and assignees of SUBDIVIDER and any heirs, successors, executors, administrators and assignees of SUBDIVIDER and shall be jointly and severally liable hereunder.

19. SUBDIVIDER shall, at SUBDIVIDER'S expense, obtain and maintain all necessary permits and licenses for construction of the Improvements. Prior to the commencement of Improvement construction, SUBDIVIDER shall obtain a City of Lathrop Business License.

SUBDIVIDER shall comply with all local, state and federal laws whether or not said laws are expressly stated in this Agreement.

20. This Agreement and any amendments hereto comprise the entire understanding and agreement between the parties regarding the improvements to be constructed and dedications for Tract 3825.

21. The following miscellaneous provisions are applicable to this Agreement:

a. **Controlling Law.** The parties agree that this Agreement shall be governed and construed by and in accordance with the laws of the State of California.

b. **Definitions.** The definitions and terms are as defined in this Agreement.

c. **Force Majeure.** Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement which directly results from an Act of God or an act of a superior governmental authority.

d. **Headings.** The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.

e. **Incorporation of Documents.** All documents referred to herein and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated herein and shall be deemed to be part of this Agreement.

f. **Modification of Agreement.** This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.

g. **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.

h. **Successors and Assigns.** Except as otherwise expressly provided herein, the provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

i. **Time of the Essence.** Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first day and including the last day. If the time in which an act is to be performed falls on a Saturday, Sunday or any day observed as a legal holiday by CITY, the time for performance shall be extended to the following business day.

j. **Venue.** In the event either party brings suit hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin.

**ATTACHMENTS:**

- EXHIBIT A: FINAL MAP - TRACT 3892
- EXHIBIT B: ADJACENT TRACTS TO TRACT 3892
- EXHIBIT C: CITY INSURANCE REQUIREMENTS
- EXHIBIT D: COHEN/PARADISE/STEWART REHABILITATION MAP
- EXHIBIT E: RIPFA SET-ASIDE LETTER AND EXTENSION

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**IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this  
11<sup>th</sup> day of February, 2019, at Lathrop, California.**

**ATTEST: TERESA VARGAS**  
City Clerk of and for the City  
of Lathrop, State of California

**CITY OF LATHROP, a**  
municipal corporation of the  
State of California

BY: \_\_\_\_\_  
Teresa Vargas                      Date  
City Clerk

BY: \_\_\_\_\_  
Stephen J. Salvatore      Date  
City Manager

**APPROVED AS TO FORM**

BY: \_\_\_\_\_  
Salvador Navarrete      Date  
City Attorney

**River Islands Development, LLC,**  
a California limited liability company

BY: \_\_\_\_\_  
Susan Dell'Osso              Date  
President  
"SUBDIVIDER"

**EXHIBIT A**

**FINAL MAP - TRACT 3892**

# TRACT 3892

## RIVER ISLANDS - PHASE 1B

### VILLAGES D & E

A PORTION OF RANCHO EL PESCADERO BEING  
A SUBDIVISION OF PARCELS 1 AND 2 OF TRACT 3825 (43 M&P 33)  
AND PARCELS 2 AND 3 OF TRACT 3826 (42 M&P 67)  
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA  
JANUARY 2019



#### OWNER'S STATEMENT

THE UNDERSIGNED, DOES HEREBY STATE THAT THEY ARE THE OWNERS OF ALL THE LAND DELINEATED AND EMBRACED WITHIN THE EXTERIOR BOUNDARY LINE OF THE HEREIN EMBODIED FINAL MAP ENTITLED, "TRACT 3892, RIVER ISLANDS, PHASE 1B, VILLAGES D AND E", CITY OF LATHROP, CALIFORNIA, CONSISTING OF EIGHT (8) SHEETS, AND WE HEREBY CONSENT TO THE PREPARATION AND FILING OF THIS FINAL MAP IN THE OFFICE OF THE COUNTY RECORDER OF SAN JOAQUIN COUNTY, CALIFORNIA.

THE UNDERSIGNED DOES HEREBY DEDICATE AN EASEMENT TO THE CITY OF LATHROP FOR PUBLIC RIGHT-OF-WAY PURPOSES, THOSE PORTIONS OF SAID LANDS DESIGNATED ON SAID MAP AS WHITFIELD DRIVE, MAYNELL DRIVE, AND ANSLEY DRIVE, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP A NON-EXCLUSIVE EASEMENT TOGETHER WITH THE RIGHT TO CONSTRUCT, RECONSTRUCT, REPAIR AND MAINTAIN, POLES, WIRES, CABLES, PIPES, AND CONDUITS AND THEIR APPURTENANCES UPON, OVER AND UNDER THE STRIPS OF LAND AS SHOWN ON THIS FINAL MAP DESIGNATED AS "P.U.E." (PUBLIC UTILITY EASEMENT).

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP A NON-EXCLUSIVE EASEMENT FOR THE PURPOSES OF REPAIR AND MAINTENANCE OF THE SOUND WALL FOR THE AREAS DESIGNATED AS "WALL EASEMENT (W.E.)" AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY DEDICATE TO THE CITY OF LATHROP, IN FEE, PARCELS A AND B FOR LANDSCAPE OPEN SPACE PURPOSES, INCLUDING PUBLIC UTILITIES, FOR THE BENEFIT OF THE PUBLIC, AS SHOWN ON THIS FINAL MAP.

THE UNDERSIGNED DOES HEREBY RELINQUISH TO THE CITY OF LATHROP ALL ABUTTERS RIGHT OF ACCESS TO LOTS 1, 5, 15, 19, 25, 26, 30, 31 AND 35, ALONG THE LOT LINES AS INDICATED BY THE SYMBOL /////// AS SHOWN ON THIS FINAL MAP.

OWNER: RIVER ISLANDS DEVELOPMENT, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY.

BY: \_\_\_\_\_  
NAME: SUSAN DELL'OSSO DATE \_\_\_\_\_  
ITS: PRESIDENT

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_

OLD REPUBLIC TITLE COMPANY, AS TRUSTEE, UNDER THE DEED OF TRUST RECORDED DECEMBER 22, 2016, AS DOCUMENT NUMBER 2016-160886, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY.

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
ITS: \_\_\_\_\_

#### ACKNOWLEDGEMENT CERTIFICATE (OWNER'S)

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA }  
COUNTY OF SAN JOAQUIN }

ON \_\_\_\_\_, 201\_\_ BEFORE ME, \_\_\_\_\_ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE/HEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(ES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE: \_\_\_\_\_  
NAME (PRINT): \_\_\_\_\_  
PRINCIPAL COUNTY OF BUSINESS: \_\_\_\_\_  
MY COMMISSION NUMBER: \_\_\_\_\_  
MY COMMISSION EXPIRES: \_\_\_\_\_

#### CITY CLERK'S STATEMENT

I, TERESA VARGAS, CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF LATHROP, STATE OF CALIFORNIA, DO HEREBY STATE THAT THE HEREIN EMBODIED MAP ENTITLED "TRACT 3892, RIVER ISLANDS, PHASE 1B, VILLAGES D AND E", CITY OF LATHROP, CALIFORNIA, CONSISTING OF EIGHT (8) SHEETS, THIS STATEMENT WAS PRESENTED TO SAID CITY COUNCIL, AS PROVIDED BY LAW, AT A MEETING THEREOF, HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_ AND THAT SAID CITY COUNCIL DID THEREUPON BY RESOLUTION NO. \_\_\_\_\_ DULY PASSED AND ADOPTED AT SAID MEETING, APPROVE SAID MAP, AND AUTHORIZED ITS RECORDATION, AND ACCEPTED ON BEHALF OF THE CITY OF LATHROP, FOR PUBLIC USE, THE DEDICATION OF ALL PUBLIC UTILITY EASEMENTS, WALL EASEMENTS, PARCELS A AND B, AND THE RELINQUISHMENT OF ACCESS RIGHTS TO LOTS 1, 5, 15, 19, 25, 26, 30, 31 AND 35, ALONG THE LOT LINES AS INDICATED BY THE SYMBOL /////// AND ACCEPTED THE OFFER OF DEDICATION OF ALL STREETS, AVENUES AND WAYS AS SHOWN ON SAID MAP SUBJECT TO THEIR IMPROVEMENTS BEING COMPLETED IN ACCORDANCE WITH CHAPTER 16, TITLE 16.16 OF THE CITY OF LATHROP MUNICIPAL CODE.

I FURTHER STATE THAT ALL BONDS AS REQUIRED BY LAW TO ACCOMPANY THE WITHIN MAP HAVE BEEN APPROVED BY THE CITY COUNCIL OF LATHROP AND FILED IN MY OFFICE.

TERESA VARGAS  
CITY CLERK AND CLERK OF THE CITY COUNCIL OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA

#### ACKNOWLEDGEMENT CERTIFICATE (TRUSTEE)

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

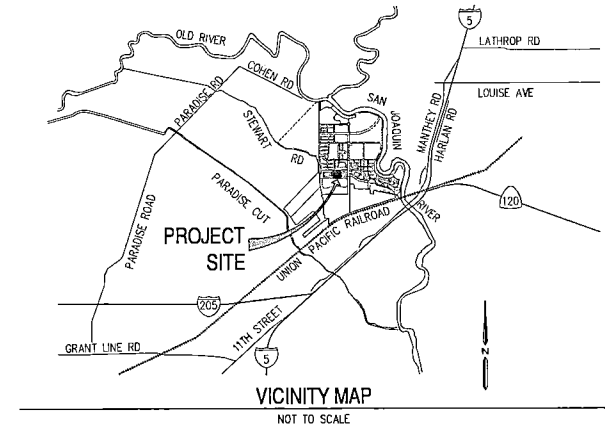
STATE OF CALIFORNIA }  
COUNTY OF SAN JOAQUIN }

ON \_\_\_\_\_, 201\_\_ BEFORE ME, \_\_\_\_\_ WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE/HEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(ES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND:

SIGNATURE: \_\_\_\_\_  
NAME (PRINT): \_\_\_\_\_  
PRINCIPAL COUNTY OF BUSINESS: \_\_\_\_\_  
MY COMMISSION NUMBER: \_\_\_\_\_  
MY COMMISSION EXPIRES: \_\_\_\_\_



#### CITY ENGINEER'S STATEMENT

I, GLENN GEBHARDT, HEREBY STATE THAT I AM THE CITY ENGINEER OF THE CITY OF LATHROP, CALIFORNIA AND THAT I HAVE EXAMINED THIS FINAL MAP OF "TRACT 3892, RIVER ISLANDS, PHASE 1B, VILLAGES D AND E", CITY OF LATHROP, CALIFORNIA, AND THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE VESTING TENTATIVE MAP NO. 3894, AND ANY APPROVED ALTERATIONS THEREOF. I FURTHER STATE THAT THIS FINAL MAP COMPLIES WITH ALL APPLICABLE ORDINANCES OF THE CITY OF LATHROP, AND ANY AMENDMENTS THERETO, APPLICABLE AT THE TIME OF APPROVAL OF THE VESTING TENTATIVE MAP.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_

GLENN GEBHARDT, R.C.E. 34681  
CITY ENGINEER OF THE CITY OF LATHROP, CALIFORNIA



#### SECRETARY OF THE PLANNING COMMISSION'S STATEMENT

THIS MAP CONFORMS TO VESTING TENTATIVE MAP NO. 3894 APPROVED BY THE PLANNING COMMISSION. DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_

MARK WEISSNER, COMMUNITY DEVELOPMENT DIRECTOR  
CITY OF LATHROP

#### RECORDER'S STATEMENT

FILED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_ AT \_\_\_\_\_ M.  
IN BOOK \_\_\_\_\_ OF MAPS AND PLATS, AT PAGE \_\_\_\_\_ AT THE REQUEST OF OLD REPUBLIC TITLE COMPANY.

FE: \$ \_\_\_\_\_

BY: \_\_\_\_\_  
STEVE J. BESTOLARIDES, ASSESSOR-RECORDER-COUNTY CLERK  
SAN JOAQUIN COUNTY, CALIFORNIA

EXEMPT FROM FEE PER GOVERNMENT CODE 27398.1; DOCUMENT RECORDED IN CONNECTION WITH A CONCURRENT TRANSFER SUBJECT TO THE IMPOSITION OF DOCUMENTARY TRANSFER TAX.

# TRACT 3892

## RIVER ISLANDS - PHASE 1B

### VILLAGES D & E

A PORTION OF RANCHO EL PESCADERO BEING  
A SUBDIVISION OF PARCELS 1 AND 2 OF TRACT 3825 (43 M&P 33)  
AND PARCELS 2 AND 3 OF TRACT 3826 (42 M&P 67)  
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA  
JANUARY 2019



#### NOTES

- RIGHT TO FARM STATEMENT:  
PER CITY OF LATHROP MUNICIPAL CODE OF ORDINANCES, TITLE 15, CHAPTER 15.4804, THE CITY OF LATHROP PERMITS OPERATION OF PROPERLY CONDUCTED AGRICULTURAL OPERATIONS WITHIN THE CITY LIMITS, INCLUDING THOSE THAT UTILIZE CHEMICAL FERTILIZERS AND PESTICIDES. YOU ARE HEREBY NOTIFIED THAT THE PROPERTY YOU ARE PURCHASING MAY BE LOCATED CLOSE TO AGRICULTURAL LANDS AND OPERATIONS. YOU MAY BE SUBJECT TO INCONVENIENCE OR DISCOMFORT ARISING FROM THE LAWFUL AND PROPER USE OF AGRICULTURAL CHEMICALS AND PESTICIDES AND FROM OTHER AGRICULTURAL ACTIVITIES, INCLUDING WITHOUT LIMITATIONS, CULTIVATION, PLOWING, SPRAYING, IRRIGATION, PRUNING, HARVESTING, BURNING OF AGRICULTURAL WASTE PRODUCTS, PROTECTION OF CROPS AND ANIMALS FROM DEPRECIATION, AND OTHER ACTIVITIES WHICH MAY GENERATE DUST, SMOKE, NOISE, ODOR, RODENTS AND PESTS. BE AWARE ALSO, THAT THIS PROPERTY MAY BE LOCATED ADJACENT TO AGRICULTURAL OPERATIONS OUTSIDE THE CITY'S JURISDICTION. CONSEQUENTLY, DEPENDING ON THE LOCATION OF YOUR PROPERTY, IT MAY BE NECESSARY THAT YOU BE PREPARED TO ACCEPT SUCH INCONVENIENCES OR DISCOMFORT AS NORMAL AND NECESSARY ASPECT OF LIVING IN AN AGRICULTURALLY ACTIVE REGION.
- A SOILS REPORT ENTITLED "GEOTECHNICAL EXPLORATION, RIVER ISLANDS PHASE 1, LATHROP, CALIFORNIA", REFERENCED AS PROJECT NO. 5044.5.001.01 AND DATED JULY 29, 2005, HAS BEEN PREPARED FOR THIS PROJECT BY ENGeo, INCORPORATED, JOSEF J. TOOTLE, G.E. NO. 2677, AND IS ON FILE WITH THE CITY OF LATHROP.
- TRACT 3892, RIVER ISLANDS, PHASE 1B, VILLAGES D AND E, CONTAINS 35 LOTS AND 2 LETTERED PARCELS CONTAINING 5.75 ACRES, MORE OR LESS, INCLUDING ROADWAYS THAT ARE BEING DEDICATED BY THIS FINAL MAP, ALL AS SHOWN ON THIS FINAL MAP (PLEASE REFER TO THE AREA SUMMARY TABLE BELOW):

TRACT 3892 AREA SUMMARY	
LOTS 1 THROUGH 35	4.34 AC±
PARCELS A AND B	0.11 AC±
STREET DEDICATIONS	1.30 AC±
<b>TOTAL</b>	<b>5.75 AC±</b>

- BASED ON INFORMATION CONTAINED IN THE PRELIMINARY TITLE REPORT ORDER NUMBER 1614020554-KB (VERSION 1), DATED NOVEMBER 28, 2018, PROVIDED BY OLD REPUBLIC TITLE COMPANY.

#### CITY SURVEYOR'S STATEMENT

I, LAWRENCE GOSSETT, HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP OF TRACT 3892, RIVER ISLANDS, PHASE 1B, VILLAGES D AND E, CITY OF LATHROP, CALIFORNIA, AND THAT THE SUBDIVISION SHOWN HEREON COMPLIES WITH ALL THE PROVISIONS OF CHAPTER 2 OF THE CALIFORNIA SUBDIVISION MAP ACT, AS AMENDED, AND THAT THIS FINAL MAP IS TECHNICALLY CORRECT.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_.

LAWRENCE GOSSETT, P.E. 31695



#### SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF RIVER ISLANDS DEVELOPMENT, LLC, ON MAY 20, 2016. I HEREBY STATE ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE DECEMBER 31, 2021, AND THAT THE MONUMENTS ARE, OR THAT THEY WILL BE, SUFFICIENT TO ENABLE THIS SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

DATED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 201\_\_.

DYLAN CRAWFORD, P.L.S. NO 7788



#### LEGEND (LEGEND FOR SHEET 3 ONLY)

- FOUND 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R10), (R13) OR (R14), RESPECTIVELY, UNLESS OTHERWISE NOTED
- ⊙ FOUND MONUMENT STAMPED "PLS 7788" PER (R14)
- ⊗ FOUND MONUMENT STAMPED "PLS 7788" PER (R10)
- ⊗ FOUND MONUMENT STAMPED "PLS 7788" PER (R4)
- ⊗ FOUND MONUMENT STAMPED "PLS 7788" PER (R13)
- BOUNDARY
- LOT LINE OR RIGHT-OF-WAY LINE
- EASEMENT LINE
- CENTER LINE
- 200.00' (R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) RECORD DATA PER REFERENCE (R1) - REFER TO REFERENCE LIST ON THIS SHEET
- (M-M) MONUMENT TO MONUMENT
- (R) RADIAL BEARING
- (T) TOTAL
- (H) BOUNDARY
- W.C. WITNESS CORNER OFFSET TO PROPERTY CORNER AS SHOWN
- ① EASEMENT REFERENCE NUMBER - SEE SHEET 3 FOR REFERENCE LIST
- ① 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET PER (R13)
- ② 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET PER (R14)

#### SIGNATURE OMISSIONS

PURSUANT TO SECTION 66436 OF THE CALIFORNIA SUBDIVISION MAP ACT, THE SIGNATURES OF THE FOLLOWING PARTIES HAVE BEEN OMITTED:

- RECLAIMED ISLANDS LAND COMPANY, RESERVATION FOR OIL, GAS, MINERALS, AND OTHER HYDROCARBON SUBSTANCES LYING BELOW A DEPTH OF 500 FEET, PER DOCUMENT NUMBER 2001-046177, S.J.C.R.
- EASEMENTS IN FAVOR OF THE CITY OF LATHROP FOR PUBLIC UTILITY EASEMENT, PUBLIC ACCESS EASEMENT, STORM DRAIN EASEMENT, SANITARY SEWER EASEMENT, AND WATERLINE EASEMENT AS SHOWN ON TRACT 3825 (R14), S.J.C.R.
- EASEMENTS IN FAVOR OF THE CITY OF LATHROP FOR PUBLIC UTILITY EASEMENT AND WALL EASEMENTS AS SHOWN ON TRACT 3826 (R13), S.J.C.R.

#### LINE AND CURVE TABLES FOR COURSES SHOWN ON SHEET 3 ONLY

LINE TABLE			LINE TABLE			LINE TABLE		
LINE	DIRECTION	LENGTH	LINE	DIRECTION	LENGTH	LINE	DIRECTION	LENGTH
L1	NORTH	115.00'	L19	EAST	65.00'	L37	EAST	240.00'
L2	EAST	370.00'	L20	N45°00'00"W	35.36'	L38	NORTH	55.00'
L3	N45°00'00"W	35.36'	L21	NORTH	258.00'			
L4	NORTH	60.00'	L22	EAST	78.00'			
L5	N45°00'00"E	42.43'	L23	NORTH	295.00'			
L6	EAST	365.00'	L24	EAST	65.00'			
L7	NORTH	295.00'	L25	N45°00'00"W	13.19'			
L8	EAST	16.83'	L26	NORTH	77.34'			
L9	NORTH	163.00'	L27	N45°00'00"E	23.09'			
L10	EAST	330.00'	L28	EAST	96.67'			
L11	NORTH	91.97'	L29	NORTH	103.00'			
L12	NORTH	206.83'	L30	EAST	103.67'			
L13	EAST	60.00'	L31	N45°00'00"W	13.19'			
L14	N45°00'00"E	35.36'	L32	NORTH	60.00'			
L15	EAST	130.00'	L33	N45°00'00"E	23.09'			
L16	N45°00'00"W	35.36'	L34	EAST	65.00'			
L17	EAST	60.00'	L35	EAST	65.00'			
L18	N45°00'00"E	35.36'	L36	EAST	240.00'			

CURVE TABLE			
CURVE	RADIUS	DELTA	LENGTH
C1	73.00	99°55'25"	127.31'
C2	87.00	23°15'22"	35.31'
C3	12.00	90°00'00"	18.85'

#### REFERENCES

- RECORD OF SURVEY FILED AUGUST 4, 2004, IN BOOK 35 OF SURVEYS, PAGE 142, AS CORRECTED BY CERTIFICATE OF CORRECTION RECORDED JULY 15, 2005 AS DOCUMENT NUMBER 2005-171264, S.J.C.R. (35 SURVEYS 142)
- GRANT DEED RECORDED APRIL 24, 2015, AS DOCUMENT NUMBER 2015-046193, S.J.C.R.
- TRACT 3704, FILED DECEMBER 20, 2013, IN BOOK 42 OF MAPS AND PLATS, PAGE 4, S.J.C.R. (42 M&P 4)
- TRACT 3796, FILED FEBRUARY 27, 2015, IN BOOK 42 OF MAPS AND PLATS, PAGE 30, S.J.C.R. (42 M&P 30)
- TRACT 3791, FILED MAY 8, 2015, IN BOOK 42 OF MAPS AND PLATS, PAGE 36, S.J.C.R. (42 M&P 36)
- GRANT DEED RECORDED MARCH 30, 2001, AS DOCUMENT NUMBER 2001-046177, S.J.C.R.
- TRACT 3876, FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 56, S.J.C.R. (42 M&P 56)
- GRANT DEED RECORDED APRIL 24, 2015, AS DOCUMENT NUMBER 2015-046191, S.J.C.R.
- NOTICE OF LOT LINE ADJUSTMENT (LLA-16-46) RECORDED JUNE 3, 2016 AS DOCUMENT NUMBER 2016-064002, S.J.C.R.
- TRACT 3827, FILED MAY 24, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 61, S.J.C.R. (42 M&P 61). CERTIFICATE OF CORRECTION RECORDED JUNE 24, 2016, AS DOCUMENT NUMBER 2016-073134, S.J.C.R.
- TRACT 3828, FILED AUGUST 24, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 65, S.J.C.R. (42 M&P 65). CERTIFICATE OF CORRECTION RECORDED AUGUST 31, 2016, AS DOCUMENT NUMBER 2016-102979, S.J.C.R.
- TRACT 3893, FILED JUNE 1, 2017, IN BOOK 42 OF MAPS AND PLATS, PAGE 86, S.J.C.R. (42 M&P 86)
- TRACT 3826, FILED SEPTEMBER 1, 2016, IN BOOK 42 OF MAPS AND PLATS, PAGE 67, S.J.C.R. (42 M&P 67)
- TRACT 3825, FILED MAY 14, 2018, IN BOOK 43 OF MAPS AND PLATS, PAGE 33, S.J.C.R. (43 M&P 33)

**BASIS OF BEARINGS**

THE BEARING OF 'EAST' BETWEEN FOUND MONUMENTS ALONG THE MONUMENT LINE OF ACADEMY DRIVE AS SHOWN ON TRACT 3825, FILED MAY 14, 2018, IN BOOK 43 OF MAPS AND PLATS, AT PAGE 33, OFFICIAL RECORDS OF THE COUNTY OF SAN JOAQUIN, WAS TAKEN AS THE BASIS OF BEARINGS SHOWN ON THIS MAP (ZONE 3, NAD83). ALL DISTANCES SHOWN HEREIN ARE GROUND DISTANCES.

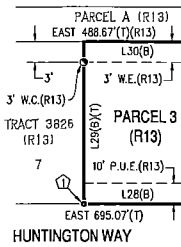
**NOTE**

SEE SHEET 2 FOR ADDITIONAL NOTES, LEGEND, REFERENCES, AND FOR THE LINE AND CURVE TABLES FOR COURSES SHOWN ON THIS SHEET ONLY.

**EASEMENTS**

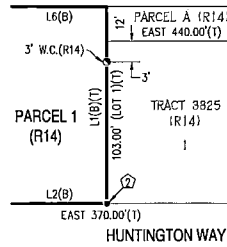
- ① PUBLIC UTILITY EASEMENT, PUBLIC ACCESS EASEMENT, STORM DRAIN EASEMENT, SANITARY SEWER EASEMENT, AND WATERLINE EASEMENT PER TRACT 3825 (R14)
- ② PUBLIC UTILITY EASEMENT PER TRACT 3826 (R13)
- ③ 3' WALL EASEMENT PER TRACT 3826 (R13)

**LAKESIDE DRIVE**

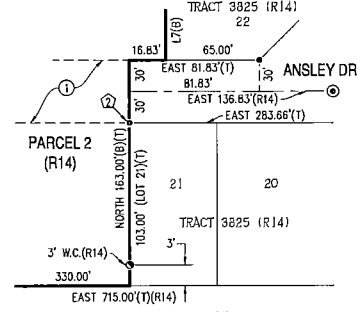


**DETAIL B**  
NOT TO SCALE

**LAKESIDE DRIVE**



**DETAIL C**  
NOT TO SCALE



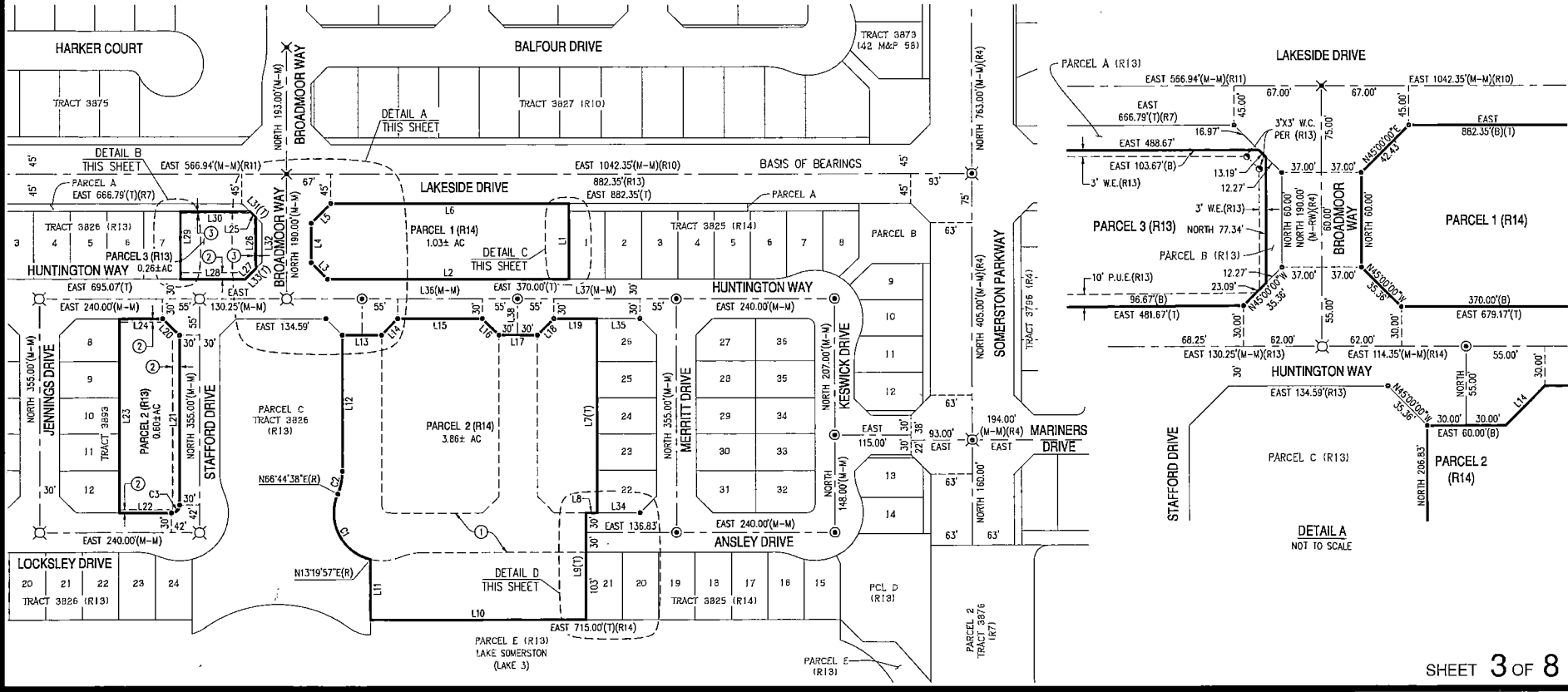
**DETAIL D**  
NOT TO SCALE

**TRACT 3892**  
**RIVER ISLANDS - PHASE 1B**  
**VILLAGES D & E**

A PORTION OF RANCHO EL PESCADERO BEING A SUBDIVISION OF PARCELS 1 AND 2 OF TRACT 3825 (43 M&P 33) AND PARCELS 2 AND 3 OF TRACT 3826 (42 M&P 67) CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA JANUARY 2019



**BOUNDARY SHEET**





# TRACT 3892 RIVER ISLANDS - PHASE 1B VILLAGES D & E

A PORTION OF RANCHO EL PESCADERO BEING  
A SUBDIVISION OF PARCELS 1 AND 2 OF TRACT 3825 (43 MAP 33)  
AND PARCELS 2 AND 3 OF TRACT 3826 (42 MAP 67)  
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA  
JANUARY 2019

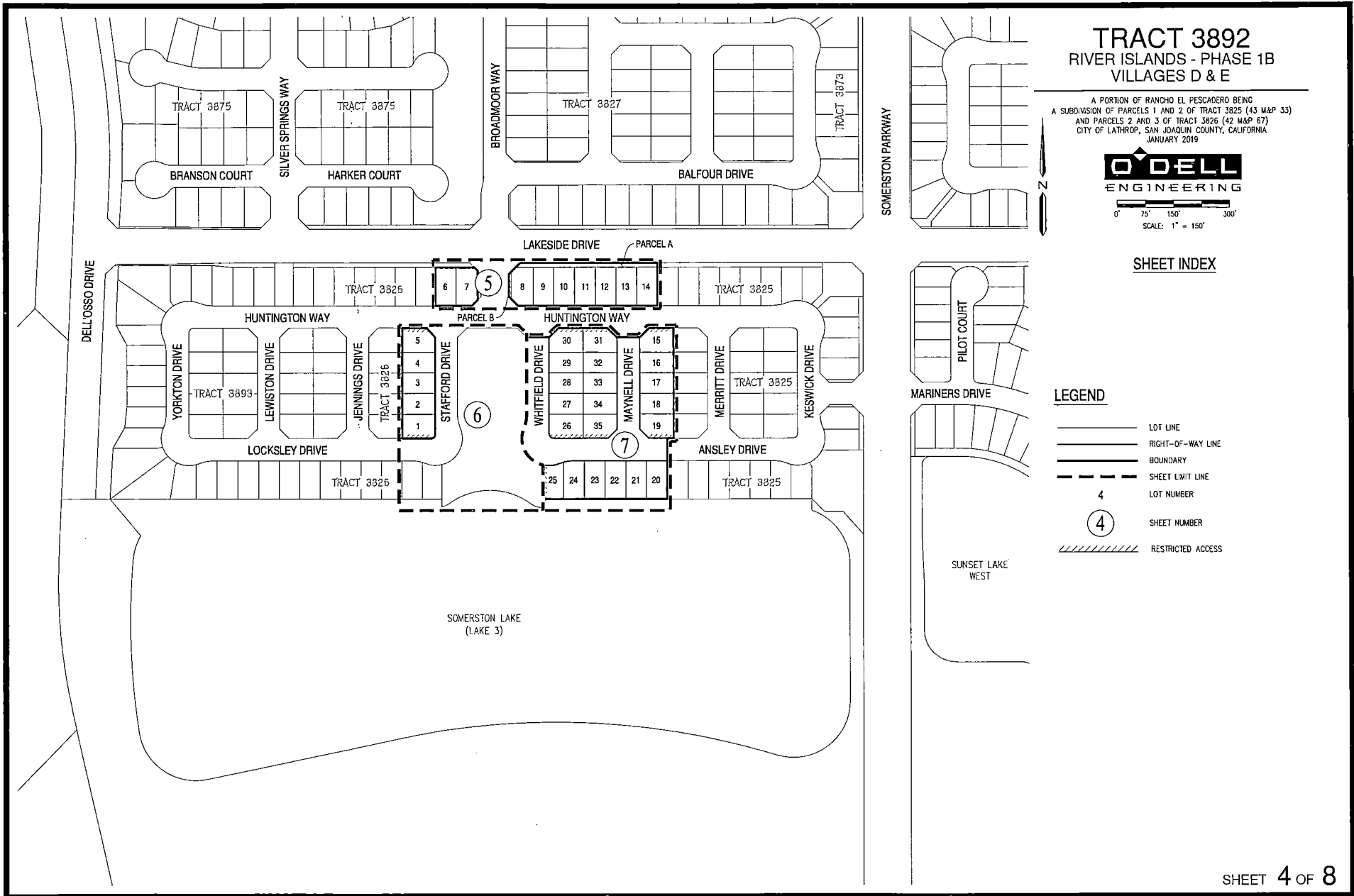


0' 75' 150' 300'  
SCALE: 1" = 150'

## SHEET INDEX

## LEGEND

- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- SHEET LIMIT LINE
- LOT NUMBER
- SHEET NUMBER
- RESTRICTED ACCESS



# TRACT 3892 RIVER ISLANDS - PHASE 1B VILLAGES D & E

A PORTION OF RANCHO EL PASADERO BEING  
A SUBDIVISION OF PARCELS 1 AND 2 OF TRACT 3825 (43 M&P 33)  
AND PARCELS 2 AND 3 OF TRACT 3826 (42 M&P 67)  
CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA  
JANUARY 2019



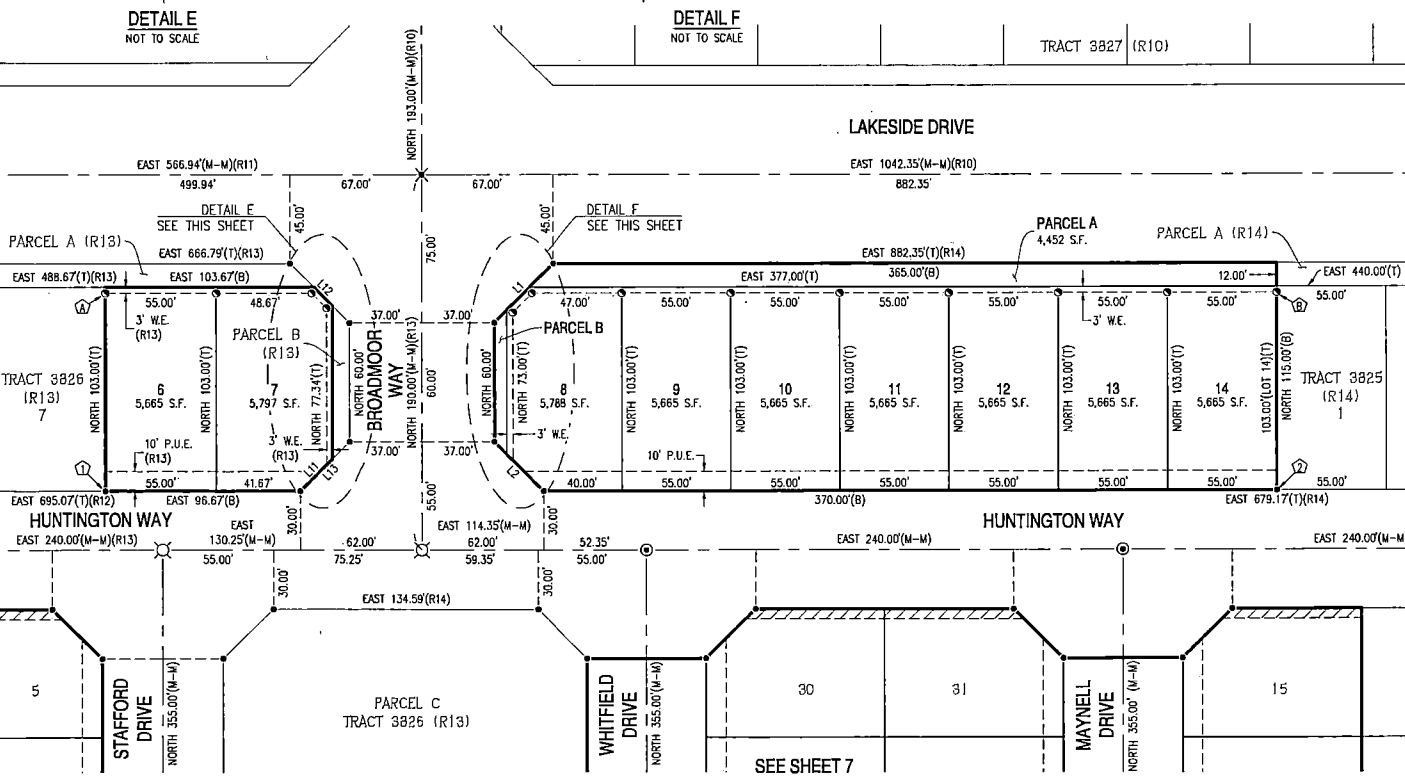
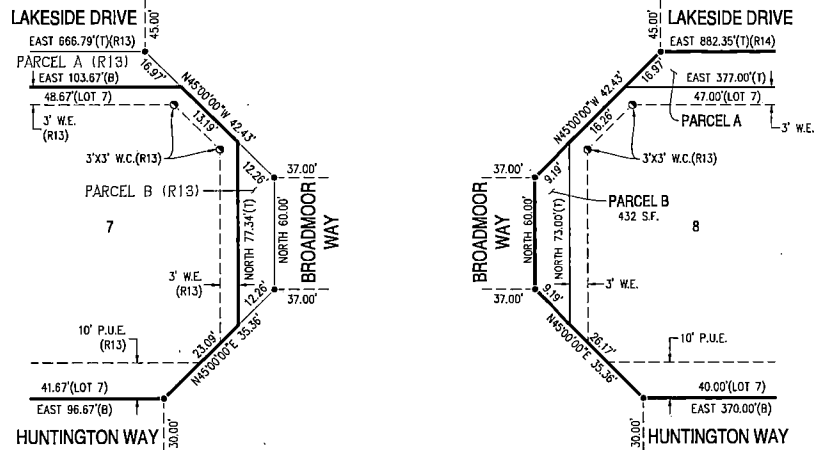
SCALE: 1" = 40'

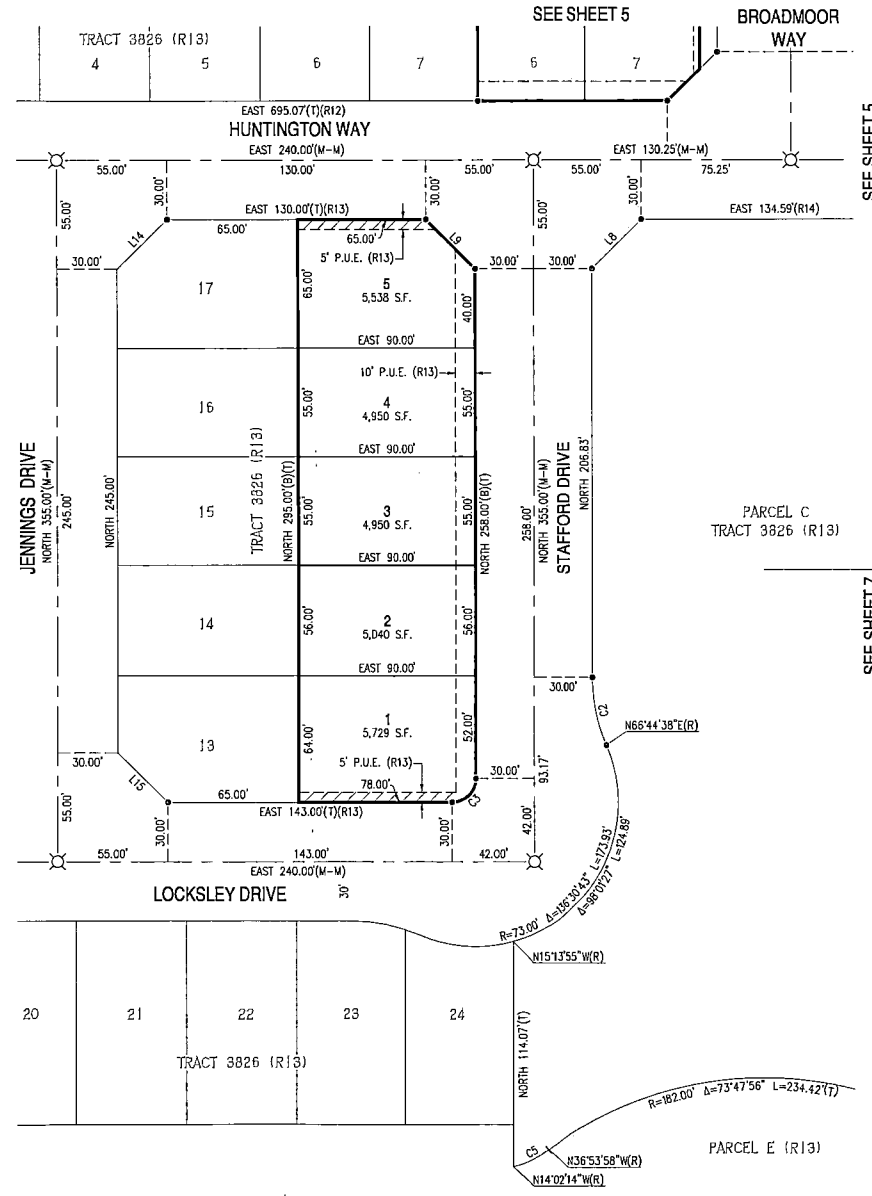
## LEGEND

- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- ⊕ FOUND MONUMENT STAMPED "PLS 7788" PER (R13)
- ⊕ FOUND MONUMENT STAMPED "PLS 7788" PER (R14)
- ⊗ FOUND MONUMENT STAMPED "PLS 7788" PER (R10)
- FOUND 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R10), (R13) OR (R14) RESPECTIVELY, UNLESS OTHERWISE NOTED
- SET 3.00' WITNESS CORNER (W.C.), UNLESS OTHERWISE NOTED, MEASURED ALONG LOT LINE, RADIAL LINE OR PERPENDICULAR TO STREET CENTERLINE AS NOTED. 3/4" x 24" IRON PIPE WITH PLASTIC PLUG "PLS 7788", UNLESS OTHERWISE NOTED.
- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1)- SEE REFERENCE LIST ON SHEET 2
- (R) RADIAL BEARING
- (M-M) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-RW) MONUMENT TO RIGHT OF WAY LINE
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT
- W.E. WALL EASEMENT
- ① EASEMENT REFERENCE NUMBER-SEE SHEET 3 FOR REFERENCE LIST
- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- - - EASEMENT LINE
- MONUMENT LINE
- - - CENTERLINE
- /// RESTRICTED ACCESS
- ⓐ DENOTES WITNESS CORNER ON 3 FOOT OFFSET PER (R13)
- ⓑ DENOTES WITNESS CORNER ON 3 FOOT OFFSET PER (R14)
- ⓐ 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET PER (R13)
- ⓑ 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET PER (R14)

## NOTES

1. 1.17" BRASS DISK STAMPED "PLS 7788" TO BE SET ON CONCRETE SIDEWALK 1.00' INTO THE RIGHT-OF-WAY, ALONG PROLONGATION OF SIDE LOT LINES, OR AS NOTED.
2. 5/8" REBAR WITH CAP "PLS 7788" TO BE SET AT ALL REAR LOT CORNERS, UNLESS OTHERWISE NOTED.
3. SEE SHEET 2 FOR ADDITIONAL NOTES.
4. SEE SHEET 3 FOR EXISTING EASEMENTS, BASIS OF BEARINGS, AND REFERENCES.
5. SEE SHEET 8 FOR LINE AND CURVE TABLES.





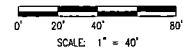
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# TRACT 3892

## RIVER ISLANDS - PHASE 1B

### VILLAGES D & E

A PORTION OF RANCHO EL PESCADERO BEING  
 A SUBDIVISION OF PARCELS 1 AND 2 OF TRACT 3825 (43 MAP 33)  
 AND PARCELS 2 AND 3 OF TRACT 3826 (42 MAP 67)  
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA  
 JANUARY 2019



**LEGEND**

- ⊙ SET STANDARD CITY OF LATHROP MONUMENT WELL STAMPED "PLS 7788"
- SET 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788"
- ⊗ FOUND MONUMENT STAMPED "PLS 7788" PER (R13)
- ⊙ FOUND MONUMENT STAMPED "PLS 7788" PER (R14)
- ⊗ FOUND MONUMENT STAMPED "PLS 7788" PER (R10)
- FOUND 3/4" IRON PIPE WITH PLASTIC PLUG "PLS 7788" PER (R10), (R13) OR (R14) RESPECTIVELY, UNLESS OTHERWISE NOTED
- ⊙ SET 3.00' WITNESS CORNER (W.C.), UNLESS OTHERWISE NOTED, MEASURED ALONG LOT LINE, RADIAL LINE OR PERPENDICULAR TO STREET CENTERLINE AS NOTED. 3/4" x 24" IRON PIPE WITH PLASTIC PLUG "PLS 7788", UNLESS OTHERWISE NOTED.
- 200.00'(R1) MEASURED AND RECORD DATA PER REFERENCE (R1)
- (R1) DENOTES REFERENCE (R1) - SEE REFERENCE LIST ON SHEET 2
- (R) RADIAL BEARING
- (M-M) MONUMENT TO MONUMENT
- (M-B) MONUMENT TO BOUNDARY
- (M-RW) MONUMENT TO RIGHT OF WAY LINE
- (T) TOTAL
- (B) BOUNDARY
- P.U.E. PUBLIC UTILITY EASEMENT
- W.E. WALL EASEMENT
- ① EASEMENT REFERENCE NUMBER-SEE SHEET 3 FOR REFERENCE LIST
- LOT LINE
- RIGHT-OF-WAY LINE
- BOUNDARY
- - - EASEMENT LINE
- - - MONUMENT LINE
- - - CENTERLINE
- ////// RESTRICTED ACCESS
- ⊕ DENOTES WITNESS CORNER ON 3 FOOT OFFSET PER (R13)
- ⊕ DENOTES WITNESS CORNER ON 3 FOOT OFFSET PER (R14)
- ⊕ 1.17" BRASS DISK STAMPED "PLS 7788" ON 1 FOOT OFFSET PER (R13)
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# TRACT 3892

## RIVER ISLANDS - PHASE 1B

### VILLAGES D & E

A PORTION OF RANCHO EL PESCADERO BEING  
 A SUBDIVISION OF PARCELS 1 AND 2 OF TRACT 3825 (43 M&P 33)  
 AND PARCELS 2 AND 3 OF TRACT 3826 (42 M&P 67)  
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA  
 JANUARY 2019



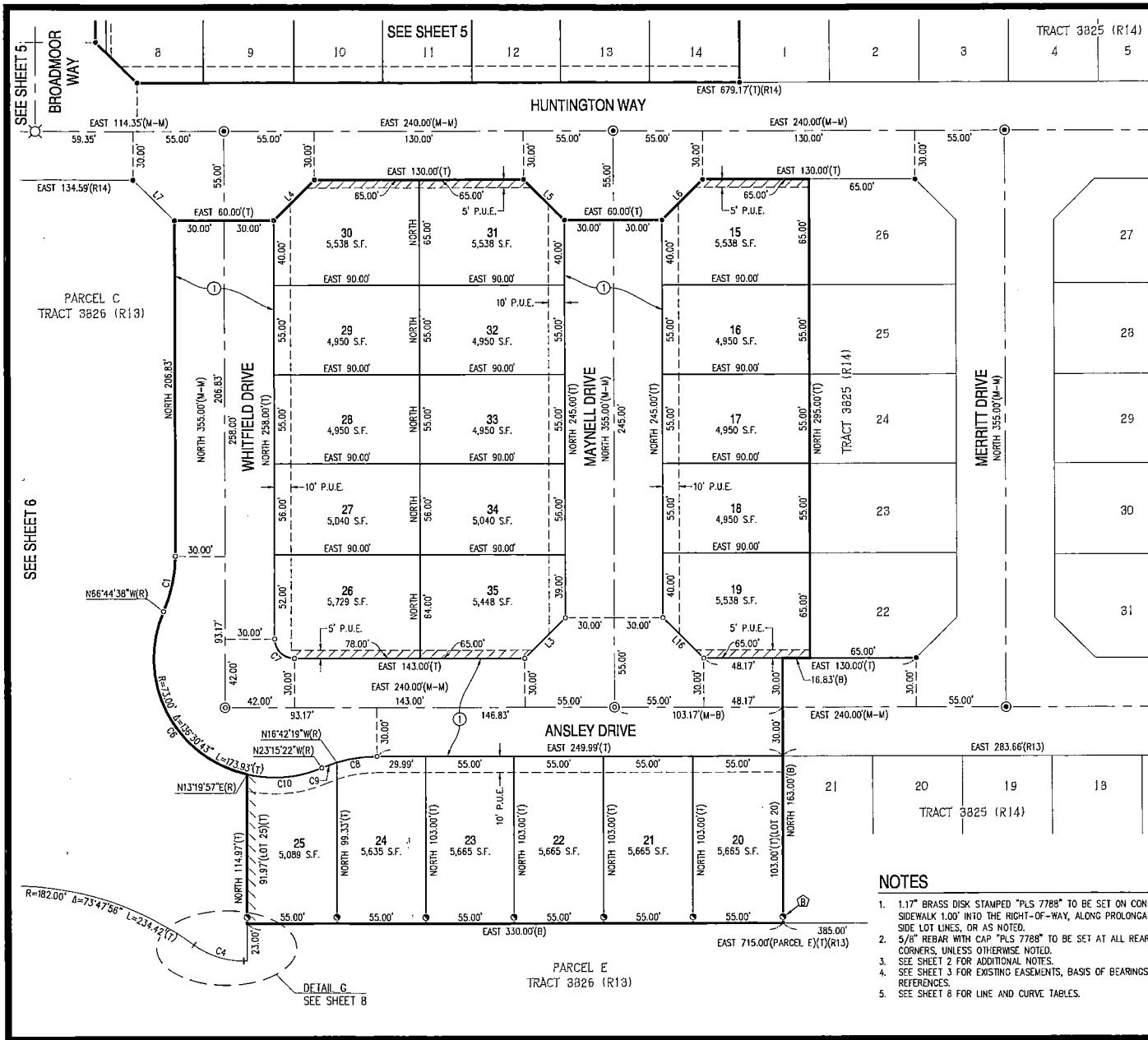
0' 20' 40' 80'  
 SCALE: 1" = 40'

#### LEGEND

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# TRACT 3892

## RIVER ISLANDS - PHASE 1B

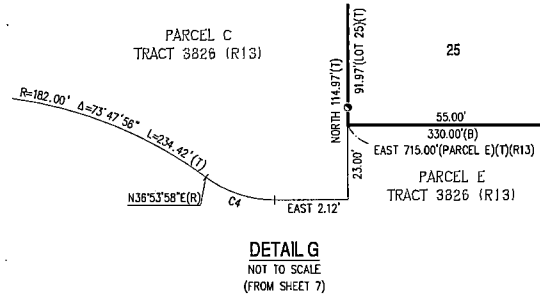
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JANUARY 2019



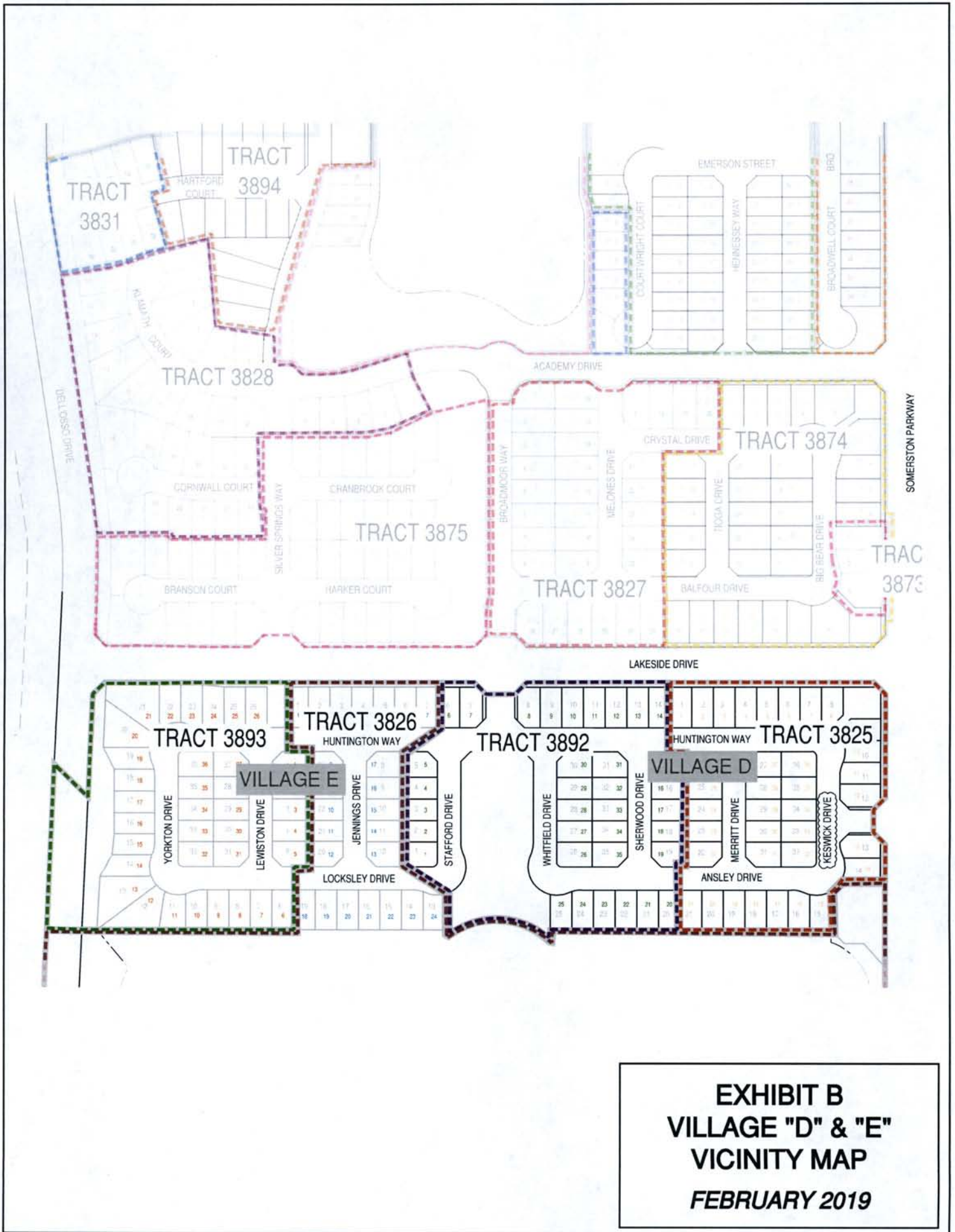
LINE AND CURVE TABLES FOR COURSES SHOWN ON SHEETS 5 THROUGH 7 ONLY

LINE TABLE			CURVE TABLE			
LINE	DIRECTION	LENGTH	CURVE	RADIUS	DELTA	LENGTH
L1	N45°00'00"E	42.43'	C1	87.00	23°15'22"	35.31'
L2	N45°00'00"W	35.36'	C2	87.00	23°15'22"	35.31'
L3	N45°00'00"E	35.36'	C3	12.00	90°00'00"	18.85'
L4	N45°00'00"E	35.36'	C4	50.00	36°53'58"	32.20'
L5	N45°00'00"W	35.36'	C5	50.00	22°51'44"	19.95'
L6	N45°00'00"E	35.36'	C6	73.00	99°56'25"	127.31'
L7	N45°00'00"W	35.36'	C7	12.00	90°00'00"	18.85'
L8	N45°00'00"E	35.36'	C8	87.00	16°42'19"	25.37'
L9	N45°00'00"W	35.36'	C9	87.00	6°33'03"	9.95'
L10	N45°00'00"W	13.19'	C10	73.00	36°35'19"	46.62'
L11	N45°00'00"E	23.09'				
L12	N45°00'00"W	42.43'				
L13	N45°00'00"E	35.36'				
L14	N45°00'00"E	35.36'				
L15	N45°00'00"W	35.36'				
L16	N45°00'00"W	35.36'				



**EXHIBIT B**

**ADJACENT TRACTS TO TRACT 3892**



**EXHIBIT B**  
**VILLAGE "D" & "E"**  
**VICINITY MAP**  
**FEBRUARY 2019**

## **EXHIBIT C**

### **CITY INSURANCE REQUIREMENTS**

1. Subdivider shall obtain commercial general liability insurance companies licensed to do business in the State of California with an A.M. Best Company rating Insurance rating of no less than A:VII which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 for each occurrence and \$2,000,000 in the aggregate.

Said insurance coverage shall be evidenced by a certificate of insurance with policy endorsements, executed by an authorized official of the insurer(s). All parties to the Subdivision Improvement Agreement must be named insured on the policy. The policy endorsements to be attached to the certificate must provide all the following:

a. Name the City of Lathrop, its officers, City Council, boards and commissions, and members thereof, its employees and agents as additional insured as respects to any liability arising out of the activities of the named insured. A CG 2010 or CG 2026 endorsement form or the equivalent is the appropriate form.

b. State that “the insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess of the insurance afforded to the named insured by this policy and shall not contribute to any loss.”

c. Include a statement that, “the insurer will provide to the City of Lathrop at least thirty (30) days prior notice of cancellation or material change in coverage.” The above language can be included on the additional insured endorsement form or on a separate endorsement form.

d. The policy must contain a cross liability or severability of interest clause.

e. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.





# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/08/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Willis Insurance Services of California, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 372305191 USA	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): 1-877-945-7378		<b>FAX (A/C, No):</b> 1-888-467-2378
	<b>E-MAIL ADDRESS:</b> certificates@willis.com		
<b>INSURED</b> River Islands Development, LLC 73 W Stewart Rd Lathrop, CA 95330	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> United Specialty Insurance Company		12537
	<b>INSURER B:</b> Starr Surplus Lines Insurance Company		13604
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
<b>INSURER E:</b>			
<b>INSURER F:</b>			

**COVERAGES**                      **CERTIFICATE NUMBER:** W9905629                      **REVISION NUMBER:**


THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		ATN-SF1811644P	03/19/2018	03/19/2021	EACH OCCURRENCE \$ 2,000,000
	DAMAGE TO RENTED PREMISES (Ea occurrence) \$						
							MED EXP (Any one person) \$
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 2,000,000
							PRODUCTS - COMP/OP AGG \$ 2,000,000
							\$
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input type="checkbox"/> <b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$			BTN1814514W	03/19/2018	03/19/2021	EACH OCCURRENCE \$ 2,000,000
	AGGREGATE \$ 3,000,000						
							\$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	Excess Liability			1000024047	03/19/2018	03/19/2021	Each Occ/Agg: 7,000,000.00

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
RE: Tract 3892 River Islands- Phase 1B Villages D & E

The City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents as additional insured as respects the general liability policy. The insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess of the

**CERTIFICATE HOLDER**                      **CANCELLATION**

The City of Lathrop 390 Towne Centre Drive Lathrop, CA 95330	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

AGENCY CUSTOMER ID: \_\_\_\_\_

LOC #: \_\_\_\_\_



### ADDITIONAL REMARKS SCHEDULE

Page 2 of 2

AGENCY Willis Insurance Services of California, Inc.		NAMED INSURED River Islands Development, LLC 73 W Stewart Rd Lathrop, CA 95330	
POLICY NUMBER See Page 1		EFFECTIVE DATE: See Page 1	
CARRIER See Page 1	NAIC CODE See Page 1		

**ADDITIONAL REMARKS**

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

insurance afforded to the named insured by this policy and shall not contribute to any loss as respects the insured's operations.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents 390 Towne Centre Drive Lathrop, CA 95330	River Islands @ Lathrop Development
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations; whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**UNITED SPECIALTY INSURANCE COMPANY**

**THIS ENDORSEMENT CHANGES THE POLICY – PLEASE READ IT CAREFULLY**

**USIC VEN 016 11 10 07**

**Named Insured: River Islands Development, LLC  
Policy Number: ATN-SF1811644P**

**PRIMARY AND NON-CONTRIBUTING INSURANCE  
(Third Party's Sole Negligence)**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART**

The following is added to Section IV – Commercial General Liability Conditions, Paragraph 4:

**Section IV: Commercial General Liability Conditions**

**4. Other Insurance:**

- d. Notwithstanding the provisions of sub-paragraphs a, b, and c of this paragraph 4, with respect to the Third Party shown below, it is understood and agreed that in the event of a claim or "suit" arising out of the Named Insured's sole negligence, this insurance shall be primary and any other insurance maintained by the additional insured named as the Third Party below shall be excess and non-contributory.

The Third Party to whom this endorsement applies is:

City of Lathrop, its officers, City Council,  
boards and commissions and members thereof,  
its employees and agents  
390 Towne Centre Drive  
Lathrop, CA 95330

Absence of a specifically named Third Party above means that the provisions of this endorsement apply "as required by written contractual agreement with any Third party for whom you are performing work."

All other terms, conditions and exclusions under this policy are applicable to this Endorsement and remain unchanged.

**UNITED SPECIALTY INSURANCE COMPANY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**USIC VEN 078 03 11 07**

**Named Insured: River Islands Development, LLC**

**Policy Number: ATN-SF1811644P**

**THIRD PARTY CANCELLATION NOTICE**

This endorsement shall not serve to increase our limits of insurance, as described in **SECTION III - LIMITS OF INSURANCE.**

This endorsement modifies Conditions provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**If we cancel this policy for any reason other than nonpayment of premium, we will mail notification to the persons or organizations shown in the schedule below (according to the number of days listed below) once the Named Insured has been notified.**

**If we cancel this coverage for nonpayment of premium, we will mail a copy of such written notice of cancellation to the name and address below at least 10 days prior to the effective date of such cancellation.**

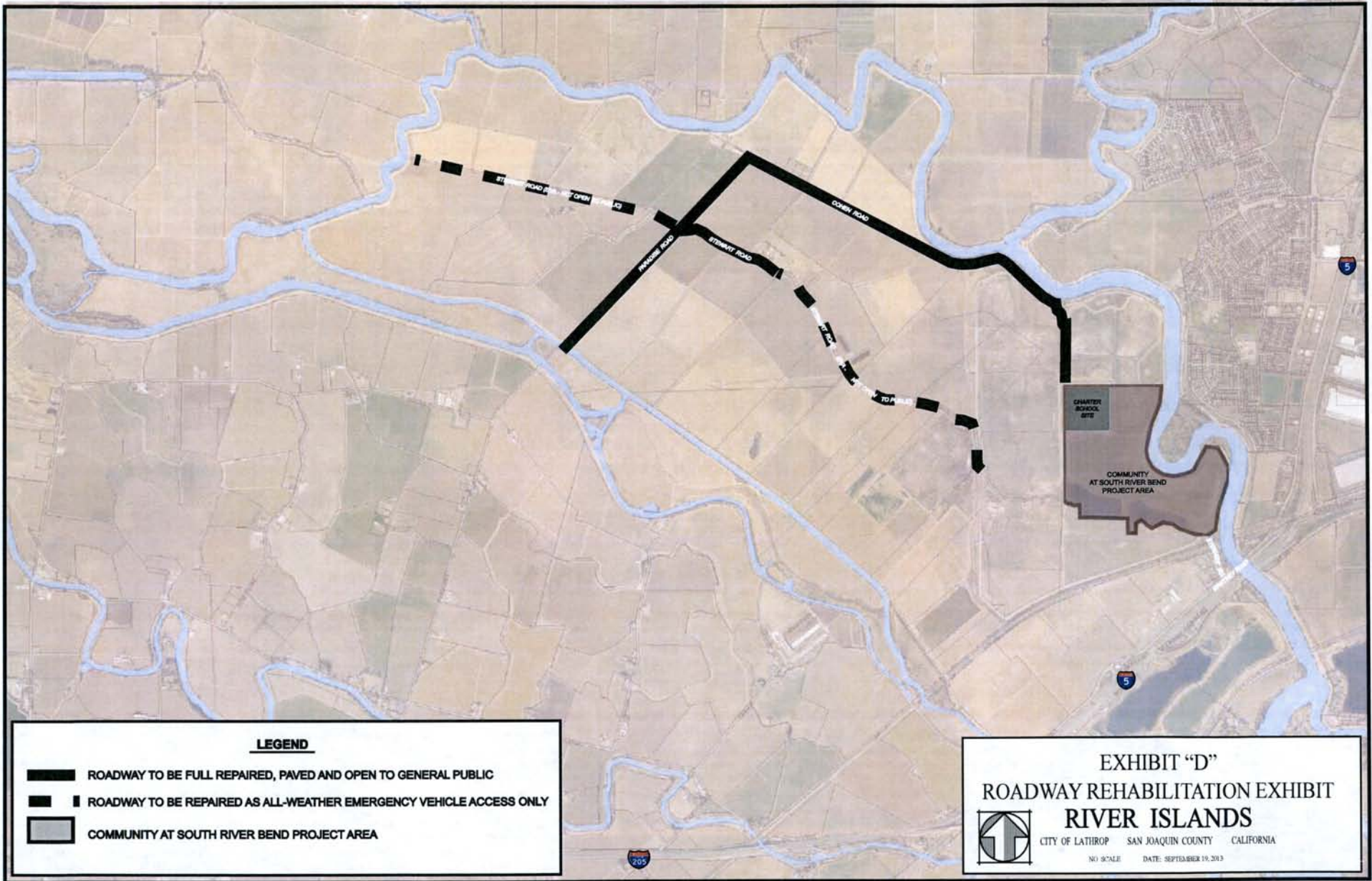
**Our failure to provide such advance notification will not extend the policy cancellation date nor negate cancellation of the policy.**

**SCHEDULE**




<b><u>Name and Address of Other Person/Organization</u></b>	<b><u>Number of Days Notice</u></b>
City of Lathrop, its officers, City Council, boards and commissions and members thereof, its employees and agents 390 Towne Centre Drive Lathrop, CA 95330	30 Days

All other terms, conditions and exclusions under this policy are applicable to this Endorsement and remain unchanged.

**EXHIBIT D**  
**COHEN/PARADISE/STEWART REHABILITATION MAP**



**LEGEND**

-  ROADWAY TO BE FULL REPAIRED, PAVED AND OPEN TO GENERAL PUBLIC
-  ROADWAY TO BE REPAIRED AS ALL-WEATHER EMERGENCY VEHICLE ACCESS ONLY
-  COMMUNITY AT SOUTH RIVER BEND PROJECT AREA

**EXHIBIT "D"**  
**ROADWAY REHABILITATION EXHIBIT**  
**RIVER ISLANDS**  
 CITY OF LODI | SAN JOAQUIN COUNTY | CALIFORNIA  
 NO SCALE | DATE: SEPTEMBER 19, 2013



**EXHIBIT E**  
**RIPFA SET-ASIDE LETTER**

**RIVER ISLANDS PUBLIC FINANCING AUTHORITY**

73 W. STEWART ROAD  
LATHROP, CALIFORNIA 95330

TEL: (209) 879-7900

January 14, 2019

Glenn Gebhardt, City Engineer  
City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

**Subject: Substitution of Security – Unfinished Improvements within Stage 1B of River Islands at Lathrop (“Set-Aside Letter”) - Extension**

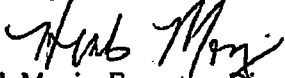
Dear Glenn:

On April 23, 2018, River Islands Financing Authority (RIPFA) provided the City with a substitution of security for unfinished improvements within Stage 1B of the River Islands at Lathrop project (“Set-Aside Letter”); a copy is attached. Under the terms of the Set-Aside letter, funds were set-aside in the RIPFA construction fund for completion of thermoplastic striping within various tracts in the East Village (Stage 1B) area. The Set-Aside Letter will expire on January 15, 2019, unless extended.

This letter serves as a request to extend the Set-Aside Letter to August 1, 2019. Due to scheduling conflicts and weather, the striping could not be completed within the original timeframe. It is our understanding that either River Islands Development, LLC or Reclamation District No. 2062 would be completing this work this spring/summer.

Should you agree to the extension as requested, please sign and date as provided on the next page. Should you have any questions regarding this Letter of Guarantee, please contact me at number shown.

Sincerely,



Herb Moniz, Executive Director  
River Islands Public Financing Authority

cc: Susan Dell’Osso, Project Director, River Islands Development, LLC  
William C. Scott, Chief Finance Officer, River Islands Development, LLC  
John Peck, Construction Manager, River Islands Development, LLC  
Michael Krill, Controller, River Islands Development, LLC  
Ramon Batista, RD 2062

Attachment: April 23, 2018 Set-Aside Letter

I Accept in Behalf of the City of Lathrop the Terms and Conditions  
of this Letter of Guarantee Extension:

*Glenn Gebhardt*

Glenn R. Gebhardt, City Engineer

*Jan. 15, 2019*

Date

**RIVER ISLANDS PUBLIC FINANCING AUTHORITY**

73 W. STEWART ROAD  
LATHROP, CALIFORNIA 95330

TEL: (209) 879-7900

April 23, 2018

Glenn Gebhardt, City Engineer  
City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

**Subject: Substitution of Security – Unfinished Improvements within Stage 1B of River Islands at Lathrop (“Set-Aside Letter”)**

Dear Glenn:

As you are aware, River Islands Development, LLC (“Developer”) has recently substantially completed improvements within most of the tracts (villages) of the East Village District of River Islands, as well as Village G within the Community at South River Bend area. All but one of these tracts have performance and labor and materials bonds that have been posted by the Developer with associated Subdivision Improvement Agreements and/or Encroachment Permits (“Previous Security”). Tract 3835 (Village N) has not yet associated with a final map filing and therefore, does not have performance bonds posted. However, since a map is imminent for this area, this Set-Aside Letter would cover this tract as well.

RIPFA is providing the set-aside letter in behalf of the Developer since RIPFA has provided the public funding for the construction of the improvements with issuance of bonds and resulting proceeds from RIPFA Community Facilities Districts (CFDs), including CFD 2015-1. Construction of the improvements has been performed either by the Developer through an acquisition agreement with RIPFA or by public bid of Reclamation District 2026, a member agency of RIPFA. The City entered into a Joint Community Facilities Agreement (JCFA) with RIPFA in November 2015, which provides the process to which the City accept these improvement for public use.

Since the Previous Security covered all or a majority of the value of improvements necessary to be constructed, the Developer feels it is unnecessary to carry the cost to maintain the cost of the Previous Security, since only thermoplastic striping remains for full completion and ultimate City acceptance of the improvements. As a result, the Developer has requested the Authority provide alternative security for the remaining unfinished improvements in-lieu of Previous Security previously provided to the City. We believe that that this “set-aside” letter will provide adequate guarantee to the City for items listed below.

This Set-Aside Letter would be substituted for security previously provided and in-lieu of security required for Village N as follows:

Bond Description	Bond Number	Performance Bond Amount	Labor & Mat. Bond Amount	Remaining Improvements Value	Set-Aside Security Amount
Tract 3840, et. al. (Village G)	SU1124681	\$775,000.00	\$775,000	\$6,440	\$11,592
Tract 3873, et. al. (Village A)	SU1124682	\$2,742,000.00	\$2,742,000.00	\$4,440	\$7,992
Tract 3828, et. al. (Village F)	0681483	\$356,160.00	\$ 178,080		
Tract 3826, et. al. (Villages D&E)	0681484	\$1,119,720.00	\$ 559,860	\$4,365	\$7,857
Tract 3832, et. al. (Villages J&K)	0681485	\$2,070,480.00	\$1,035,240	\$1,430	\$2,574
Tract 3834, et. al. (Village M)	0681491	\$2,237,040.00	\$1,118,520	\$1,905	\$3,429
Tract 3836, et. al. (Village O)	0681492	\$656,040.00	\$328,020	\$2,405	\$4,329
Tract 3829, et. al. (Village H)	0681490	\$444,480	\$222,240	\$1,820	\$3,276
Tract 3838, et. al. (Village Q)	0681502	\$190,800	\$95,400	\$1,905	\$3,429
Tract 3835 (Village N)	N/A	N/A	N/A	\$4,673	\$8,411
Total Amount of Set-Aside Letter					\$52,889

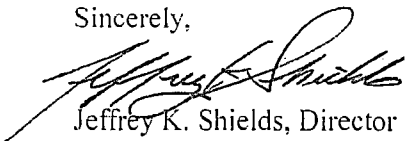
This Set-Aside Letter would provide security for 180% of the value of total remaining thermoplastic striping for all affected tracts.

Under the terms of this Letter of Guarantee, RIPFA shall hold the funds as stated herein in a restricted account until December 31, 2018, or until such time that all striping within the tracts are completed and the final improvements accepted, whichever comes first. Should all of the improvements not be accepted by the City by December 31, 2018 and the deadline is not extended by the City, RIPFA shall cause one of the following to occur:

1. RIPFA shall use the funds set aside in the Improvement Fund to complete the remaining thermoplastic striping under existing contracts to perform the work within 180 days; or
2. RIPFA shall withdraw the funds from the set aside monies in the Improvement Fund and, by January 15, 2019, provide these funds to perform the work.

RIPFA shall retain the discretion to choose between the two options as outlined above. As confirmation of the terms and conditions of this Letter of Guarantee, please sign and date this letter as shown on the next page. Should you have any questions regarding this Letter of Guarantee, please contact me at number shown.

Sincerely,



Jeffrey K. Shields, Director  
River Islands Public Financing Authority

- cc: Susan Dell'Osso, Project Director, River Islands Development, LLC  
William C. Scott, Chief Finance Officer, River Islands Development, LLC  
John Peck, Construction Manager, River Islands Development, LLC  
Michael Krill, Controller, River Islands Development, LLC

I Accept in Behalf of the City of Lathrop the Terms and Conditions of this Letter of Guarantee:



\_\_\_\_\_  
Glenn R. Gebhardt, City Engineer

4/26/18

\_\_\_\_\_  
Date

**EXHIBIT "F"**

**VILLLAGES D AND E IMPROVEMENT ESTIMATE**

ENGINEER'S OPINION OF PROBABLE COST  
**RIVER ISLANDS - PHASE 1B**  
**TRACT 3825 & 3826**  
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

September 8, 2015  
 Job No.: 25501-40

Item	Description	Quantity	Unit	Unit Price	Amount
<b><u>STREET WORK</u></b>					
1	Fine Grading	368,890	SF	\$ 0.40	\$ 147,556.00
2	3.0" AC Paving	2,480	SF	\$ 1.50	\$ 3,720.00
3	4.5" AC Paving	192,910	SF	\$ 2.25	\$ 434,047.50
4	7" Aggregate Base	2,480	SF	\$ 0.70	\$ 1,736.00
5	8" Aggregate Base	192,910	SF	\$ 0.80	\$ 154,328.00
6	Vertical Curb and Gutter <i>(with AB cushion)</i>	4,120	LF	\$ 17.00	\$ 70,040.00
7	Rolled Curb and Gutter <i>(with AB cushion)</i>	6,870	LF	\$ 16.00	\$ 109,920.00
8	Type F Median Curb <i>(with AB cushion)</i>	240	LF	\$ 20.00	\$ 4,800.00
9	Concrete Sidewalk	58,020	SF	\$ 4.00	\$ 232,080.00
10	Driveway Approach	133	EA	\$ 400.00	\$ 53,200.00
11	Handicap Ramps	25	EA	\$ 1,500.00	\$ 37,500.00
12	Survey Monuments	18	EA	\$ 300.00	\$ 5,400.00
13	Traffic Striping & Signage	6,120	LF	\$ 5.00	\$ 30,600.00
14	Remove Existing Street Barricade	2	EA	\$ 500.00	\$ 1,000.00
15	Conformance to Existing Road	2	EA	\$ 5,000.00	\$ 10,000.00
Subtotal Street Work					\$ 1,295,927.50
<b><u>STORM DRAIN</u></b>					
16	Catch Basins <i>(type A inlet)</i>	3	EA	\$ 2,500.00	\$ 7,500.00
17	Catch Basins <i>(type A inlet over type I manhole base)</i>	30	EA	\$ 3,500.00	\$ 105,000.00
18	Catch Basins <i>(type A inlet over type II manhole base)</i>	1	EA	\$ 7,500.00	\$ 7,500.00
19	15" Storm Drain Pipe	2,120	LF	\$ 35.00	\$ 74,200.00
20	18" Storm Drain Pipe	1,120	LF	\$ 40.00	\$ 44,800.00
21	24" Storm Drain Pipe	990	LF	\$ 60.00	\$ 59,400.00
22	30" Storm Drain Pipe	490	LF	\$ 75.00	\$ 36,750.00
23	36" Storm Drain Pipe	90	LF	\$ 95.00	\$ 8,550.00
24	Manholes <i>(type I)</i>	3	EA	\$ 3,000.00	\$ 9,000.00
25	Manholes <i>(type II)</i>	2	EA	\$ 7,500.00	\$ 15,000.00
26	Connect to Existing	1	EA	\$ 1,500.00	\$ 1,500.00
Subtotal Storm Drain					\$ 369,200.00
<b><u>SANITARY SEWER</u></b>					
27	8" Sanitary Sewer Pipe	3,980	LF	\$ 26.00	\$ 103,480.00
28	12" Sanitary Sewer Pipe	1,680	LF	\$ 40.00	\$ 67,200.00
29	Manholes	21	EA	\$ 3,200.00	\$ 67,200.00
30	Sewer Service	131	EA	\$ 700.00	\$ 91,700.00
31	Connect to Existing	1	EA	\$ 1,000.00	\$ 1,000.00
Subtotal Sanitary Sewer					\$ 330,580.00
<b><u>WATER SUPPLY</u></b>					
32	8" Water Line <i>(including all appurtenances)</i>	6,400	LF	\$ 30.00	\$ 192,000.00
33	Water Service	131	EA	\$ 900.00	\$ 117,900.00
34	Fire Hydrants	10	EA	\$ 5,000.00	\$ 50,000.00
35	Connect to Existing	2	EA	\$ 3,000.00	\$ 6,000.00
36	2" Water Service Stub	5	EA	\$ 2,000.00	\$ 10,000.00
Subtotal Water Supply					\$ 375,900.00



Item	Description	Quantity	Unit	Unit Price	Amount
<b><u>ELECTRICAL</u></b>					
37	Electroliers (Assumed every 150')	42	EA	\$ 5,000.00	\$ 210,000.00
38	Joint Trench	6,120	LF	\$ 125.00	\$ 765,000.00
Subtotal Electrical					\$ 975,000.00
<b><u>MISCELLANEOUS</u></b>					
39	Parkway Landscape Strip	79,730	SF	\$ 5.00	\$ 398,650.00
40	Median Landscaping	890	SF	\$ 5.00	\$ 4,450.00
41	EVA Parcel	5,200	SF	\$ 5.00	\$ 26,000.00
42	Landscape (Parcel A1)	470	SF	\$ 5.00	\$ 2,350.00
43	Landscape (Parcel A5)	600	SF	\$ 5.00	\$ 3,000.00
44	Landscape (Parcel A6)	440	SF	\$ 5.00	\$ 2,200.00
45	Landscape (Parcel A41)	330	SF	\$ 5.00	\$ 1,650.00
46	Landscape (Parcel A61)	8,450	SF	\$ 5.00	\$ 42,250.00
Subtotal Miscellaneous					\$ 403,100.00
<b>SUBTOTAL CONSTRUCTION COST</b>					<b>\$ 3,749,707.50</b>
<b>20% CONTINGENCY</b>					<b>\$ 749,941.50</b>
<b>TOTAL CONSTRUCTION COST (nearest \$1,000)</b>					<b>\$ 4,500,000.00</b>
<b>COST PER LOT</b>					<b>\$ 34,091.00</b>

Notes:

- 1) In-Tract roadway sections and landscape parcels are per the Tract 3694 Amended Vesting Tentative Map.
- 2) Unit prices are based on estimated current construction costs and no provision for inflation is included.
- 3) It is assumed that the cost of dewatering is included in the unit of the utility pipelines.

**JOINT ESCROW INSTRUCTIONS  
RECORDATION OF FINAL MAPS  
(RIVER ISLANDS AT LATHROP)**

**ATTACHMENT** D <sup>69</sup>

January 24, 2018

**Via Email and First Class Mail**

Old Republic Title Company  
3558 Deer Park Drive, Suite 103  
Stockton, CA 95219  
Attn: Karen Sayles

**Re: Recordation of Final Map 3892; Escrow No. 1614020554**

Dear Karen:

This letter constitutes the joint escrow instructions ("**Escrow Instructions**") of River Islands Development, LLC, a California limited liability company ("**RID**"), and the City of Lathrop ("**City**") in connection with the above-referenced escrow ("**Escrow**"). The Escrow was opened in connection with recordation of the above-referenced final map ("**Final Map**"). Recordation of the Final Map is subject to the conditions set forth below. The transactions described in these Escrow Instructions are referred to as the "**Transaction**." Old Republic Title Company is referred to as "you" or "**ORTC**."

**A. Date for Closings**

The Final Map will be recorded at the time designated by RID as set forth below. The Final Map can only be recorded after the City has approved the map in writing. The closing date for the Transaction is intended to occur by December 31, 2019, at the time designated in writing by RID, subject to satisfaction of the conditions set forth below (each a "**Closing**"). If the Final Map has not been recorded by December 31, 2020, ORTC will return the Final Map to the City.

**B. Documents to be Delivered and Recordation Documents**

In connection with the Transaction, you have in your possession or will receive the following documents from City for recordation in the Official Records of San Joaquin County, California ("**Official Records**").

B.1. One original Final Map for Tract 3892, executed and acknowledged by the City.

The documents listed in Items B.1 above are referred to as the "**Recordation Documents**." The Recordation Documents shall be recorded in the order referred to above. The date on which the Recordation Documents are recorded in the Official Records is the Recordation Date.

# JOINT ESCROW INSTRUCTIONS RECORDATION OF FINAL MAPS (RIVER ISLANDS AT LATHROP)

## C. Funds and Settlement Statement

You also have received, or will receive from RID, prior to the recordation of the Recordation Documents, in immediately available funds, the following amounts, in accordance with the settlement statement prepared by you and approved in writing by both RID and City ("**Settlement Statement**"): recordation costs, escrow fees and other amounts as set forth in the Settlement Statement. Such costs, fees and other amounts are the sole responsibility of RID.

C.1 Funds to be wire transferred directly to the entity set forth below, immediately upon recordation of the Final Map, in accordance with the wire transfer instructions for each entity are set forth below:

- The amount of **\$17,687.00**, payable to the City pursuant to that certain Agreement to Settle Litigation Regarding River Islands at Lathrop, as amended ("**Sierra Club Agreement**"), constituting the amount of **\$3,076** multiplied by **5.75 acres** (or portion thereof) included in the Final Map, is to be transferred to the City upon recordation of the Final Map. The City's wire instructions are set forth below.

The amounts set forth in Section C are referred to as the "**Closing Funds.**"

## D. Closing Requirements

When the following has occurred, you are authorized to close the Escrow at the time(s) and in accordance with the process set forth below:

D.1. You have delivered copies of your Settlement Statement by email transmission to: Susan Dell'Osso ([sdelloso@riverislands.com](mailto:sdelloso@riverislands.com)), Debbie Belmar ([dbelmar@riverislands.com](mailto:dbelmar@riverislands.com)), Stephen Salvatore ([ssalvatore@ci.lathrop.ca.us](mailto:ssalvatore@ci.lathrop.ca.us)), Salvador Navarrete ([snavarrete@ci.lathrop.ca.us](mailto:snavarrete@ci.lathrop.ca.us)), Cari James ([cjames@ci.lathrop.ca.us](mailto:cjames@ci.lathrop.ca.us)) and Glenn Gebhardt ([ggebhardt@ci.lathrop.ca.us](mailto:ggebhardt@ci.lathrop.ca.us)), and have confirmation (by telephone or email) from Susan Dell'Osso and Stephen Salvatore or Glenn Gebhardt that the Settlement Statement is accurate and acceptable.

D.2. You have not received any instructions contrary to these Escrow Instructions.

D.3. The Recordation Documents and all other documents described herein as being held by you or delivered to you have been received by you and have been fully executed and, where applicable, acknowledged, and you have attached all legal descriptions or have confirmed that all exhibits and legal descriptions are attached.

D.4. You are prepared to record the Recordation Documents, as designated, release funds in accordance with the Settlement Statement and complete the Transaction in compliance with these Escrow Instructions.

## **JOINT ESCROW INSTRUCTIONS RECORDATION OF FINAL MAPS (RIVER ISLANDS AT LATHROP)**

D.5. You have delivered a copy of these instructions, executed by an authorized signatory of ORTC with authority to bind ORTC, and initialed all pages, by email transmission (with original hard copy to follow by U.S. Mail) to Debbie Belmar and Glenn Gebhardt at the email addresses set forth above.

D.6. You have received confirmation (by email or other writing) from Susan Dell'Osso and Stephen Salvatore or Glenn Gebhardt to record the Recordation Documents and complete the Transaction.

### **E. Closing Process and Priorities**

When you have fully satisfied all of the closing requirements set forth in Section D, then you are authorized and instructed to do the following in the chronological order given:

E.1. Date the Recordation Documents to be recorded.

E.2. Record the Recordation Documents in the Official Records.

E.3. Pay the costs associated with the Transaction.

E.4. Refund any funds delivered to you by RID that are not disbursed at the time of the final Closing pursuant to these Escrow Instructions to the following entity and address:

River Islands Development, LLC  
73 W. Stewart Road  
Lathrop, CA 95330  
Attn: Susan Dell'Osso

E.5. Notify Susan Dell'Osso, Debbie Belmar, Stephen Salvatore, Glenn Gebhardt and Jose Molina (JMolina@sjgov.org) of the completion of the Transaction.

E.6. Within five (5) business days after each Recordation Date, deliver by overnight delivery via recognized, national, overnight delivery carrier to: (1) Susan Dell'Osso, River Islands Development, LLC, 73 W. Stewart Road, Lathrop, CA 95330; and (2) Mr. Salvador Navarrete, City Attorney, City of Lathrop, 390 Towne Centre Drive, Lathrop, CA 95330:

(A) A certified copy of the Recordation Documents, showing all recording information of the Recordation Documents; and

(B) A certified copy of the final Settlement Statement.

### **F. Additional Instructions**

When assembling the final documents, signature pages from all parties shall be inserted into each respective final document in creating fully executed counterparts.

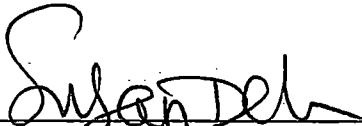
Please acknowledge receipt of these instructions and your agreement to act as Escrow agent in connection with this Transaction in accordance with these Escrow Instructions,

**JOINT ESCROW INSTRUCTIONS  
RECORDATION OF FINAL MAPS  
(RIVER ISLANDS AT LATHROP)**

The Escrow Instructions may be modified only in a writing signed by both of the undersigned.

Very truly yours,

\_\_\_\_\_  
Stephen J. Salvatore  
City Manager  
City of Lathrop

  
\_\_\_\_\_  
Susan Dell'Osso  
President  
River Islands Development, LLC

**ESCROW INSTRUCTIONS  
ACKNOWLEDGEMENT AND AGREEMENT:**

Receipt of the foregoing Escrow Instructions from RID and the City is hereby acknowledged. The undersigned agrees, for itself, and on behalf of ORTC, to proceed in strict accordance with these Escrow Instructions. The undersigned represents and warrants to RID and the City that the undersigned is authorized to execute this Acknowledgement and Agreement, for itself, and on behalf of ORTC.

Old Republic Title Company

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

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**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM:** **APPROVE IMPROVEMENTS TO CRYSTAL COVE PARK AND DEDICATION OF CRYSTAL COVE PARK PARCEL FROM RIVER ISLANDS DEVELOPMENT, LLC AND SUBSEQUENT DEDICATION OF CRYSTAL COVE PARK TO RECLAMATION DISTRICT 2062**

**RECOMMENDATION:** **Adopt Resolution Accepting Improvements to Crystal Cove Park and Dedication of Crystal Cove Park Parcel from River Islands Development, LLC and Approve Subsequent Dedication of Crystal Cove Park Parcel to Reclamation District 2062**

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**SUMMARY:**

The Third Amendment to the River Islands Development Agreement allowed River Islands Public Financing Agency (RIPFA) or Reclamation District 2062 (RD 2062) to own, operate and maintain Wet Parks (parks adjacent to water) within the River Islands project. However, the City needs to be allowed to take the property back if it is not adequately maintained. To accomplish this, staff is asking Council for approval to accept improvements to Crystal Cove Park and dedication of Crystal Cove Park from River Islands Development Company, LLC and subsequently dedicate Crystal Cove Park to RD 2062, with retaining right of reverter to allow the property to be re-conveyed to the City if it is not adequately maintained by RD 2062.

**BACKGROUND:**

Crystal Cove Park is located within the East Village District of River Islands as described in the West Lathrop Specific Plan and River Islands Urban Design Concept. It is depicted on the attached location map (Attachment "B"). Crystal Cove Park is described as "Parcel B" within the Final Map of River Islands Tract 3832.

On October 7, 2013, Lathrop City Council approved the Third Amendment to the 2003 Amended and Restated Development Agreement by and between City of Lathrop and Califia, LLC (Third Amendment to the DA). That Third Amendment to the DA allowed River Islands Public Financing Agency (RIPFA) or Reclamation District 2062 (RD 2062) to own, operate and maintain Wet Parks (parks adjacent to water), provided the maintenance would comply with or exceed then-existing, adopted City standards. The plan is for RD 2062 to own the land, and for RIPFA to maintain Crystal Cove Park with funds collected from River Islands' homes via a RIPFA Community Facilities District. However, Crystal Cove would remain a City park, and the City would operate programs and establish hours of operation.

**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
APPROVE IMPROVEMENTS TO AND DEDICATION OF CRYSTAL COVE PARK PARCEL  
FROM RIVER ISLANDS DEVELOPMENT, LLC AND SUBSEQUENT DEDICATION OF  
CRYSTAL COVE PARK TO RECLAMATION DISTRICT 2062**

To protect the City from liability, the City and RD 2062 entered into an indemnity Agreement dated September 30, 2013 as required in the Third Amendment to the DA.

To clarify maintenance responsibilities, the City and RIPFA entered into a Maintenance Agreement on September 30, 2013 to assign maintenance responsibility to RIPFA for public facilities, including Wet Parks. This Maintenance Agreement referenced existing adopted City maintenance standards. This Maintenance Agreement also confirmed formation by RIPFA of a Community Facilities District 2013-01 to fund the obligations undertaken pursuant to that Maintenance Agreement. Section 1.2, "Failure to Perform" of the Maintenance Agreement detailed City's right to maintain the Public Facilities, the City's responsibility to notify RIPFA of the specific deficiencies and the actions required to be taken by RIPFA, and provided RIPFA thirty (30) days within which to commence, and thereafter diligently correct, remedy or cure the deficiency.

The City desires to acquire a right of reverter, or the right to take the Crystal Cove Park property back if it is not adequately maintained by RIPFA. The process is for the park land to be dedicated to the City, who will then dedicate it to RD 2062, but include the right to take the property back if it is not adequately maintained.

River Islands Development, LLC (RID) dedicated real property (Crystal Cove Park) to the City to be used solely for recreational purposes, specifically as a public park, in compliance with entitlements and approvals associated with "Parcel B" within the Final Map of River Islands Tract 3832, and all other applicable law, for the benefit of residents of the City of Lathrop, County of San Joaquin, State of California.

The City of Lathrop will subsequently deed Crystal Cove Park to Reclamation District 2062 (Attachment C), retaining a right of reverter in the event the park is not adequately maintained. There is no intent for the City to hold title to the property for any length of time.

Construction of Crystal Cove Park was guaranteed in the Subdivision Improvement Agreement approved by Council for Tract 3832. Performance and Labor/Materials Bonds were provided to the City to guarantee completion of these improvements, and will be released by the City upon acceptance of the improvements. A maintenance bond is not required because the park is being dedicated to RD 2062.

**REASON FOR RECOMMENDATION:**

The attached Resolution (Attachment "A") would authorize staff to accept the improvements to Crystal Cove Park and accept dedication of Crystal Cove Park parcel from River Islands Development, LLC to the City of Lathrop.



**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING****APPROVE IMPROVEMENTS TO AND DEDICATION OF CRYSTAL COVE PARK PARCEL FROM RIVER ISLANDS DEVELOPMENT, LLC AND SUBSEQUENT DEDICATION OF CRYSTAL COVE PARK TO RECLAMATION DISTRICT 2062**

That Resolution would also authorize staff to subsequently dedicate Crystal Cove Park to Reclamation District 2062 for their ownership, while retaining a right of reverter.

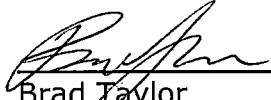
**FISCAL IMPACT:**

There is no budget impact to the City. All City costs are covered by development fees. Maintenance and operation costs for Crystal Cove Park are funded by RIPFA for maintenance Community Facilities District 2013-01.

**ATTACHMENTS:**

- A. Resolution Accepting Improvements to Crystal Cove Park and Dedication of Crystal Cove Park Parcel from River Islands Development, LLC and Approve Subsequent Dedication of Crystal Cove Park Parcel to Reclamation District 2062
- B. Location Exhibit Map
- C. Deed of Crystal Cove Park from City of Lathrop to Reclamation District 2062

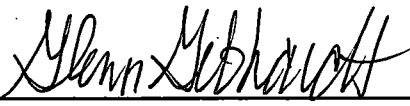
**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**APPROVE DEDICATION OF CRYSTAL COVE PARK PARCEL FROM RIVER ISLANDS**  
**DEVELOPMENT, LLC AND SUBSEQUENT DEDICATION OF CRYSTAL COVE PARK TO**  
**RECLAMATION DISTRICT 2062**  
**APPROVALS:**

  
\_\_\_\_\_  
Brad Taylor  
Associate Engineer

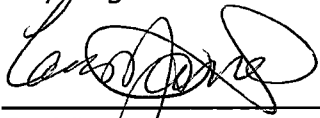
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Date

  
\_\_\_\_\_  
Michael King  
Assistant Public Works Director

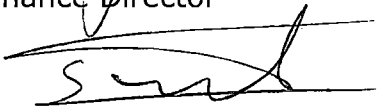
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Glenn Gebhardt  
City Engineer

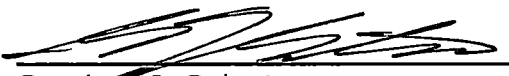
2-6-19  
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Date

  
\_\_\_\_\_  
Cari James  
Finance Director

2/4/19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-6-19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2-2-19  
\_\_\_\_\_  
Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
ACCEPTING IMPROVEMENTS TO CRYSTAL COVE PARK AND  
DEDICATION OF CRYSTAL COVE PARK PARCEL FROM RIVER ISLANDS  
DEVELOPMENT, LLC AND APPROVE SUBSEQUENT DEDICATION OF  
CRYSTAL COVE PARK PARCEL TO RECLAMATION DISTRICT 2062**

**WHEREAS**, on August 1<sup>st</sup>, 2016, the City Council approved the Final Map of Tract 3832 for a residential development that is consistent with the West Lathrop Specific Plan (WLSP) and the River Islands Urban Design Concept (UDC); and

**WHEREAS**, Crystal Cove Park, is part of the East Village District of River Islands as described in the UDC, and is covered by the Final Map of Tract 3832, located on the west side of the San Joaquin River, north of Union Pacific Railroad; and

**WHEREAS**, on October 7, 2013, Lathrop City Council approved the Third Amendment to the 2003 Amended and Restated Development Agreement by and between City of Lathrop and Califia, LLC (Third Amendment); and

**WHEREAS**, the Third Amendment revised Section 5.02.03(d) "Ownership and Operation of Public Facilities" of that Development Agreement, to recognize that River Islands Public Financing Agency (RIPFA) or Reclamation District 2062 (RD 2062) would own, operate and maintain Wet Parks (as defined therein), provided the maintenance shall comply with or exceed then-existing, adopted City standards, with the understanding that the City may operate programs and establish hours of operation at Wet Parks; and

**WHEREAS**, it was decided that RD 2062 would own the property, and RIPFA would perform the maintenance for them so, the City and RIPFA entered into a Maintenance Agreement on September 30, 2013 to assign RIPFA maintenance responsibility for certain public facilities, including Wet Parks, and that Maintenance Agreement attached and referenced existing adopted City maintenance standards; and

**WHEREAS**, the Maintenance Agreement also confirmed formation by RIPFA of a Community Facilities District 2013-01 to fund the obligations undertaken pursuant to that Maintenance Agreement, and Section 1.2, "Failure to Perform", detailed City's right to maintain the Public Facilities and of the City's responsibility to notify RIPFA of the specific deficiencies and the actions required to be taken by RIPFA, and provided RIPFA thirty (30) days within which to commence, and thereafter diligently correct, remedy or cure the deficiency; and

**WHEREAS**, the City also needs to retain the right to force RD 2062 to re-convey Crystal Cove Park to the City in the event RIPFA the agency does not remedy or cure the specific maintenance deficiencies identified; and

**WHEREAS**, the City and RD 2062 entered into an indemnity Agreement dated September 30, 2013 as required in the Third Amendment to the DA; and

**WHEREAS**, River Islands Development, LLC (RID) has agreed to deed real property (Crystal Cove Park) to City to be used solely for recreational purposes, specifically as a public park, in compliance with entitlements and approvals associated with the Final Map of Tract 3832, and all other applicable law, for the benefit of residents of the City of Lathrop, County of San Joaquin, State of California; and

**WHEREAS**, the City of Lathrop is willing to subsequently deed Crystal Cove Park to Reclamation District 2062 to be used solely for recreational purposes, specifically as a public park, while including two conditions: 1) RD 2062 shall re-convey the property to the City of Lathrop if the City makes a determination that pursuant to Government Code Section 66477.5 the same public purpose for which the property was dedicated does not exist, or the property or any portion thereof is not needed as a public park, and 2) RD 2062 shall re-convey the property to the City of Lathrop if the City makes a determination that pursuant to Section 1.2 of the Maintenance Agreement, "Failure to Perform", RIPFA fails to commence within thirty (30) days, and thereafter diligently correct, remedy or cure the specific maintenance deficiency identified by the City in writing; and

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Lathrop that the improvements to Crystal Cove Park are hereby accepted, and dedication of the 3.1-acre Crystal Cove Park Parcel from River Islands Development, LLC is hereby accepted;

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the subsequent dedication by the City of the 3.1-acre Crystal Cove Park Parcel to Reclamation District 2062, is also approved and is intended to be recorded immediately after acceptance of the Crystal Cove Park Parcel to the City.

The foregoing resolution was passed and adopted this 11<sup>th</sup> day of February 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Sonny Dhaliwal, Mayor

**APPROVED AS TO FORM:**

**ATTEST:**

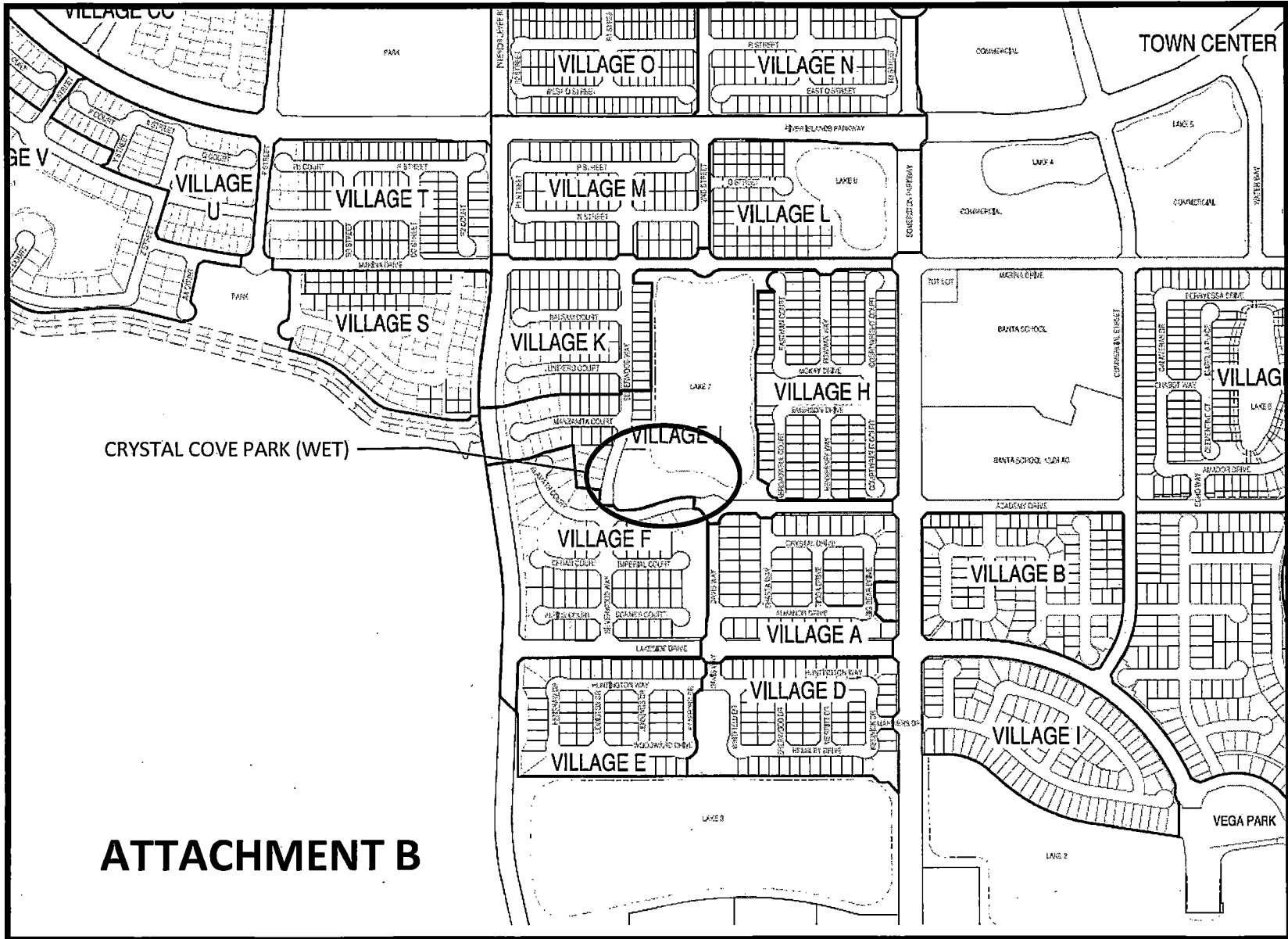
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Teresa Vargas, City Clerk



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Salvador Navarrete, City Attorney



**ATTACHMENT B**

RECORDING REQUESTED

BY: Old Republic Title

Company

Order No.: APN:

When Recorded Mail Document and Tax Statements to: SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

Islands Reclamation District  
No. 2062  
73 W. Stewart Road  
Lathrop, CA 95330

**Grant Deed**

The undersigned grantor(s)  
declare(s): Documentary  
Transfer Tax is  
( ) computed on full value of property conveyed, or  
( ) computed on full value less of liens and encumbrances  
remaining at time of sale. ( ) Unincorporated area: (X) City of  
Lathrop

FOR A VALUABLE CONSIDERATION, receipt of which is hereby  
acknowledged, City of Lathrop, a municipal corporation

hereby GRANT(S) to  
Island Reclamation District No. 2062,

that property in the City of Lathrop, San Joaquin County, State of California,  
described as follows: "Parcel B" within the River Islands Final Map of Tract  
3832.

The City of Lathrop deeds Crystal Cove Park to Island Reclamation District 2062  
to be used solely for recreational purposes, specifically as a public park, while  
including two conditions: 1) RD 2062 shall re-convey the property to the City of  
Lathrop if the City makes a determination that pursuant to Government Code  
Section 66477.5 the same public purpose for which the property was dedicated  
does not exist, or the property or any portion thereof is not needed as a public  
park, and 2) RD 2062 shall re-convey the property to the City of Lathrop if the  
City makes a determination that pursuant to Section 1.2 of the Maintenance  
Agreement, "Failure to Perform", RIPFA fails to commence within thirty (30)  
days, and thereafter diligently correct, remedy or cure the specific maintenance  
deficiency identified by the City in writing.

Date: \_\_\_\_\_

The City of Lathrop,  
a municipal subdivision of the State of California

By: \_\_\_\_\_  
Name  
Its:

State of \_\_\_\_\_

County of \_\_\_\_\_

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

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and  
official seal.

Signature \_\_\_\_\_

Name \_\_\_\_\_  
(typed or printed)

(Area reserved for official notarial seal)



**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM:** PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, CALIFIA, LLC, AND RIVER ISLANDS DEVELOPMENT, LLC.

**RECOMMENDATION:** Council to Consider the Following:

1. Hold a Public Hearing; and
2. Introduce and Conduct the First Reading of an Ordinance to Adopt the Fifth Amendment to the Development Agreement Between the City of Lathrop, Califia, LLC, and River Islands Development, LLC. (The Fifth Amendment Will Address Wastewater and Potable Water Allocations for the Project, On-going Monitoring of Actual Wastewater and Potable Water Usage, and Restate Commitments of the Project to Water Conservation.)

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**SUMMARY:**

This item was continued from the January 14, 2019 City Council Regular meeting.

In 2003, Califia, LLC and the City entered into the 2003 Amended and Restated Development Agreement (the "2003 Agreement") to cover a master plan of development for the River Islands master planned community (the "Project"). The 2003 Agreement has been updated four times in the past, the most recent in March 2015 with the Fourth Amendment.

The City and the River Islands development entities (Califia, LLC, River Islands Development, LLC and the Cambay Group, collectively, "Developer") wish to amend the 2003 Agreement for a fifth time. The Fifth Amendment will address wastewater and potable water allocations for the Project, on-going monitoring of actual wastewater and potable water usage, and restate commitments of the Project to water conservation.

Staff recommends the City Council introduce and conduct the First Reading of an Ordinance to adopt the Fifth Amendment to the Development Agreement between the City of Lathrop, Califia, LLC, and River Islands Development, LLC.

**BACKGROUND:**

In 2005, the original 2003 Development Agreement was amended to add provisions relating to a sewer agreement between Califia, the City and certain Mossdale Landing developers. In 2012, the 2003 Agreement was amended a second time to update the land area subject to the agreement, clarify responsibilities for building and maintaining infrastructure, and extend the term of the Agreement.

**CITY MANAGERS REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
RIVER ISLANDS 5<sup>TH</sup> DA AMENDMENT**

**PAGE 2**

In 2013, the 2003 Development Agreement was amended a third time ("Third Amendment") to (1) confirm the current properties that are burdened and benefited by the 2003 Agreement; (2) establish a Fiscal Impact Model and an annual fiscal review process; (3) to further clarify financial responsibilities for the building and maintenance of infrastructure; (4) establish maintenance Community Facility Districts (CFD's) to guarantee maintenance of infrastructure; (5) establish a Lathrop Irrigation District (LID) right-of-way fee; and (6) confirm the Recycled Water Reimbursement payment from the 2005 Sprayfield Agreement, the Sierra Club Settlement Agreement payment and the required deposit to cover the cost of police services being disputed between River Islands and the City that would all be placed into escrow to allow approval of the initial Final Maps. In March 2015, the City Council approved a Fourth Amendment to the 2003 Agreement clarifying River Islands' police services funding obligation.

The City of Lathrop, Califia, LLC and River Islands Development, LLC, the successor in interest to the Cambay Group, Inc. desire to amend the 2003 Agreement a fifth time ("Fifth Amendment" included as Attachment A). The Fifth Amendment seeks to update the allocation method for wastewater and potable water for the River Islands project. The Fifth Amendment would also include a provision to monitor actual wastewater flows from River Islands specific sewer pump stations and recommit to future water conservation measures. The City has determined that wastewater flows have trended downward City wide, especially in River Islands. For residential uses, the City allocates wastewater treatment capacity in Equivalent Capacity Units or "ECU's", with each ECU being equivalent to the capacity of one single family residential dwelling. This number has trended downward since the initial construction of the Lathrop Consolidated Treatment Facility ("LCTF"), from 288 gallons per day (gpd), to 260 gpd to as of very recently, 200 gpd. Since the actual measurement of wastewater flows generated from the River Islands Project can be isolated from other parts of the City and measured at its pump stations, the allocation may be changed in the future as development in the area continues. Also, the Fifth Amendment would retroactively adjust all prior allocations of ECU's for River Islands to 200 gpd starting with the first dwelling constructed in the Project in 2014.

If approved, the Fifth Amendment would obligate both the City and River Islands to monitor and report on the actual measurement of wastewater flows into the City sewer system. If there are changes over time that are observed, either Party shall have the right to request an adjustment to the ECU allocation for the Project, subject to verification by the other Party, limited to only one such request within two calendar years. Any such review will take into account the concentration (Biological Oxygen Demand) of the current sewer effluent to confirm that the Lathrop collection system and the Combined Treatment Facility can handle the higher strength effluent without additional treatment or dilution before any future reductions can be approved.

**CITY MANAGERS REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
RIVER ISLANDS 5<sup>TH</sup> DA AMENDMENT**

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In regard to potable water, River Islands shall develop a Water Conservation Plan in accordance with adopted conditions of approval for the Vesting Tentative Map Tract No. 3694 ("VTM 3694"). Additionally, for residential uses, the City allocates potable water capacity in Equivalent Capacity Units or "ECU's", with each ECU being equivalent to the capacity of one single family residential dwelling. If the Fifth Amendment is approved, the City will allocate ECUs for the Project based upon the actual measurement of water flows (as measured from water meters) generated from the Project over time and adjust the number of gallons per day ("gpd") of each ECU accordingly. As of August 2018, the City has adjusted the water allocation per ECU to 430 gpd for all areas of the City, including River Islands. Further, the City shall retroactively adjust all prior allocations of ECU's for water to 430 gpd for the Project starting with the first dwelling constructed in the Project in 2014. The City shall base future ECU water allocations beyond the initial allocation upon the actual measurement of water flows. This will include the separate review of meters for residential uses. The intent of the Water Conservation Plan is to reduce the volume of water used per ECU. Implementation of that Conservation Plan should result in lowered water usage, and that lower usage will be reflected in the required potable water to be provided for each future ECU. At any time thereafter, either Party shall have the right to request an adjustment to the ECU allocation for the Project, subject to verification by the other Party, limited to only one such request in two calendar years. Any resulting adjustments are exclusive to this Project and shall not affect any other development area of the City.

On December 19, 2018, the Planning Commission adopted PC Resolution #18-32 finding that the proposed Development Agreement Amendment is consistent with the Lathrop General Plan and West Lathrop Specific Plan, and recommended the City Council approve the Fifth Amendment to the Development Agreement between the City of Lathrop, Califia, LLC, and River Islands Development, LLC.

**CEQA REVIEW AND PUBLIC NOTICE:**

The finding of consistency with the General Plan is not subject to the California Environmental Quality Act (CEQA) pursuant to Article 5 §15061 (b) (3) by the "General Rule" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The proposed action does not authorize any specific construction; it is only a finding of consistency to the General Plan.

In February 2003, the City Council certified the Final Subsequent Environmental Impact Report (SEIR) for the River Islands at Lathrop project (State Clearinghouse No. 1993112027), approved the Project, and filed a Notice of Determination with the San Joaquin County Clerk. The certified SEIR included environmental analysis of physical development of the entire 4,905-acre River Islands project area, including a range of residential, commercial, employment, recreational and open space uses, as well as potential environmental effects of the ongoing construction, operation and maintenance of development infrastructure, in accordance with CEQA.

**CITY MANAGERS REPORT  
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RIVER ISLANDS 5<sup>TH</sup> DA AMENDMENT**

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Since certification of the SEIR, the City has adopted six addendums updating and making minor revisions to the SEIR in conjunction with Project amendments in 2005, 2007, 2012, 2014, 2015 and 2018. The 2018 addendum indicated that there were no substantial changes to the Project, no other known substantial changes, or new information of substantial importance related to the Project that would suggest that the Project would create any new or more severe significant environmental effects than were addressed in the certified SEIR.

The City is considering a proposed Fifth Amendment to the 2003 Agreement to redefine the allocation of wastewater and water obligations and rights of the Developer and City with respect to the Project. The Fifth Amendment affirms the geographic area covered by the 2003 Agreement as amended but has no other physical relationship to the Project. The Fifth Amendment does not involve any direct physical effect on the environment and may therefore qualify for an exemption from CEQA review under the general rule. The provisions of the Fifth Amendment would not directly or indirectly alter the physical nature of the River Islands project and, thereby, alter its potential environmental impacts. The certified SEIR therefore continues to satisfy CEQA requirements for the River Islands at Lathrop project. As a result, the proposed Fifth Amendment does not require additional CEQA review.

A Notice of Public Hearing was advertised in the Manteca Bulletin on January 3, 2019. The City Council meeting agenda was posted at the Council Chamber bulletin board and various designated posting locations in the City accessible to the public 72 hours prior to the meeting as required by law. As of the writing of this report, no comments were received in favor or against the proposed project.

**RECOMMENDATION:**

The Planning Commission and staff recommend that the City Council consider all information provided and submitted, take and consider all public testimony and, if determined to be appropriate, take the following action:

Introduce and conduct the First Reading of an Ordinance to adopt the Fifth Amendment to the Development Agreement between the City of Lathrop, Califia, LLC, and River Islands Development, LLC. The Fifth Amendment will address wastewater and potable water allocations for the Project, on-going monitoring of actual wastewater and potable water usage, and restate commitments of the Project to water conservation.

**CITY MANAGERS REPORT  
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RIVER ISLANDS 5<sup>TH</sup> DA AMENDMENT**

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**COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

The proposed project promotes Economic Growth by supporting and encouraging development, and promotes Team Work between the public, Council and City staff by working together to share the same vision.

**FISCAL IMPACT:**


All application processing fees and costs are charged to the applicant. The request has no fiscal impact to the City.

**ATTACHMENTS:**

1. Ordinance Approving the 5<sup>th</sup> DA Amendment
2. Fifth Amendment to the River Islands Development Agreement
3. Planning Commission Resolution# 18-32

**CITY MANAGERS REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
RIVER ISLANDS 5<sup>TH</sup> DA AMENDMENT**

**APPROVALS:**



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Rick Caguiat  
Principal Planner

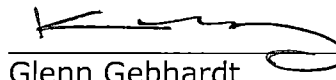
1/29/19  
Date



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Mark Meissner  
Community Development Director

1-29-19  
Date



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Glenn Gebhardt  
City Engineer

1-30-19  
Date



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Salvador Navarrete  
City Attorney

1-30-19  
Date



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Stephen J. Salvatore  
City Manager

2-5-19  
Date

**ORDINANCE NO. 19-**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP  
APPROVING THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT  
BETWEEN THE CITY OF LATHROP, CALIFIA, LLC AND RIVER ISLANDS  
DEVELOPMENT, LLC.**

**WHEREAS**, the City of Lathrop City Council held a duly noticed public hearing to consider the Fifth Amendment to the River Islands Development Agreement pursuant to the Lathrop Municipal Code; and

**WHEREAS**, the proposed site is located within the Stewart Tract area of the West Lathrop Specific Plan (River Islands at Lathrop Master Planned Community), more specifically situated northwest of Interstate 5 and bounded on the east by the San Joaquin River, to the north by Old River, to the south by the Union Pacific Railroad; and

**WHEREAS**, in February 2003, the City Council approved the 2003 Amended and Restated Development Agreement for the River Islands Project (as amended by the First Amendment to Amended and Restated Development Agreement dated July 12, 2005, the "Development Agreement"); and

**WHEREAS**, in November 2012, the City of Lathrop City Council approved the Second Amendment to the Development Agreement; and

**WHEREAS**, in September 2013, the City of Lathrop approved the Third Amendment to the Development Agreement; and

**WHEREAS**, in March 2015, the City of Lathrop approved the Fourth Amendment to the Development Agreement; and

**WHEREAS**, Califia, LLC, a California limited liability company ("Califia") and River Islands Development, LLC, a California limited liability company ("RID") together as developer of the River Islands at Lathrop project ("Project") have applied for approval of a Fifth Amendment to the Development Agreement ("Fifth Amendment"); and

**WHEREAS**, California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within its jurisdiction; and

**WHEREAS**, the proposed Fifth Amendment has been reviewed by City staff and City Attorney, and is recommended by the Planning Commission for approval; and

**WHEREAS**, a Notice of Public Hearing was advertised in the Manteca Bulletin on January 3, 2019 in accordance with the Government Code and Lathrop Municipal Code as required by law; and

**WHEREAS**, the City Council has reviewed all written evidence and oral testimony presented to date.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council finds that the text of the Fifth Amendment is consistent with the 2003 West Lathrop Specific Plan and Lathrop General Plan as amended, since there is no resultant change in zoning, land use standards or other similar regulations, and that no additional review of the Fifth Amendment is required under the California Environmental Quality Act (CEQA) because:

- a. The proposed DA amendment involves organizational and financial matters that have no potential for a direct or indirect physical effect on the environment.
- b. The potential environmental effects of the River Islands at Lathrop project have been and continue to be addressed in the certified Final Subsequent Environmental Impact Report (SEIR) for the River Islands at Lathrop project (State Clearinghouse No. 1993112027).
- c. The proposed DA amendment would not alter the physical nature of the River Islands project or its potential environmental impacts.
- d. There is no known evidence of substantial changes or new information that would suggest that the River Islands project would have new or more severe environmental effects than were addressed in the certified SEIR.
- e. The economic concerns addressed by the DA amendment do not constitute significant environmental effects under CEQA (CEQA Guidelines 15131) and therefore are not proper subjects for CEQA review.
- f. The finding of general plan and specific plan conformity made by the Planning Commission is not subject to the California Environmental Quality Act (CEQA) pursuant to Article 5 §15061 (b) (3) by the "General Rule" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The proposed action does not authorize any specific construction; it is only a finding of consistency to the General Plan.



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

**Section 1.**

The City Council finds that the proposed Fifth Amendment to the Development Agreement between the City of Lathrop, Califia, LLC, and River Islands Development, LLC, included as Attachment #2 of the Staff Report is consistent with the Lathrop General Plan and West Lathrop Specific Plan.

**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 the application thereof to any person or circumstance is held invalid, the remainder of the Ordinance, including the application of such part or provision to other persons or circumstances shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Ordinance are severable. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases be held unconstitutional, invalid, or unenforceable.

**Section 4.**

This Ordinance shall take legal effect 30 days from its adoption.

**Section 5.**

Within fifteen days of the adoption of this Ordinance, the city Clerk shall cause a copy of this Ordinance to be published in full accordance with Section 36933 of the Government Code.

**Section 6.**

The Mayor is hereby authorized to execute said Development Agreement Amendment for and on behalf of the City once this ordinance takes effect.

**THIS ORDINANCE** was regularly introduced at a meeting of the City Council of the City of Lathrop on the 11<sup>th</sup> day of February 2019, and was PASSED AND ADOPTED at a regular meeting of the City Council of the City of Lathrop on the 11<sup>th</sup> day of March 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

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Teresa Vargas, City Clerk



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Salvador Navarrete, City Attorney

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

Teresa Vargas  
City Clerk  
City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

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(Above Space for Recorder's Use Only)

FIFTH AMENDMENT  
TO 2003 AMENDED AND RESTATED DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE CITY OF LATHROP  
AND  
CALIFIA, LLC

THIS FIFTH AMENDMENT TO 2003 AMENDED AND RESTATED DEVELOPMENT AGREEMENT (the "Fifth Amendment") is entered into this 11<sup>th</sup> day of February, 2019 by and between the CITY OF LATHROP, a municipal corporation (the "City"), CALIFIA, LLC, a California limited liability company ("Califia") and RIVER ISLANDS DEVELOPMENT, LLC, a California limited liability company ("RID"), successor in interest to The Cambay Group, Inc., a California corporation ("Cambay"). Califia and RID are collectively referred to hereinafter as "Califia."

RECITALS

A. The City, Cambay and Califia entered into that certain 2003 Amended and Restated Development Agreement (the "Original Agreement") dated as of February 4, 2003 and recorded on March 31, 2003 in the Official Records of San Joaquin County (the "Official Records") as Document No. 2003-069319, as amended by that certain First Amendment to 2003 Amended and Restated Development Agreement By and Between the City of Lathrop and Califia, LLC dated as of July 12, 2005 and recorded on October 19, 2005 in the Official Records as Document No. 2005-260875 (the "First Amendment"), and as further amended by that certain Second Amendment to 2003 Amended and Restated Development Agreement By and Between the City of Lathrop and Califia, LLC (the "Second Amendment") dated as of November 5, 2012 and recorded on November 6, 2012 in the Official Records as Document No. 2012-145503, and as further amended by that certain Third Amendment to the 2003 Amended and Restated Development

Agreement By and Between the City of Lathrop and Califia, LLC, (the "Third Amendment") dated October 7, 2013 and recorded on December 20, 2013 in the Official Records as Document No. 2013-156622, and as further amendment by that Fourth Amendment to the 2003 Amended and Restated Development Agreement By and Between the City of Lathrop and Califia, LLC (the "Fourth Amendment") dated as of March 16, 2015 and recorded on April 15, 2015 in the Official Records as Document No. 2015-042142.

B. The Original Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and this Fifth Amendment collectively constitute the "Development Agreement." The Development Agreement establishes the terms providing for the development of the Project at the Project Site.

C. The City and Califia desire to further amend the Development Agreement to make the changes as more particularly set forth herein.

NOW THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH IS ACKNOWLEDGED, THE CITY AND CALIFIA AGREE AS FOLLOWS:

#### AGREEMENT

1. INCORPORATION OF RECITALS. The foregoing recitals are correct and are incorporated into this Fifth Amendment by this reference.
2. DEFINED TERMS. All capitalized terms not defined herein shall have the meanings ascribed to them in the Development Agreement, the First Amendment, or the Second Amendment, as the case may be.
3. EFFECTIVE DATE AND OPERATIVE DATE. This Fifth Amendment shall be effective upon its recordation pursuant to California Government Code section 65868.5 (the recordation date is the "Effective Date" of this Fifth Amendment), which date in no event shall be earlier than the effective date of Ordinance No. 19-\_\_\_ approving this Fifth Amendment. Section 65868.5 of the Government Code requires this Fifth Amendment be recorded in the Official Records no later than 10 days after the City enters into this Fifth Amendment, and that the burdens of this Fifth Amendment shall be binding upon, and the benefits of this Fifth Amendment shall inure to, all successors in interest to the parties to this Fifth Amendment and/or to the land depicted in Exhibit A.
4. OWNED LAND. Exhibit A to this Fifth Amendment depicts the properties which constitute the "Owned Land" and the "Optioned Land" which are benefitted and burdened by the Development Agreement.

5. WASTEWATER TREATMENT CAPACITY ALLOCATION. Section 6.05.03 is hereby added to the Development Agreement as follows:

Section 6.05.03. Wastewater Treatment Capacity Allocation. The City hereby acknowledges that the Project's development and infrastructure, including the City's sanitary sewer pump stations and sanitary sewer collection system that serves the Project Site are isolated from the balance of the City's planning areas and that the Project's sewer flows that enter into the City's sanitary sewer collection system and into the sanitary sewer pump station that serves the Project can be measured precisely and separately from the rest of the City before such flows reach the City's Lathrop Consolidated Treatment Facility ("LCTF"). As a result, actual sewer flows from the Project's sewer pump station facilities can be utilized to estimate residential and non-residential (e.g. commercial) wastewater treatment capacity allocations for the Project's development. As such, as described below, the City shall utilize the measurement of the actual flows as generated from the Project to allocate wastewater treatment capacity for the Project.

For residential uses, the City allocates wastewater treatment capacity in Equivalent Capacity Units or "ECU's", with each ECU being equivalent to the capacity of one single family residential dwelling. As of the Operative Date of this Agreement, the City shall allocate ECUs for the Project based upon the actual measurement of wastewater flows generated from occupied homes within the Project over time, plus a reasonable buffer at the discretion of the City, to account for variations in data, and adjust the number of gallons per day ("gpd") of each ECU accordingly. As of August 2018, the City has adjusted the allocation per ECU to 200 gpd for all areas utilizing the LCTF; this shall be the starting allocation for the Project as of the Operative Date. Further, the City shall retroactively adjust all prior allocations of ECU's to 200 gpd for the Project starting with the first dwelling constructed in the project in 2014. Within 30 days of the Operative Date, the City shall provide a summary of this reallocation in writing to RID.

Keeping sewage strength as a contributing factor as noted below, the City shall base future ECU allocations beyond the initial allocation upon the actual measurement of wastewater flows from occupied homes in the Project into the City sewer system, plus a reasonable buffer at the discretion of the City, to account for variations in data. As of the Operative Date, the Parties shall continue to monitor the amount of actual flows from the Project and review data for variations in flow over time. This will include the use of separate meters for non-residential uses unless an alternative methodology is agreed upon to

determine non-residential inflows versus residential. At any time thereafter, either Party shall have the right to request an adjustment to the ECU allocation for the Project, subject to verification by the other Party, limited to only one such request within two calendar years. Any resulting adjustments are exclusive to this Project and shall not affect any other development area of the City. Any resulting adjustments shall be made administratively by the City Manager under recommendation by the Director of Public Works. Any costs associated with the adjustment shall be borne by the requesting Party. Unless agreed to by the Parties, future adjustments will not be retroactively applied, but shall only be applied to new residential subdivisions that are approved after the adjustment has been made.

With respect to sewer strength, City staff reviewed the strength (BOD5 or 5 Day Biological Oxygen Demand) of the current sewer effluent versus the strength when the gallons per day per ECU was 260. The most recent City observed strength has increased 50%, due to the reduction in potable water in the waste stream due to the water conserving fixtures used in the newer buildings. These results indicate that the amount of waste needing treatment in the existing wastewater flow per day is effectively the same as there was when the volume of flow was substantially higher. The LCTF was recently reconstructed with a design that anticipated an increase in sewer strength as measured by BOD5. The LCTF may not be able to process a higher BOD5 concentration than currently anticipated, so any additional concentrations of sewage strength may trigger dilution, or changes to the treatment process to handle that stronger flow. For this reason, any future analysis of lower sewer flows per unit (ECU) will need to include a review of sewage concentration (BOD5) or other constituents that may create a problem for the treatment of sewage or the disposal of treated sewage due to increased concentration (eg. electro conductivity) to determine if it will result in issues in the effective treatment of influent at the LCTF, in the City's collection system/pumping systems, or in the City's ability to dispose of the treated effluent before any future reductions can be approved.

6. POTABLE WATER ALLOCATION. Section 6.05.04 is hereby added to the Development Agreement as follows:

Section 6.05.04. Potable Water Allocation. The Parties hereby acknowledge that the Project depends on a consistent and reliable potable water supply as required by Applicable Law. In accordance with adopted conditions of approval for the Vesting Tentative Map Tract No. 3694 ("VTM 3694") the City shall develop a River Islands Water Conservation Plan ("Conservation Plan") that shall include,

but not be limited to: recycled water restricted landscaping plant palettes, supplemental non-potable water sources (such as water from Project lakes), irrigation saving designs for residential and non-residential private development, water saving fixtures for both residential and non-residential uses, and use of energy efficient “smart” controllers utilized when potable water is the primary source of irrigation water. The Conservation Plan shall be required to be adopted by the City Council prior to the filing of the first final map outside the VTM 3694. Further, the Plan shall have determined the actual water usage within River Islands based on annual monitoring of water usage in the VTM 3694 area and voluntarily implemented conservation measures. After this determination is made and prior to the first final map outside VTM 3694, the City shall retroactively adjust all prior allocations of ECU’s to the actual usage for the Project starting with the first dwelling constructed in the project in 2014. Califia shall be responsible for its fair share contribution towards funding of the Conservation Plan. As a result of the Conservation Plan, the City shall re-allocate potable water for the Project and determine the estimated amount of potable water necessary for build out of the Project after Phase 1. The Parties may wish to update the Conservation Plan for Phase 2 development to ensure adequate supplies for the Project’s build out.

The intent of the Conservation Plan is to reduce the volume of water used per ECU. Implementation of that Conservation Plan should result in lowered water usage, and that lower usage will be reflected in the required potable water to be provided for each future ECU, as explained below.

For residential uses, the City allocates potable water capacity in Equivalent Capacity Units or “ECU’s”, with each ECU being equivalent to the capacity of one single family residential dwelling. As of the Operative Date of this Agreement, the City shall allocate ECUs for the Project based upon the actual measurement of water flows (as measured from water meters) generated from the Project over time and adjust the number of gallons per day (“gpd”) of each ECU accordingly. As of August 2018, the City has adjusted the water allocation per ECU to 430 gpd for all areas of the City; this shall be the starting allocation for the Project as of the Operative Date. Further, the City shall retroactively adjust all prior allocations of ECU’s to 430 gpd for the Project starting with the first dwelling constructed in the project in 2014. Within 30 days of the Operative Date, the City shall provide a summary of this reallocation in writing to RID.

The City shall base future ECU water allocations beyond the initial allocation upon the actual measurement of water flows. As of the Operative Date, the Parties shall continue to monitor the amount of actual flows from the Project and review data for variations in flow over time. This will include the separate review of meters for residential uses. At any time thereafter, either Party shall have the right to request an adjustment to the ECU allocation for the Project, subject to verification by the other Party, limited to only one such request in two calendar years. Any resulting adjustments are exclusive to this Project and shall not affect any other development area of the City. Any resulting adjustments shall be made administratively by the City Manager under recommendation by the Director of Public Works. Any costs associated with the adjustment shall be borne by the requesting Party. Future adjustments will not be retroactively applied, but shall only be applied to new residential subdivisions that are approved after the adjustment has been made.

7. EFFECT OF THIS FIFTH AMENDMENT. Except as expressly modified by this Fifth Amendment, the Development Agreement shall continue in full force and effect according to its terms as amended to date, and the City and Calafia ratify and affirm all of their respective rights and obligations under the Development Agreement. In the event of any conflict between this Fifth Amendment and the Development Agreement, the provisions of this Fifth Amendment shall govern.

8. COUNTERPARTS. This Fifth Amendment may be executed in counterparts, each of which shall constitute an original and all of which constitute the same document.



IN WITNESS WHEREOF, the City and Califia have signed this Fifth Amendment effective as of the Effective Date.

CITY OF LATHROP

CALIFIA, LLC

a California limited liability company

By: \_\_\_\_\_  
Sonny Dhaliwal, Mayor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

RIVER ISLANDS DEVELOPMENT,  
LLC

a California limited liability company

By: \_\_\_\_\_  
Teresa Vargas, City Clerk  
(Municipal Seal)

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

APPROVED AS TO FORM: \_\_\_\_\_

By: \_\_\_\_\_  
Salvador V. Navarrete, City Attorney

[INSERT NOTARY ACKNOWLEDGMENTS]

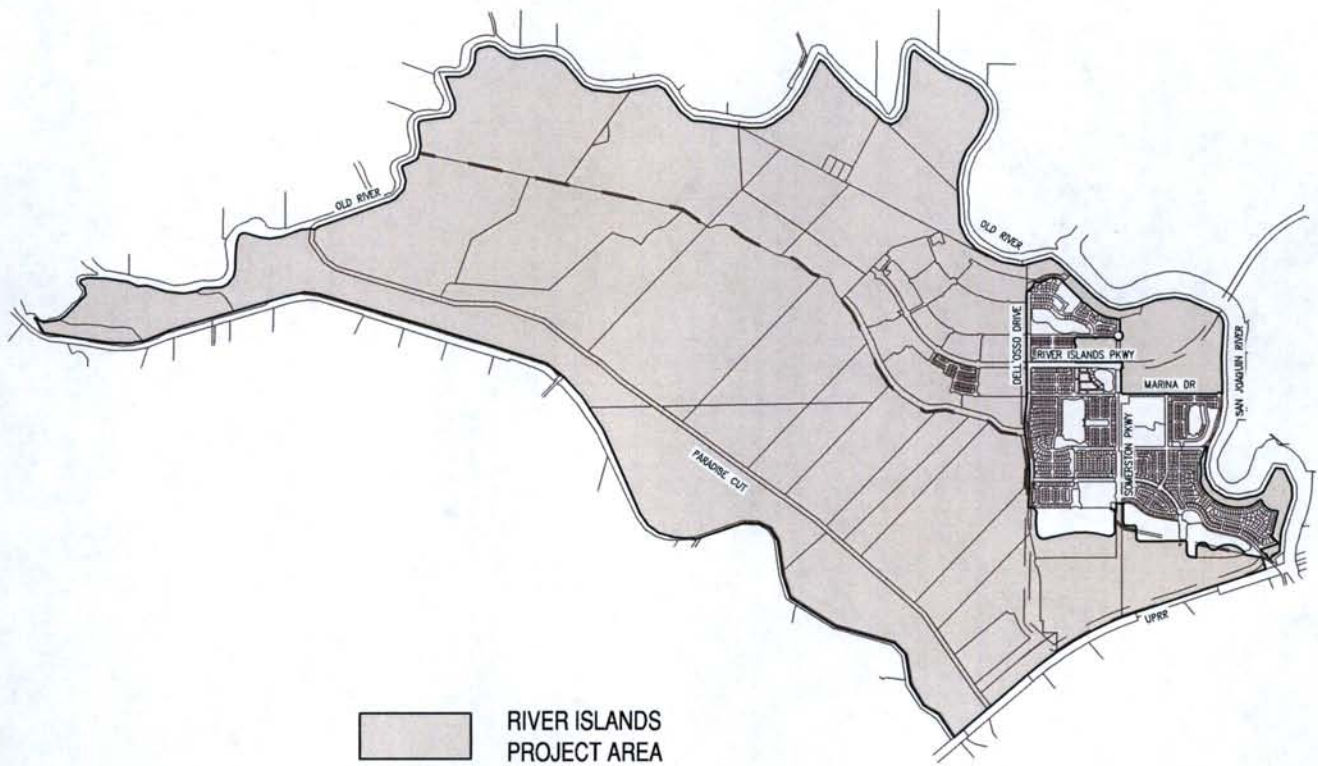
EXHIBIT A TO FIFTH AMENDMENT

Land Subject to Development Agreement

(See Attached)



0' 2250' 4500'  
 SCALE: 1" = 4500'



 RIVER ISLANDS PROJECT AREA

**DRAFT**

**O'DELL**  
 ENGINEERING

6200 Stoneridge Mall Road, Suite 330  
 Pleasanton, CA 94588

Ph 925.223.8340 odellengineering.com

**RIVER ISLANDS  
 PROJECT AREA**

CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA

DATE: DECEMBER 7, 2018

**CITY OF LATHROP  
PLANNING COMMISSION RESOLUTION NO. 18-32**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LATHROP FINDING CONSISTENCY WITH THE LATHROP GENERAL PLAN AND WEST LATHROP SPECIFIC PLAN AND RECOMMENDING THE CITY COUNCIL APPROVE THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, CALIFIA, LLC AND RIVER ISLANDS DEVELOPMENT, LLC.**

**WHEREAS**, the City of Lathrop Planning Commission held a duly noticed public hearing to consider the Fifth Amendment to the River Islands Development Agreement pursuant to the Lathrop Municipal Code; and

**WHEREAS**, the proposed site is located within the Stewart Tract area of the West Lathrop Specific Plan (River Islands at Lathrop Master Planned Community), more specifically situated northwest of Interstate 5 and bounded on the east by the San Joaquin River, to the north by Old River, to the south by the Union Pacific Railroad; and

**WHEREAS**, in February 2003, the City Council approved the 2003 Amended and Restated Development Agreement for the River Islands Project (as amended by the First Amendment to Amended and Restated Development Agreement dated July 12, 2005, the "Development Agreement"); and

**WHEREAS** in November 2012, the City of Lathrop City Council approved the Second Amendment to the Development Agreement; and

**WHEREAS**, in September 2013, the City of Lathrop approved the Third Amendment to the Development Agreement; and

**WHEREAS**, in March 2015, the City of Lathrop approved the Fourth Amendment to the Development Agreement; and

**WHEREAS**, Califia, LLC, a California limited liability company ("Califia") and River Islands Development, LLC, a California limited liability company ("RID") together as developer of the River Islands at Lathrop project ("Project") have applied for approval of a Fifth Amendment to the Development Agreement ("Fifth Amendment"); and

**WHEREAS**, California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property within its jurisdiction; and

**WHEREAS**, the proposed Fifth Amendment has been reviewed by City staff and City Attorney, who have recommended that the Planning Commission review and recommend approval of the Fifth Amendment as attached and incorporated in the Staff Report as Attachment "2"; and

**WHEREAS**, a Notice of Public Hearing was advertised in the Manteca Bulletin on December 8, 2018 (10 days before the public hearing as required by the California Government Code) and posted at designated posting locations in the City; and

**WHEREAS**, the Planning Commission desires to provide its recommendation to the City Council regarding the Fifth Amendment as required by local ordinance and California law; and

**WHEREAS**, proper notice of this public meeting was given in all respects as required by law; and

**WHEREAS**, the Planning Commission has reviewed all written evidence and oral testimony presented to date.

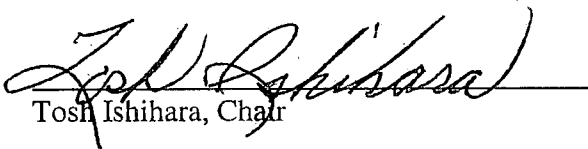
**NOW, THEREFORE, BE IT RESOLVED** that the Planning Commission finds that the text of the Fifth Amendment is consistent with the 2003 West Lathrop Specific Plan and Lathrop General Plan as amended, since there is no resultant change in zoning, land use standards or other similar regulations, and that no additional review of the Fifth Amendment is required under the California Environmental Quality Act (CEQA) because:

- a. The proposed DA amendment involves organizational and financial matters that have no potential for a direct or indirect physical effect on the environment.
- b. The potential environmental effects of the River Islands at Lathrop project have been and continue to be addressed in the certified Final Subsequent Environmental Impact Report (SEIR) for the River Islands at Lathrop project (State Clearinghouse No. 1993112027), as amended by addendum in November 2012.
- c. The proposed DA amendment would not alter the physical nature of the River Islands project or its potential environmental impacts.
- d. There is no known evidence of substantial changes or new information that would suggest that the River Islands project would have new or more severe environmental effects than were addressed in the certified SEIR.
- e. The economic concerns addressed by the DA amendment do not constitute significant environmental effects under CEQA (CEQA Guidelines 15131) and therefore are not proper subjects for CEQA review.
- f. The finding of general plan and specific plan conformity being made by the Planning Commission is not subject to the California Environmental Quality Act (CEQA) pursuant to Article 5 §15061 (b) (3) by the “General Rule” that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The proposed action does not authorize any specific construction; it is only a finding of consistency to the General Plan.

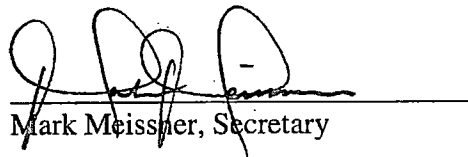
**BE IT FURTHER RESOLVED** that the Planning Commission of the City of Lathrop based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, hereby adopts Resolution 18-32 finding consistency with the Lathrop General Plan and West Lathrop Specific Plan, and recommending the City Council approve the Fifth Amendment to the Development Agreement between the City of Lathrop, Califia, LLC, and River Islands Development, LLC.

**PASSED AND ADOPTED** by the Planning Commission of the City of Lathrop at a regular meeting on the 19<sup>th</sup> day of December, 2018 by the following vote:

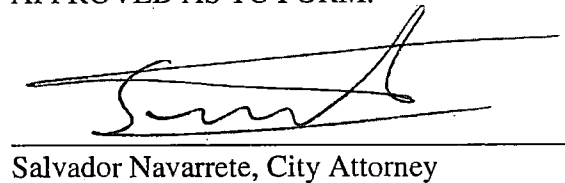
- AYES: Ishihara, Gatto, Ralmilay
- NOES: None
- ABSTAIN: None
- ABSENT: None

  
Tosh Ishihara, Chair

ATTEST:

  
Mark Meissner, Secretary

APPROVED AS TO FORM:

  
Salvador Navarrete, City Attorney

**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019, CITY COUNCIL REGULAR MEETING**

**ITEM:** **PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTION OF THE CENTRAL LATHROP SPECIFIC PLAN CAPITAL FACILITIES FEES STUDY UPDATE AND THE FEES RECOMMENDED THEREIN**

**RECOMMENDATION:** **Council to Consider the Following:**

- 1. Hold a Public Hearing; and**
- 2. Adopt A Resolution Adopting the Central Lathrop Specific Plan Capital Facilities Fees Study Update and the Fees Recommended Therein**

---

**SUMMARY:**

Capital Facilities Fees (CFF) are necessary to provide a source of revenue by which new development within the City will contribute a fair and proportionate share of the cost of providing infrastructure and community facilities. As new development occurs throughout the City, it is critical that fees in the CFF program be regularly updated to ensure that CFF rates keep up with the rising costs of infrastructure, facilities, and land. The City retained Goodwin Consulting Group (GCG) to update the City's CFF program for the CLSP area. GCG prepared the Central Lathrop Specific Plan Capital Facilities Fees Study Update that recommends adjusting existing fees for inflation and updating project costs and fees for the West/Central Lathrop Regional Transportation CFF and the Sewer/Recycled Water System CFF including establishing a new In-Lieu Community Parks Dedication Fee for the CLSP area.

Staff requests that City Council hold a public hearing, consider all information and public testimony and, if determined to be appropriate, adopt a resolution approving the Capital Facilities Fees Study Update and the fees recommended therein.

**BACKGROUND:**

The City of Lathrop has prepared numerous planning documents and is constructing and/or acquiring various infrastructure improvements to accommodate the service needs of both existing and anticipated residents and businesses. A variety of financing vehicles have been utilized to pay for needed infrastructure and community amenities. One of the primary financing vehicles is CFFs.

The City of Lathrop originally established CFFs for transportation, culture and leisure, and municipal service facilities in November 1990. The fees were subsequently updated and expanded to other types of services/facilities on several occasions, including the establishment of a regional transportation impact fee for the West Lathrop Specific Plan area in 1997.

On September 2, 2003, the City Council adopted the 2003 Capital Facilities Program. This fee program was established to include new development for the area west of I-5, mainly Mossdale Village and River Islands. This is to ensure that new development is responsible for paying its fair and proportionate share of the cost of providing the public facilities and infrastructure.

On August 16, 2005, the City Council adopted the 2005 Capital Facilities Fees Program. Since 2005, the City has inflated these fees annually based on Engineering News Record (ENR) 20-City Construction Cost Index ("ENR 20-City CCI").

On May 14, 2018, the City Council Adopted the 2018 Capital Facilities Fees Study Update. The fee study adjusted existing fees for inflation and updated project cost for the West/Central Lathrop Regional Transportation CFF, Surface Water Supply CFF and the Water System CFF and established a new Sewer/Recycled Water System CFF for the CLSP area.

In October 2018, the City contracted with GCG to update the City's CFF program for the CLSP area. GCG prepared the Central Lathrop Specific Plan Capital Facilities Fees Study Update (Fee Study), included as Attachment "B", adjusting existing fees for inflation, updating project costs and establishing a new fee for the CLSP area. The State of California Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.), identifies the required findings which must be made by the City in any action establishing, increasing, or imposing a development impact fee as a condition of approval of a development project, as described in the Fee Study. Many of the CFFs in the City's fee program were already updated by staff for 2019 based on ENR 20-City CCI. Also, the City is restricted by development agreements, with certain developments, which limit the annual increase of their CFFs to only the rate of inflation. As a result, the following fees presented in the Fee Study are either new or an update of an existing CFF:

- CLSP In-Lieu Community Parks Dedication CFF (new)
- West/Central Lathrop Regional Transportation CFF for CLSP (updated)
- Sewer/Recycled Water System CFF for CLSP (updated)

### **In-Lieu Community Parks Dedication Fee**

The Development Agreement ("DA") for Saybrook CLSP, LLC (Saybrook) states that the City shall establish an in-lieu fee to fund the acquisition of community park land in CLSP. This fee will be paid by any developer in the CLSP area that cannot dedicate their fair share of community park land. Fee revenue from this CFF will also be used to reimburse any developer that over-dedicating their fair-share of community park land. The DA states that the CLSP area will include 70 gross acres of community parks, including 47.3 acres of community-serving recreation and sports complex parks and 22.7 acres of enhanced linear parks. The total acreage was later reduced to 63.2 acres as a result of land use reassignment by the City Council on July 9, 2018.



**CITY MANAGER'S REPORT** Page 3  
**FEBRUARY 11, 2019, CITY COUNCIL REGULAR MEETING**  
**CAPITAL FACILITIES FEES UPDATE FOR CENTRAL LATHROP SPECIFIC PLAN**

The community and linear park land had an estimated value in the DA of \$175,000 per acre in 2016. This cost was inflated by the ENR index and has a value of \$185,890 in 2019 dollars.

The total value of the 57.44 acres of community park land is \$10.7 million. The Generation Center land has an estimated value of \$268,870 per acre in 2019 dollars and a total value of \$1.5 million. The 63.2 acres of community park land have a total value of \$12.2 million.

Saybrook, through the acquisition of the project area, dedicated 21.7 acres of community park land and 16.4 acres of linear parks. Subsequently, Saybrook dedicated 5.76 acres of park land for the City's Generation Center. In total, Saybrook has dedicated a total of 43.86 acres of community park land. Based on the estimated number of residential units planned to be constructed on Saybrook controlled land, Saybrook was only required to dedicate 22.1 acres of community park land, of which Saybrook would receive an In-Lieu Fee credit of \$4,275,703. As a result of Saybrook over-dedicating 21.75 acres of park land, Saybrook is due \$4,521,397 in reimbursement that will be paid from other developers that do not dedicate community park land and instead pay their In-Lieu Fee obligation. The table below identifies the proposed In-Lieu Community Parks Dedication CFF for CLSP.

In-Lieu Community Parks Dedication CFF

<u>Land Use</u>	<u>Fee</u>
<u>Residential</u>	
Single Family	\$2,413 per Unit
Multi-Family	\$1,724 per Unit

**West/Central Lathrop Regional Transportation CFF**

The West/Central Lathrop Regional Transportation (WCLRT) CFF was created in 2003 to supplement funding for transportation facilities needed for the West Lathrop Specific Plan Area. The capital improvement plan for the West/Central Lathrop Regional Transportation CFF includes 28 improvement projects. In conjunction with updating this CFF, City staff reviewed the transportation facilities and their costs and inflated them based on the ENR 20-City CCI for 2018. City staff found that after inflating the costs, all project costs were consistent with current estimated costs to construct these facilities with the exception of the Louise/I-5 interchange. The Louise/I-5 interchange project was estimated to cost \$11,564,000 in 2005 and \$16.9 million in 2018 when inflated by the ENR 20-City CCI. However, based on a City staff estimate, the cost to construct this facility was \$39,200,000 in 2018. In order to be able to fund this facility in the future, City staff determined that the interchange cost needed to be updated in the CFF program to the \$39.2 million cost. This Fee Study includes updated CFF facilities costs for the West/Central Lathrop Regional

**CITY MANAGER'S REPORT** Page 4  
**FEBRUARY 11, 2019, CITY COUNCIL REGULAR MEETING**  
**CAPITAL FACILITIES FEES UPDATE FOR CENTRAL LATHROP SPECIFIC PLAN**

Transportation CFF for the CLSP area. The total cost of the transportation facilities in the WCLRT CFF program, inflated by ENR 20-City CCI for 2019, is \$289.6 million. In addition, the cost allocation and CFF calculation are updated to be based on the City's and the developer's current development expectations for the CLSP area. As a result, this Fee Study includes an increase to the rates for the WCLRT CFF for CLSP. The table below shows the proposed West/Central Lathrop Regional Transportation CFF for CLSP.

West/Central Lathrop Regional Transportation CFF

Land Use	Proposed Fee	Current Fee	Difference
<u>Residential- Per Unit</u>			
Single Family	\$3,658	\$3,510	\$148
Multi-Family	\$2,245	\$2,158	\$87
<u>Non-Residential- Per 1,000 SF</u>			
Service/Office Commercial	\$3,405	\$3,267	\$138
Retail Commercial	\$4,661	\$4,473	\$188

**Sewer/Recycled Water System CFF**

In June 2018, the City Council adopted the original Sewer/Recycled Water System CFF for CLSP. The original Sewer/Recycled Water System CFF was based on facilities that included a portion of a pump station, force mains, sewer pipelines, and recycled water pipelines; specifically items 1 – 3 shown in the table below. This Fee Study includes additional pump station costs and additional sewer work (items 4 and 5 in the table below) that were incurred by Saybrook and approved by the City. The total cost of these facilities in 2019 dollars is \$16.4 million.

Sewer/Recycled Water Capital Facilities For CLSP

No.	Improvement	Project Cost (2017 \$)	Project Cost (2019 \$)
1	Portion of Pump Station and Force Mains <sup>1</sup>	\$5,302,500	\$5,633,000
2	Sanitary Sewer Mains	\$2,849,175	\$3,027,000
3	Recycled Water Mains	\$3,095,280	\$3,288,000
4	Additional Pump Station Costs <sup>2</sup>	-	-\$792,000
5	Estimated Additional Sewer Work	-	\$3,663,000
<b>Total</b>		<b>\$11,246,955</b>	<b>\$16,403,000</b>

1. Includes 1/4 of the total pump station cost.
2. Includes 1/4 of the additional costs incurred since 2014.

In order for the City to reimburse the developer for oversizing these facilities, the sewer/recycled water CFF specific to the CLSP development area must be updated to include the additional facilities costs. The table below shows the proposed Sewer/Recycled Water System CFF for CLSP.

Sewer/Recycled Water System CFF

Land Use	Proposed Fee	Current Fee	Difference
<u>Residential- Per Unit</u>			
Single Family	\$2,661	\$1,970	\$691
Multi-Family	\$2,262	\$1,367	\$895
<u>Non-Residential- Per 1,000 SF</u>			
Commercial	\$601	\$363	\$238
Industrial	\$361	\$218	\$143

**Outstanding City Water Financial Obligations Reimbursement Fee**

In addition to the three fees discussed above, the Fee Study includes the outstanding City Water Financial Obligations Reimbursement Fee. The City will levy this fee on Saybrook's first 601 residential lots pursuant to the Development Agreement with Saybrook relating to CLSP. This fee will reimburse the City for water bond debt (\$962,868) and outstanding South San Joaquin Irrigation District (SSJID) operations and maintenance costs (\$2,959,973). The total obligation of \$3,922,841 shall be paid proportionately by Saybrook at the sale of each lot at a rate of \$6,527.19 per lot for the first 601 lots.

**Fee Adjustments**

The Capital Facilities Fees may be adjusted in future years to reflect revised facility standards, receipt of funding from alternative sources (i.e., state or federal grants), revised costs, or changes in land uses, densities, or development plans. In addition to such adjustments, each year the CFF will be adjusted by the change in the ENR 20-City CCI over the prior calendar year.

**REASON FOR RECOMMENDATION:**

The purpose of the CFF Program is to provide a source of revenue by which new development within the City will contribute a fair and proportionate share of the cost of providing infrastructure and community facilities. The CFF Program also limits the impact that new development will have on existing residents and businesses with respect to infrastructure, community facilities, and the provision of services.

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019, CITY COUNCIL REGULAR MEETING**  
**CAPITAL FACILITIES FEES UPDATE FOR CENTRAL LATHROP SPECIFIC PLAN**

Page 6

As new development occurs throughout the City, it is critical that fees in the CFF program be regularly updated to ensure that CFF rates keep up with the rising costs of infrastructure, facilities, and land.

**FISCAL IMPACT:**

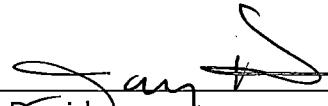
The CFF update for CLSP is being funded by Saybrook. The approval of this item has no fiscal impact to the City.

**ATTACHMENTS:**

- A. Resolution Adopting the Central Lathrop Specific Plan Capital Facilities Fees Study Update and the Fees Recommended Therein
- B. Central Lathrop Specific Plan Capital Facilities Fees Study Update by Goodwin Consulting Group, dated January 23, 2019

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019, CITY COUNCIL REGULAR MEETING**  
**CAPITAL FACILITIES FEES UPDATE FOR CENTRAL LATHROP SPECIFIC PLAN**

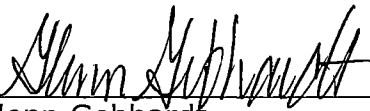
**APPROVALS:**

  
\_\_\_\_\_  
Jay Davidson  
Principal Engineer

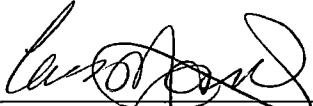
1/30/19  
Date

  
\_\_\_\_\_  
Michael King  
Assistant Public Works Director


1-31-19  
Date

  
\_\_\_\_\_  
Glenn Gebhardt  
City Engineer

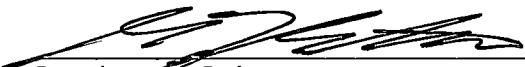
2/4/19  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

2/4/19  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-4-19  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2-5-19  
Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
ADOPTING THE CENTRAL LATHROP SPECIFIC PLAN CAPITAL FACILITIES  
FEES STUDY UPDATE AND THE FEES RECOMMENDED THEREIN**

**WHEREAS**, the City of Lathrop originally established Capital Facilities Fees (CFFs) for transportation, culture and leisure, and municipal services facilities in November 1990; and

**WHEREAS**, the CFFs are to provide a source of revenue by which new development within the City will contribute a fair and proportionate share of the cost of providing infrastructure and community facilities; and

**WHEREAS**, on September 2, 2003, the City Council adopted the 2003 Capital Facilities Program; and

**WHEREAS**, on August 16, 2005, the City Council adopted the 2005 Capital Facilities Fees Program which is currently implemented in the City of Lathrop; and

**WHEREAS**, on March 12, 2018, the City Council adopted an ordinance to add Chapter 3.25: South Lathrop Specific Plan Capital Facility Fees to the Municipal Code; and

**WHEREAS**, on May 14, 2018, the City Council Adopted the 2018 Capital Facilities Fees Study Update. The fee study adjusted existing fees for inflation and updated project cost for the West/Central Lathrop Regional Transportation CFF, Surface Water Supply CFF and the Water System CFF and established a new Sewer/Recycled Water System CFF for the CLSP area; and

**WHEREAS**, as new development occurs throughout the City it is critical that fees in the CFF program be regularly updated to ensure that CFF rates keep up with the rising costs of infrastructure, facilities, and land; and

**WHEREAS**, in October 2018, the City contracted with Goodwin Consulting Group ("GCG") to update the City's CFF program for the CLSP area; and

**WHEREAS**, GCG prepared the Central Lathrop Specific Plan Capital Facilities Fees Study Update ("Fee Study") dated January 23, 2019, that adjusts existing fees for inflation and updates project costs and fees for the West/Central Lathrop Regional Transportation CFF and the Sewer/Recycled Water System CFF including establishing a new In-Lieu Community Parks Dedication Fee for the CLSP area; and

**WHEREAS**, in addition, the Fee Study includes the outstanding City Water Financial Obligations Reimbursement Fee that will reimburse the City for water bond debt and outstanding South San Joaquin Irrigation District (SSJID) operations and maintenance costs; and

**WHEREAS,** the State of California Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.), identifies the required findings which must be made by the City in any action establishing, increasing, or imposing a development impact fee as a condition of approval of a development project, as described in the Fee Study; and

**WHEREAS,** the Fee Study is based upon the analysis, input and active participation of City staff, GCG, and various reports and studies as described in the Fee Study; and

**WHEREAS,** notice of public hearing of this Resolution was published as required by the Mitigation Fee Act, California Government Code sections 66000 et seq;

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Lathrop does hereby adopt the Central Lathrop Specific Plan Capital Facilities Fees Study Update, dated January 23, 2019 attached as Attachment "B" to the City Council Staff Report of February 11, 2019 and incorporated herein by this reference and Council hereby adopts the fees recommended therein and adds the fees to the Capital Facility Fee Program based on findings required by the State of California Mitigation Fee Act (also known as "AB 1600," Government Code sections 66000, et seq.) specifically Council hereby makes all of the following findings:

1. The purpose of the CFFs is to provide funding for the infrastructure and facilities identified in this Nexus Study. Pursuant to the Lathrop Municipal Code Section 3.20.040 collected fees may be used for no other purpose.
2. The geographic area in which the fees will be imposed is CLSP study area, that abuts the northern boundary of Mossdale Village, as illustrated in Attachment "B" boundary map to the City Council Staff Report of February 11, 2019 and incorporated herein by this reference.
3. The estimated fair and proportionate share of the cost of CLSP's contribution to providing infrastructure and community facilities within the City are contained in this Capital Facilities Nexus Study.
4. There is a reasonable relationship between the type of development projects on which the fee is imposed and the uses of the fees. The CFF revenue collected from the CLSP area will fund the facilities included in this Nexus Study. These facilities will serve development in the CLSP area and the estimated fees are a fair-share cost allocation based on the impact that future development will have on these facilities and improvements.

5. There is a reasonable relationship between the amount of each CFF and the cost of the public facility, or portion thereof, is established in this Nexus Study through the use of cost allocation factors to estimate the demand for a facility or, the impact that a land use will have on a facility. For example, the cost allocation for the Sewer/Recycled Water Fee is based on the gallons per day of wastewater generated for each specific land use. The wastewater generation rates, which differ between land use categories, measure each land use's impact on sewer facilities and infrastructure. As a result, each land use category or development type is allocated its fair share of the cost based on its impact, as identified by its cost allocation factor.

By assigning the demand for infrastructure and facilities based on the cost allocation factors for each land use and quantifying that demand in the calculation of the CFFs, a reasonable relationship is established between the amount of the fee and the cost of the facilities attributable to the different types of development in the City.



**PASSED AND ADOPTED** by the City Council of the City of Lathrop this 11<sup>th</sup> day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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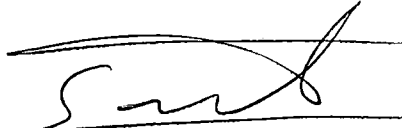
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

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Teresa Vargas, City Clerk



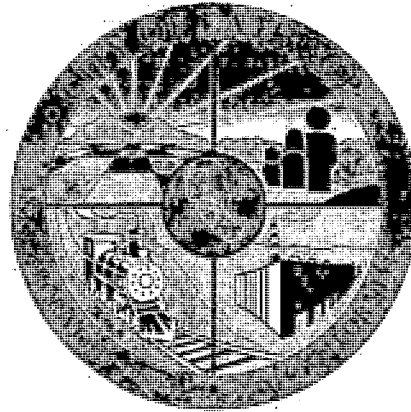
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Salvador Navarrete, City Attorney

**GCG**

GOODWIN CONSULTING GROUP

**CITY OF LATHROP  
CENTRAL LATHROP SPECIFIC PLAN (CLSP)  
CAPITAL FACILITIES FEES STUDY  
UPDATE**



**January 23, 2019**

**CITY OF LATHROP  
CLSP CAPITAL FACILITIES FEES STUDY UPDATE**

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**Appendix**

Appendix – Sewer System Capital Facilities Costs

## ***EXECUTIVE SUMMARY***

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### **PURPOSE OF THE CFF UPDATE**

The City of Lathrop (“City”) retained Goodwin Consulting Group to assist it in updating the City’s Capital Facilities Fee (“CFF”) program for the Central Lathrop Specific Plan Area (“CLSP”). As new development occurs throughout the City it is critical that fees in the CFF program be updated regularly to ensure that CFF rates keep up with the rising costs of infrastructure, facilities, and land.

Many of the Capital Facilities Fees in the City’s fee program have been updated for 2019 by the City based on the Engineering News Record (“ENR”) 20-City Construction Cost Index (“ENR 20-City CCI”). These CFFs are presented in this *City of Lathrop Central Lathrop Specific Plan (CLSP) Capital Facilities Fees Study Update* (“Fee Study”) to summarize all the fees in the CFF program. The City is restricted by development agreements to limit the annual increase of their CFFs to the rate of inflation only, as determined by the change in the ENR 20-City CCI. As a result, the following fees presented in this Fee Study are either new or an update of an existing CFF:

- CLSP In-Lieu Community Parks Dedication CFF (new)
- West/Central Lathrop Regional Transportation CFF for CLSP (updated)
- Sewer/Recycled Water System CFF for CLSP (updated)

### **OUTSTANDING CITY WATER FINANCIAL OBLIGATIONS REIMBURSEMENT FEE**

In addition to the three fees listed above, Table ES-1 Fee Summary includes the Outstanding City Water Financial Obligations Reimbursement Fee. The City will levy this fee on Saybrook, LLC’s first 601 residential lots pursuant to Subdivision (b)(4)(iii) of Section 7.05.2.2 of the Assignment and Amendment of Development Agreement By and Between the City of Lathrop, Saybrook, LLC Relating to the Central Lathrop Specific Plan (the “DA”). This fee will reimburse the City for water bond debt through June 2016 in the amount of \$962,868 and the outstanding SJJID operations and maintenance costs through December 2016 in the amount of \$2,959,973.

### **IN-LIEU COMMUNITY PARKS DEDICATION FEE**

The DA states that the City shall establish an in-lieu fee to fund the acquisition of community park land in CLSP. This fee will be paid by any developer in CLSP that cannot dedicate their

fair share of community park land. Fee revenue from this CFF will also be used to reimburse any developer that over-dedicates their fair-share of community park land.

The DA states that the CLSP will include 70 gross acres of community parks, including 47.3 acres of community-serving recreation and sports complex parks and 22.7 acres of enhanced linear parks. The total acreage was later reduced to 63.2 acres as a result of land use reassignment by the City Council on July 9, 2018. The community and linear park land had an estimated value in the DA of \$175,000 per acre in 2016. This cost was inflated by the ENR index and has a value of \$185,890 in 2019 dollars. The total value of the 57.44 acres of community park land is \$10.7 million. The Generation Center land has an estimated value of \$268,870 per acre in 2019 dollars and a total value of \$1.5 million. The 63.2 acres of community park land have a total value of \$12.2 million.

#### **WEST/CENTRAL LATHROP REGIONAL TRANSPORTATION CFF**

The West/Central Lathrop Regional Transportation CFF was created in 2003 to supplement funding for transportation facilities needed for the West Lathrop Specific Plan Area. The capital improvement plan for the West/Central Lathrop Regional Transportation CFF includes 28 improvement projects. In conjunction with updating this CFF, City staff reviewed the transportation facilities and their costs and inflated them to 2018 dollars based on the ENR 20-City CCI. City staff found that after inflating the costs to 2018 dollars, all project costs were consistent with current estimated costs to construct these facilities with the exception of the Louise/I-5 interchange. The Louise/I-5 interchange project was estimated to cost \$11,564,000 in 2005 and \$16.9 million in 2018 when inflated by the ENR 20-City CCI. However based on a City staff estimate, the cost to construct this facility was \$39,200,000 in 2018. In order to be able to fund this facility in the future, City staff determined that the interchange cost needed to be updated in the CFF program to the \$39.2 million cost. This Fee Study includes updated CFF facilities costs for the West/Central Lathrop Regional Transportation CFF for the CLSP area. The total cost of the transportation facilities in the WCLRT CFF program, inflated by the ENR CCI to 2019 dollars, is \$289.6 million. In addition, the cost allocation and CFF calculation are updated to be based on the City's and the developer's current development expectations for CLSP area.

#### **SEWER/RECYCLED WATER SYSTEM FACILITIES**

Saybrook CLSP, LLC ("Saybrook"), the primary developer of the CLSP area, has constructed sewer and recycled water backbone facilities that will serve the CLSP area. The updated facilities include additional costs for a pump station, force mains, sewer pipelines, and recycled water pipelines. The total cost of these facilities in 2019 dollars is \$16.4 million. In order for the

City to reimburse the developer for oversizing these facilities, the sewer/recycled water CFF specific to the CLSP development area must be updated to include the additional facilities costs.

#### **FEE SCHEDULE**

Table ES-1 summarizes the fees in the CFF program and includes the proposed CFFs that have been created or updated in this Fee Study. The CFF fee schedule includes eight separate development areas with each having a different fee schedule. The City inflated all CFF fees in January 2019 based on the Engineering News Record 20-City Construction Cost Index value of 11,186 for December 2018. Prior to this increase, the CFF fees were based on the December 2017 20-City CCI value of 10,873. Based on the increased value of the ENR 20-City CCI since December 2017, the City increased the fees in its CFF program by 2.87% in 2019. The City also levies a 3.0% administration fee to the cumulative total of all its CFFs to pay for the administrative duties associated with the CFF program. This 3.0% administration fee would be added on top of the City CFFs presented in Table ES-1.

**Table ES-1 - Fee Summary**

		Service Area <sup>1</sup>							
Fee		East	Cross-	No. Harlan	South	Mosssdale	Mosssdale	Central	Stewart
Component	Unit	Lathrop	roads	Improv. Dist.	Lathrop	Village	Landings	Lathrop	Tract
					Specific Pl.	(no DA)	(with DA) <sup>2</sup>		
<b>Culture and Leisure CFF <sup>3</sup></b>									
<b>Park Sub-Component</b>									
Single Family Residential	DU	\$5,685		\$5,685		\$5,685	\$5,683	\$6,247	Project Developer
Multi-Family Residential	DU	\$4,060		\$4,060		\$4,060	\$4,059	\$4,463	
<b>Facility Sub-Component</b>									
Single Family Residential	DU	\$3,483		\$3,483		\$3,483	\$2,282	\$3,483	\$3,483
Multi-Family Residential	DU	\$2,487		\$2,487		\$2,487	\$1,629	\$2,487	\$2,487
<b>Total Culture and Leisure CFF</b>									
Single Family Residential	DU	\$9,168		\$9,168		\$9,168	\$7,965	\$9,730	\$3,483
Multi-Family Residential	DU	\$6,548		\$6,547		\$6,547	\$5,688	\$6,950	\$2,487
<b>Municipal Service Facilities CFF <sup>4</sup></b>									
Single Family Residential	DU	\$3,902		\$3,902		\$3,902	\$3,833	\$3,902	\$3,902
Multi-Family Residential	DU	\$2,787		\$2,787		\$2,787	\$2,738	\$2,787	\$2,787
Service/Retail	1,000 sf	\$2,543	\$2,543	\$2,543	\$2,543	\$2,543	\$2,488	\$2,543	\$2,543
Other Non-Residential	1,000 sf	\$1,539	\$1,539	\$1,539	\$1,539	\$1,539	\$1,506	\$1,539	\$1,539
<b>Surface Water Supply CFF <sup>5</sup></b>									
	5/8" meter	\$2,635	\$2,635	\$2,635	\$2,635	\$4,261	Funded through Mosssdale CFD	\$5,768	Funded through River Islands CFD
	1" Fire Svc.	\$2,635		\$2,635	\$2,635	\$4,261		\$5,768	
	3/4" meter	\$3,953	\$3,953	\$3,953	\$3,953	\$6,392		\$8,652	
	1" meter	\$6,588	\$6,588	\$6,588	\$6,588	\$10,653		\$14,420	
	1 1/2" meter	\$13,177	\$13,177	\$13,177	\$13,177	\$21,305		\$28,840	
	2" meter	\$21,083	\$21,083	\$21,083	\$21,083	\$34,088		\$46,144	
	3" meter	\$39,531	\$39,531	\$39,531	\$39,531	\$63,915		\$86,520	
	4" meter	\$65,885	\$65,885	\$65,885	\$65,885	\$106,525		\$144,200	
	6" meter	\$131,770	\$131,770	\$131,770	\$131,770	\$213,050		\$288,400	
	8" meter	\$210,832	\$210,832	\$210,832	\$210,832	\$340,880		\$461,440	
	10" meter	\$382,132	\$382,132	\$382,132	\$382,132	\$617,845	\$836,360		
<b>Water System - Buy-In CFF <sup>6</sup></b>									
	5/8" meter	\$1,266		\$1,190					
	1" Fire Svc.	\$1,266		\$1,190					
	3/4" meter	\$1,900		\$1,785					
	1" meter	\$3,167		\$2,975					
	1 1/2" meter	\$6,332		\$5,952					
	2" meter	\$10,131		\$9,522					
	3" meter	\$18,998		\$17,854					
	4" meter	\$31,662		\$29,757					
	6" meter	\$63,324		\$59,512					
	8" meter	\$101,318		\$95,219					
	10" meter	\$183,639		\$172,585					
<b>Water System - Reimbursement CFF</b>									
	5/8" meter		\$1,432						
	1" Fire Svc.								
	3/4" meter		\$2,148						
	1" meter		\$3,580						
	1 1/2" meter		\$7,159						
	2" meter		\$11,455						
	3" meter		\$21,478						
	4" meter		\$35,797						
	6" meter		\$71,594						
	8" meter		\$114,550						
	10" meter		\$207,623						

**TABLE ES-1 - Fee Summary (Continued)**

		Service Area <sup>1</sup>							
Fee		East	Cross-	No. Harlan	South	Mossdale	Mossdale	Central	Stewart
Component	Unit	Lathrop	roads	Improv. Dist.	Lathrop	Village	Landings	Lathrop	Tract
					Specific Pl.	(no DA)	(with DA) <sup>2</sup>		
<b>Water System - West/Central Lathrop Well Improvement CFF <sup>7</sup></b>									
	5/8" meter					\$778	\$778	\$778	\$778
	1" Fire Svc.					\$778	\$778	\$778	\$778
	3/4" meter					\$1,167	\$1,167	\$1,167	\$1,167
	1" meter					\$1,946	\$1,946	\$1,946	\$1,946
	1 1/2" meter					\$3,890	\$3,890	\$3,890	\$3,890
	2" meter					\$6,224	\$6,224	\$6,224	\$6,224
	3" meter					\$11,671	\$11,671	\$11,671	\$11,671
	4" meter					\$19,453	\$19,453	\$19,453	\$19,453
	6" meter					\$38,905	\$38,905	\$38,905	\$38,905
	8" meter					\$62,249	\$62,249	\$62,249	\$62,249
	10" meter					\$112,826	\$112,826	\$112,826	\$112,826
<b>Water System - Water Storage CFF <sup>8</sup></b>									
	5/8" meter						\$921		
	1" Fire Svc.						\$921		
	3/4" meter						\$1,382		
	1" meter						\$2,303		
	1 1/2" meter						\$4,604		
	2" meter						\$7,368		
	3" meter						\$13,814		
	4" meter						\$23,025		
	6" meter						\$46,048		
	8" meter						\$73,677		
	10" meter						\$133,539		
	Office Commercial	1,000 sf				\$989			
	Limited Industrial	1,000 sf				\$468			
	Warehouse	1,000 sf				\$134			
<b>Sewer/Recycled Water System CFF <sup>9 10</sup></b>									
	5/8" meter	\$5,697		\$5,697		\$1,114	\$1,114		
	1" Fire Svc.	\$5,697		\$5,697		\$1,114	\$1,114		
	3/4" meter	\$8,545		\$8,545		\$1,670	\$1,670		
	1" meter	\$14,242		\$14,242		\$2,784	\$2,784		
	1 1/2" meter	\$28,485		\$28,485		\$5,566	\$5,566		
	2" meter	\$45,576		\$45,576		\$8,906	\$8,906		
	3" meter	\$85,455		\$85,455		\$16,699	\$16,699		
	4" meter	\$142,425		\$142,425		\$27,831	\$27,831		
	6" meter	\$284,850		\$284,850		\$55,662	\$55,662		
	8" meter	\$455,759		\$455,759		\$89,058	\$89,058		
	10" meter	\$826,064		\$826,064		\$161,419	\$161,419		
	Single Family Residential	DU						\$2,661	
	Multi-Family Residential	DU						\$2,262	
	Commercial	1,000 sf						\$601	
	Industrial	1,000 sf						\$361	
	(Manteca WQCF)	ISU	\$8,710	\$8,710					
	All New Development	gpd		\$42.12					
					<b>Funded by Project Developer</b>				<b>Funded by Project Developer</b>
<b>Recycled Water Outfall CFF <sup>11</sup></b>									
	5/8" meter					\$47	\$47	\$47	\$47
	1" Fire Svc.					\$47	\$47	\$47	\$47
	3/4" meter					\$71	\$71	\$71	\$71
	1" meter					\$118	\$118	\$118	\$118
	1 1/2" meter					\$234	\$234	\$234	\$234
	2" meter					\$374	\$374	\$374	\$374
	3" meter					\$702	\$702	\$702	\$702
	4" meter					\$1,171	\$1,171	\$1,171	\$1,171
	6" meter					\$2,341	\$2,341	\$2,341	\$2,341
	8" meter					\$3,745	\$3,745	\$3,745	\$3,745
	10" meter					\$6,788	\$6,788	\$6,788	\$6,788



**Table ES-1 - Fee Summary (Continued)**

		Service Area <sup>1</sup>							
Fee		East	Cross-	No. Harlan	South	Mossdale	Mossdale	Central	Stewart
Component	Unit	Lathrop	roads	Improv. Dist.	Lathrop	Village	Landings	Lathrop	Tract
					Specific Pl.	(no DA)	(with DA) <sup>2</sup>		
<b>Storm Drainage CFF <sup>12 13</sup></b>									
Low Density Residential	DU	\$919		\$919		\$351	\$351	Area of Benefit Assessment	Funded by Project Developer
Medium Density Residential	DU					\$241	\$241		
High Density Residential	DU					\$188	\$188		
Service Commercial	Acre	\$6,321		\$6,321		\$4,353	\$4,353		
Freeway Commercial	Acre	\$11,343		\$11,343					
Waterfront Resort Commercial	Acre								
Neighborhood Commercial	Acre	\$2,808		\$2,808					
Limited Industrial - Zone #5	Acre	\$8,823		\$8,823					
Limited Industrial - Other Zones	Acre	\$4,918		\$4,918					
General Industrial	Acre	\$5,971		\$5,971					
Transit Station (if on Lathrop Road)	Acre	\$5,619		\$5,619					
Fire Station (if on Yosemite Avenue)	Acre	\$6,321		\$6,321					
Area of Benefit #6	Acre	\$2,451							
Crossroads - Onsite	Acre		\$13,099						
Crossroads - Offsite	Acre		\$7,469						
Office Commercial	1,000 sf				\$390				
Limited Industrial	1,000 sf				\$133				
Warehouse	1,000 sf				\$133				
<b>Local Transportation CFF <sup>14</sup></b>									
Single Family Residential	DU	\$3,661		\$3,661					
Multi-Family Residential	DU	\$2,692		\$2,692					
Office Commercial	1,000 sf	\$4,999		\$4,999	\$16,057				
Retail Commercial	1,000 sf	\$4,999		\$4,999	\$16,057				
Industrial	1,000 sf	\$1,472	\$1,099	\$1,472	\$4,639				
Warehouse	1,000 sf	\$1,472		\$1,472	\$479				
Commercial	Acre		\$30,263						
<b>WLSP Regional Transportation Impact Fee (RTIF) <sup>15</sup></b>									
Single Family Residential	DU					\$353	\$353	\$353	\$353
Multi-Family Residential	DU					\$413	\$413	\$413	\$413
Service/Office Commercial	1,000 sf					\$547	\$547	\$547	\$547
Retail Commercial	1,000 sf					\$1,973	\$1,973	\$1,973	\$1,973
<b>WLSP Reimbursement Fee</b>									
	Acre					\$2,612	\$2,612		
<b>West/Central Lathrop Transportation CFF <sup>16</sup></b>									
Single Family Residential	DU					\$3,573	\$2,699	\$3,658	\$4,113
Multi-Family Residential	DU					\$2,204	\$1,659	\$2,245	\$2,525
Service/Office Commercial	1,000 sf					\$5,126	\$3,878	\$3,405	\$3,774
Retail Commercial	1,000 sf					\$5,660	\$4,279	\$4,661	\$6,835
<b>Offsite Roadway Improvements CFF</b>									
Single Family Residential	DU							\$150	
Multi-Family Residential	DU							\$92	
Service/Office Commercial	1,000 sf							\$140	
Retail Commercial	1,000 sf							\$191	
<b>CLSP In-Lieu Community Parks Dedication CFF</b>									
Single Family Residential	DU							\$2,413	
Multi-Family Residential	DU							\$1,724	
<b>San Joaquin County RTIF CFF</b>									
Single Family Residential	DU	\$3,406		\$3,406		\$3,406	\$3,406	\$3,406	\$3,406
Multi-Family Residential	DU	\$2,044		\$2,044		\$2,044	\$2,044	\$2,044	\$2,044
Office Commercial	1,000 sf	\$1,710		\$1,710	\$1,710	\$1,710	\$1,710	\$1,710	\$1,710
Retail Commercial	1,000 sf	\$1,360		\$1,360	\$1,360	\$1,360	\$1,360	\$1,360	\$1,360
Industrial	1,000 sf	\$1,030		\$1,030	\$1,030	\$1,030	\$1,030	\$1,030	\$1,030
Warehouse	1,000 sf	\$430		\$430	\$430	\$430	\$430	\$430	\$430

**Table ES-1 - Fee Summary (Continued)**

Fee Component	Unit	Service Area <sup>1</sup>							
		East	Cross-	No. Harlan	South	Mossdale	Mossdale	Central	Stewart
		Lathrop	roads	Improv. Dist.	Lathrop	Village	Landings	Lathrop	Tract
					(no DA)	(with DA) <sup>2</sup>			
<b>County Facilities CFF <sup>17</sup></b>									
Single Family Residential	DU	\$2,487		\$2,487		\$2,487			
Multi-Family Residential	DU	\$1,846		\$1,846		\$1,846			
Service/Office Commercial	1,000 sf	\$620		\$620	\$620	\$620			
Retail Commercial	1,000 sf	\$410		\$410	\$410	\$410			
Industrial	1,000 sf	\$110		\$110	\$110	\$110			
Warehouse	1,000 sf	\$110		\$110	\$110	\$110			
<b>Environmental Mitigation CFF <sup>18</sup></b>									
Low Density Residential	DU					\$205	\$205		
Medium Density Residential	DU					\$116	\$116		
High Density Residential	DU					\$42	\$42		
Commercial	Acre					\$981	\$981		
<b>AG Mitigation CFF</b>									
	Acre				\$2,796	\$2,796		\$4,194	\$3,076
<b>Economic Development Fee (Measure D)</b>									
Residential Development	DU								\$5,000
<b>Mossdale Tract Regional Levee Impact Fee <sup>19</sup></b>									
Single Family Residential	Acre	\$18,148	\$18,148	\$18,148	\$18,148	\$18,148	\$18,148	\$18,148	\$18,148
Multi-Family Residential	Acre	\$16,525	\$16,525	\$16,525	\$16,525	\$16,525	\$16,525	\$16,525	\$16,525
Commercial	Acre	\$17,187	\$17,187	\$17,187	\$17,187	\$17,187	\$17,187	\$17,187	\$17,187
Industrial	Acre	\$14,300	\$14,300	\$14,300	\$14,300	\$14,300	\$14,300	\$14,300	\$14,300
<b>Outstanding City Water Financial Obligations Reimbursement <sup>20</sup></b>									
Residential Development	Lot							\$6,527	

- 1 Each service area listed is separate and distinct from the others. Crossroads and North Harlan ID are within East Lathrop but in limited instances CFFs differ.
- 2 "Mossdale Landings" include Mossdale Landing, Mossdale Landing East, and Mossdale Landing South and are in Mossdale Village. Development agreements in these areas place limits on increasing the CFF rates.
- 3 Includes neighborhood, community, linear parks, library, youth center, and senior center. This fee has been divided into two components so that fee payments, waivers, credits, and reimbursements for parks and facilities can be administered separately. This CFF reflects a recent adjustment by the City for inflation only.
- 4 Includes police, animal control, city hall, corporation yard, performing arts center, and wireless network facilities. Applies to the entire City. Wireless network costs are excluded from the Mossdale Landings developments CFF calculation. This CFF reflects a recent adjustment by the City for inflation only.
- 5 Surface Water Supply CFF for infill areas (East Lathrop) assumes customers will also pay SCSWSP facilities charge in monthly water bills. Surface Water Supply CFF for growth areas (Central Lathrop and parts of Mossdale Village that are outside the CFD) reflects the full cost of the surface water supply project. See the surface water section of this report for details and possible exclusions.
- 6 The Water System CFF for East Lathrop is a buy-in fee reflecting the value of existing water system assets. North Harlan fee reflects credit for North Harlan ID costs.
- 7 West/Central Lathrop Water System CFF is for well improvements and reflects the cost of future arsenic treatment and a share of standby well capacity. This Water System CFF reflects a recent adjustment by the City for inflation only.
- 8 The Mossdale Landings Water System CFF is for a water storage tank; this CFF was adjusted by the City recently for inflation only. The Water System CFF for SLSP is for water storage facility improvements only; the SLSP Water System CFF was determined in a separate CFF fee study adopted in 2018.
- 9 East Lathrop sewer collection system CFF is a buy-in fee reflecting value of existing sewer system assets. Existing ISU charge for Manteca WQCF treatment capacity is retained. All Sewer System CFFs, except for CLSP, were adjusted by the City for inflation only.
- 10 Mossdale Village Sewer System CFF reflects sewer collection and recycled water distribution costs within Mossdale Village. It is in addition to the recycled water outfall CFF.
- 11 Recycled water CFF applies to West/Central Lathrop and SLSP and is based on the estimated cost of a recycled water outfall to San Joaquin River. This fee was recently adjusted by the City for inflation only.
- 12 All Storm Drainage CFFs were recently adjusted by the City for inflation only.
- 13 Mossdale Village Storm Drainage CFF reflects the cost of a storm drainage outfall.
- 14 Local transportation CFF for East Lathrop was recently adjusted by the City for inflation only.
- 15 West Lathrop Specific Plan Regional Transportation Impact Fee was originally adopted in 1997. This CFF was recently adjusted by the City for inflation only.
- 16 West/Central Lathrop Transportation CFF reflects transportation project analysis and is net of estimated WLSP RTIF revenues. The CFFs for the Mossdale Village, CLSP, and the Stewart Tract reflect the updated cost for the Louise Avenue interchange. Due to the limitation for increasing Mossdale Landings CFFs, the Mossdale Landing CFF was adjusted by the City recently for inflation only.
- 17 County Facilities CFF was updated by San Joaquin County, effective July 1, 2018.
- 18 Environmental mitigation CFFs for Mossdale Village and Mossdale Landings include land and fencing costs for brush rabbit habitat.
- 19 The Mossdale Tract Regional Levee Impact Fee became effective on 01/8/19 and terminates the Lathrop Interim Levee Fee.
- 20 Pursuant to subdivision (b)(4)(iii) of Section 7.05.2.2 of the Assignment and Amendment of Development Agreement By and Between the City of Lathrop and Saybrook, LLC (the "DA"), Saybrook shall reimburse the City for it's the Ongoing City Water Financial Obligation, as defined in the DA. The total \$3,922,841 obligation shall be paid proportionately by Saybrook at the sale of each lot at a rate of \$6,527.19 per lot for the first 601 lots.

## **FEE ADJUSTMENTS**

The Capital Facilities Fees may be adjusted in future years to reflect revised facility standards, receipt of funding from alternative sources (i.e., state or federal grants), revised costs, or changes in land uses, densities, or development plans. In addition to such adjustments, each year the CFF will be adjusted by the change in the ENR 20-City Construction Cost Index over the prior calendar year. This Fee Study adjusted facilities costs in this report based on the ENR 20-City CCI value for December 2018, which is 11,186. For inflating facilities costs that are in the City's 2005 CFF Fee Study, this Fee Study applied the ENR 20-City CCI values of 6,695 (July 2003) for costs that were established in 2003 and the ENR 20-City CCI value of 7,422 (July 2005) for costs that were established in 2005.

## **1. INTRODUCTION**

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### **BACKGROUND**

The City of Lathrop is located in the Sacramento central valley, approximately 58 miles south of Sacramento and 80 miles east of San Francisco. When the City incorporated in 1989, its population was approximately 6,500; as of January 2018, the California Department of Finance estimates the City's population is 24,268.

In 1990 the City adopted its original Capital Facilities Fees program to fund growth in the City. In 1994 the City updated the CFF and included additional fees in the program. In subsequent years the City added other fees to the CFF program. For example, in 1997 it added the West Lathrop Specific Plan Regional Transportation Impact Fee, which was developed in coordination the San Joaquin Council of Governments and area developers. In 2003 a comprehensive effort was undertaken to update the CFF program to include new planning areas in the western part of the City and establish new fees for these areas. In 2005 the CFF program was again updated to include additional facilities and updated fee calculations. In subsequent years additional minor changes to the fee program were made. For example an agriculture fee was added in 2005. Also in 2005, the City adopted San Joaquin County's Regional Transportation Impact Fee. In 2007, the City added an offsite roadway improvement fee for the Central Lathrop Specific Plan ("CLSP") development. In April 2017 the City adopted the Interim Levee Impact Fee to fund the design and construction of the levee system improvements for Reclamation District 17. In February 2018 the City adopted CFFs for the South Lathrop Specific Plan area. Lastly in June 2018, the City adopted updates to several existing CFFs and created the CLSP Sewer System CFF.

### **FEES CALCULATED IN THIS CFF STUDY UPDATE**

Most of the City's Capital Facilities Fees shown in Table ES-1 were updated by the City based on the increase in ENR 20-City CCI from December 2017 to December 2018. The ENR 20-City CCI increased by 2.87%, from 10,873 to 11,186 over this period and the City applied this rate increase to its CFF program. The City is restricted through development agreements with certain developments that limit the annual increase of their CFFs to the rate of inflation, as determined by the ENR 20-City CCI. The following fees are either new or are updated in this Fee Study:

- CLSP In-Lieu Community Parks Dedication Fee (new)
- West/Central Lathrop Regional Transportation CFF for the CLSP area is updated
- Sewer/Recycled Water System CFF for the CLSP area is updated

## **MITIGATION FEE ACT (AB 1600)**

The Mitigation Fee Act, commonly known as Assembly Bill (AB) 1600, was enacted by the State of California in 1987 and created Section 66000 et. seq. of the Government Code. AB 1600 requires that all public agencies satisfy the following requirements when establishing, increasing, or imposing a fee as a condition of approval for a development project:

1. Identify the purpose of the fee
2. Identify the use to which the fee will be put
3. Determine how there is a reasonable relationship between:
  - A. The fee's use and the type of development project on which the fee is imposed
  - B. The need for the public facility and the type of development project on which the fee is imposed
  - C. The amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed

The purpose of this Fee Study is to demonstrate that the fees calculated herein comply with the Mitigation Fee Act. The assumptions, methodologies, facility standards, costs, and cost allocation factors that were used to establish the nexus between the fees and the development on which the fees will be levied are summarized in subsequent chapters of this report.

## **ORGANIZATION OF REPORT**

The remainder of this report has been organized into the following chapters:

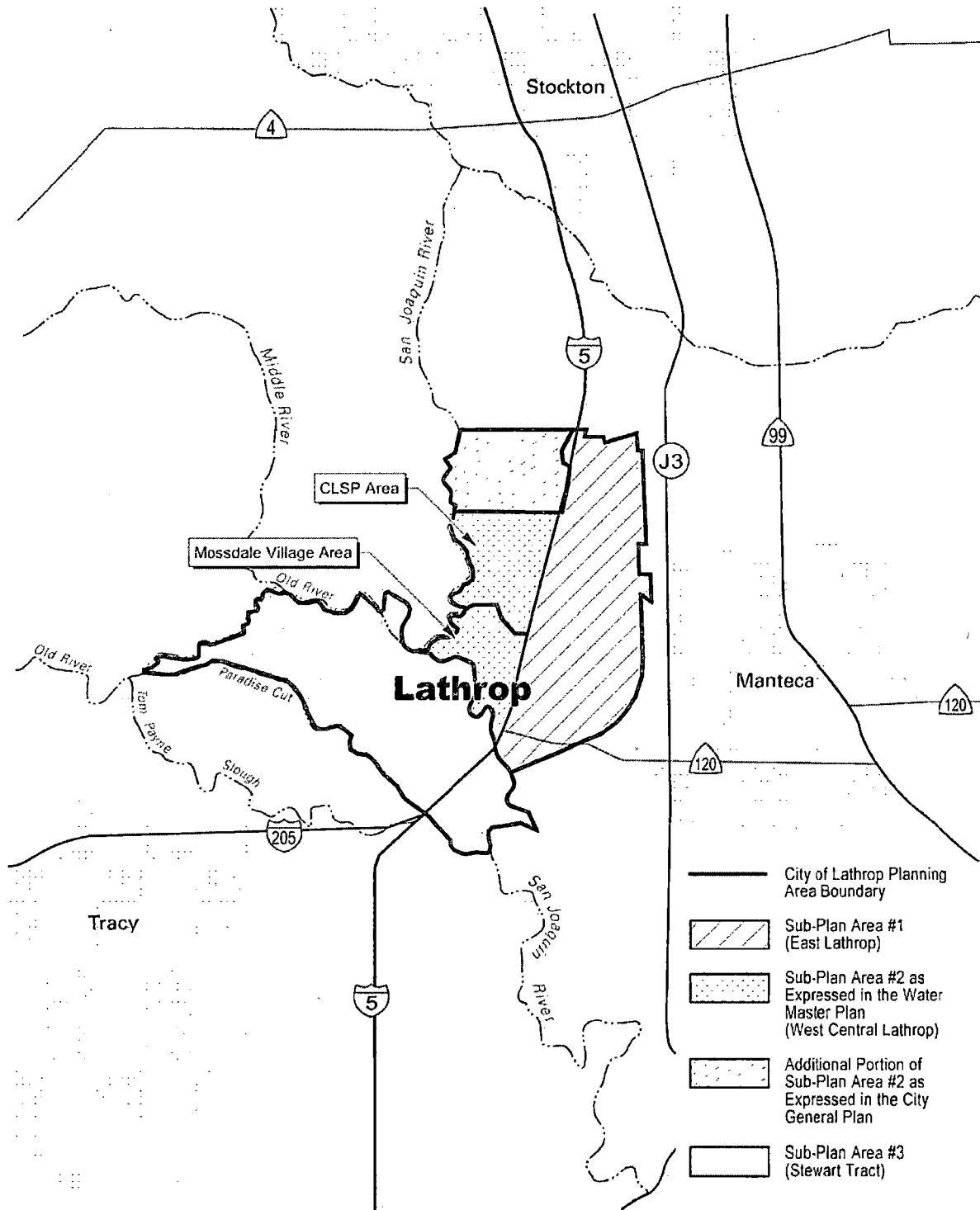
- |              |   |
|--------------|---|
| Chapter 2    | Provides a brief summary of the land uses planned for CLSP  |
| Chapter 3    | Provides an explanation of the fee methodology used to calculate the fees in the this Fee Study   |
| Chapters 4-6 | Provide details of the fee calculations for the in-lieu community parks dedication fee, transportation fee, and the sewer/recycled water CFFs |
| Chapter 7    | Provides details of the surface water supply fee credit calculation   |
| Chapter 8    | Presents changes to the capital improvement plan for facilities in the Culture and Leisure Facilities Fee                                     |
| Chapter 9    | Discusses the nexus findings for the CFFs   |
| Chapter 10   | Addresses implementation of the updates to the fee program, future fee adjustments, and administrative duties required by the fee law         |

## **2. Land Uses in CLSP**

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CLSP abuts the northern boundary of Mossdale Village and includes 1,521 acres that are currently planned for 5,144 residential units and approximately 4.7 million square feet of commercial space. The 5,144 units include 4,870 single family residential (“SFR”) units and 274 multifamily residential (“MFR”) units. Saybrook CLSP, LLC (Saybrook) is the primary developer in CLSP. Saybrook estimates that their project will include a total of 1,850 residential units, including 1,576 SFR and 274 MFR units.

**Exhibit 1 – Map of Central Lathrop Specific Plan**



### **3. FEE METHODOLOGY**

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When impact fees are calculated, an analysis must be presented in enough detail to demonstrate that a logical and thorough consideration was applied in the process of determining how the fees relate to the impacts from new development. Various findings pursuant to the impact fee statute must be made to ensure that a reasonable relationship exists between the fee amount and the impact caused by development on which the fee will be levied. Following is a discussion of the method used in this Fee Study to allocate facilities costs to development and determine the fees in the fee program.

#### **FEE METHODOLOGY**

The plan-based fee methodology is used in this Fee Study. This methodology is used for facilities that must be designed based on future demand projections within a geographic location. Typically, a formal plan such as a specific plan, facilities needs assessment, or master plan identifies and supports the level of facilities required to serve the plan area. This plan would typically consider the existing facilities already in place and determine what additional facilities would be necessary to accommodate new development. For example, the need for transportation-related improvements depends specifically on the projected number of trips that must be accommodated on specific roadways. An analysis of existing facilities, geographic constraints, and current levels of service must be completed in order to identify the future facility needs. This information is analyzed in conjunction with a projection of the amount and location of future development in the plan area to determine the adequacy of existing facilities and the demand for new improvements that will be required. Depending on the level of existing facilities, the plan-based fee methodology may allocate planned facilities costs to either future development only or to future and existing development. The steps to calculate a fee under the plan-based fee methodology include the following:

- Step 1** Identify existing facilities and estimate future demand for facilities at build out of the plan area
- Step 2** Determine facilities needed to serve anticipated growth in the plan area
- Step 3** Estimate the gross cost of facilities needed to serve the future development in the plan area



- Step 4** Subtract the gross cost of any facilities included in the facilities plan that will cure an existing deficiency in service or will serve other development areas
- Step 5** Subtract revenues available from alternative funding sources, if any, to identify a net facilities cost that will be allocated to future development.
- Step 6** Select cost allocation factors (e.g., trips generated, gallons per day) that will be used to allocate facility costs on a proportional impact basis; apply cost allocation factors to each of the land use categories based on their relative service demand or impact on each type of facility
- Step 7** Estimate the total impact from future development by multiplying the total number of units/acres/square feet for each respective land use by its cost allocation factor. Sum the total cost allocation factors for each land use category
- Step 8** Determine the percentage distribution of the cost allocation factors for each land use category by dividing the total of the cost allocation factors for each land use category by the total of all cost allocation factors for all land use categories
- Step 9** Multiply the percent distribution for each land use category, as determined in Step 8, by the total facilities cost to determine the portion of the facility cost that is allocated to each land use category
- Step 10** Divide the facilities cost that is allocated to each land use category, as determined in Step 9, by the number of units or per 1,000 square feet of building space, to determine the facilities fees

#### ***4. IN-LIEU COMMUNITY PARKS DEDICATION CFF***

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Section 7.06.2.6 of the Assignment and Amendment of Development Agreement By and Between the City of Lathrop, Saybrook, LLC Relating to the Central Lathrop Specific Plan (the “DA”) states that the City shall establish an in-lieu fee to fund the acquisition of community park land in CLSP. All development in CLSP will be required to either dedicate community park land or be subject to the In-Lieu Community Parks Dedication Fee (the “In-Lieu Fee”). This section of the report identifies the land, costs, and the CFF rates required to fund community park land acquisition in CLSP.

#### **BACKGROUND**

The DA states that the CLSP will include 70 gross acres of community parks, including 47.3 acres of community-serving recreation and sports complex parks and 22.7 acres of enhanced linear parks. Section 7.06.2 of the DA states that the original developer, Richland, and subsequently Saybrook, through the acquisition of the project area, dedicated 21.7 acres of community park land and 16.4 acres of linear parks. Subsequently, Saybrook dedicated 5.76 acres of park land for the City’s Generation Center. In total, Saybrook has dedicated a total of 43.86 acres of community park land.

On July 9, 2018, the City Council reassigned 12.56 acres of land that were planned for community park development to residential land. Additionally, the 5.76 acres of the City’s Generation Center was reassigned to community park land. As a result of these land reassignments, community park land planned for CLSP was reduced from 70 to 63.2 acres. Table 4-1 below illustrates this reduction of community park acreage.

**Table 4-1 - Revised Community Park Land in CLSP**

<b>Item</b>	<b>Acres</b>
Planned Community and Linear Parks Acreage in CLSP	70.00
Less: CLSP Parkland Reassigned to Residential Land	-12.56
Plus: Generation Center Land Reassigned to Community Park	5.76
<b>Net Community and Linear Parks Acreage in CLSP</b>	<b>63.20</b>

**FACILITIES AND COSTS**

Table 4-2 below shows the land costs for the community park land as identified in the DA. The community and linear park land had an estimated value in the DA of \$175,000 per acre in 2016. This cost was inflated by the ENR index and has a value of \$185,890 in 2019 dollars. The total value of the 57.44 acres of community park land is \$10.7 million. The Generation Center land has an estimated value of \$268,870 per acre in 2019 dollars and a total value of \$1.5 million. The 63.2 acres of community park land have a total value of \$12.2 million.

**Table 4-2 – Community Park Land Costs**

<b><u>Land Cost Calculation</u></b>			
<b>Item</b>	<b>Acres</b>	<b>Cost Per Acre (2019 \$)</b>	<b>Total Land Cost</b>
Community and Linear Parks Land	57.44	\$185,890 <sup>1</sup>	\$10,677,522
Generations Center Land	5.76	\$268,870 <sup>2</sup>	\$1,547,638
<b>Total</b>	<b>63.20</b>		<b>\$12,225,160</b>

<sup>1</sup>. Equals \$175,000 per gross acre plus an inflation adjustment of 6.23% since from December 2016.

<sup>2</sup>. Equals \$6 per gross square foot, or \$261,360 per acre, plus an inflation adjustment of 2.87% since December 2017.

**IN-LIEU FEE CALCULATION**

Table 4-3 on the following page shows the In-Lieu Fee calculation. Residential development’s impact on community parks is based the average persons per household (PPH) per single family (SFR) and multifamily unit (MFR). The CFF Fee Program assumes that single family units have, on average, 2.8 PPH and multifamily units have 2.0 PPH. Converting this to equivalent dwelling units and assuming a single family unit equals 1.0 EDUs, the EDU factor for a multifamily unit is calculated to be 0.71 EDU ( $2.0/2.8 = 0.71$  EDU).

Applying these EDU factors to the 5,144 SFR and MFR units in CLSP produces a total 5,066 EDUs. Dividing the total cost of \$12.2 million by the 5,066 EDUs produces a cost per EDU of \$2,413. The In-Lieu Fees are then calculated by multiplying the \$2,413 cost per EDU by the EDU factor for the SFR and MFR units. For a SFR unit, the In-Lieu Fee is \$2,413 and for a MFR unit it is \$1,724, as shown in Table 4-3.

**Table 4-3 – In-Lieu Community Parks Dedication Fee**

<b><u>EDU Calculation</u></b>				
	<u>Units</u>	<u>EDU/Unit</u>	<u>Total EDUs</u>	
SFR	4,870	1.00	4,870	
MFR	274	0.71	196	
<b>Total</b>	<b>5,144</b>		<b>5,066</b>	
<b><u>Cost Per EDU</u></b>				
Total Cost of Park Land				\$12,225,160
Number of EDUs for CLSP				5,066
<b>Land Cost Per EDU</b>				<b>\$2,413</b>
<b><u>In-Lieu Fee Calculation</u></b>				<i>In-Lieu</i>
<u>Land Use</u>	<i>Persons</i> <u>per Household</u>	<i>Equivalent</i> <u>Dwelling Unit</u>	<i>Cost Per</i> <u>EDU</u>	<i>Community Parks</i> <u>Dedication Fee</u>
Single Family	2.8	1.00	\$2,413	<b>\$2,413</b>
Multi-Family	2.0	0.71	\$2,413	<b>\$1,724</b>

**SAYBROOK CREDITS AND REIMBURSEMENT**

Table 4-4 on the following page shows the calculation of Saybrook’s credits and reimbursement resulting from its dedication of 43.86 acres of community park land. The first step in this calculation is to determine the dedication requirement per EDU. The total estimate EDUs based on 4,870 SFR units and 274 MFR units is 5,066. Dividing the total EDUs into the 63.20 acres of community park land required in CLSP equals a park land dedication requirement of 0.0125 acres of community park land per EDU.

Saybrook’s estimated planned residential development in CLSP totals 1,850 residential units, which includes 1,576 SFR units and 274 MFR units. Multiplying Saybrook’s residential units by their EDU factors equals 1,772 EDUs. Saybrook’s park dedication requirement of 22.10 acres is determined by multiplying the 1,772 EDUs by the 0.0125 acre dedication requirement. But Saybrook has dedicated 43.86 acres of community park land so it has over-dedicated its fair share by 21.75 acres and should be reimbursed for these acres.

Based on its dedication of 43.86 park acres, Saybrook should receive In-Lieu Fee credits for its 1,576 SFR units and 274 MFR units; the total credit is calculated in table 4-4 and equals \$4,275,703. Also, because Saybrook over-dedicated 21.75 acres of park land, it is due \$4,521,397 in reimbursement that will be paid from other developers that do not dedicate community park land and instead pay their In-Lieu Fee obligation. It should be noted that if

Saybrook's actual residential development totals differ from the numbers used in Table 4-4, the calculation need to be updated and the credits and reimbursement will change.

**Table 4-4 – Saybrook In-Lieu Fee Credits and Reimbursement**

<b>Item</b>			
CLSP Community Parks Acreage	a		63.20
Estimated EDUs in CLSP	b		5,066
Community Park Acres Per EDU	c = a/b		0.0125
	<b><u>EDU/Unit</u></b>		
Estimated Saybrook SFR Units in CLSP	1.00		1,576
Estimated Saybrook MFR Units in CLSP	0.71		<u>274</u>
Total Saybrook Units			1,850
Total Saybrook EDUs	d=(1,576*1.0 + 274*0.71)		1,772
Saybrook Community Park Dedication Requirement (acres)	e = c x d		22.10
Saybrook Community Park Land Dedications (acres) <sup>1</sup>	f		<u>43.86</u>
<b>Excess Park Land Dedication (acres)</b>	g = f - e		<b>21.75</b>
<hr/>			
<b><u>Saybrook Fee Credit Calculation</u></b>	<b><u>Units</u></b>	<b><u>Fee</u></b>	<b><u>Fee Credits</u></b>
Saybrook Fee Credits - SFR	1,576	\$2,413	\$3,803,383
Saybrook Fee Credits - MFR	<u>274</u>	\$1,724	<u>\$472,320</u>
<b>Total - Saybrook Fee Credits</b>	<b>1,850</b>		<b>\$4,275,703</b>
<hr/>			
<b><u>Saybrook Excess Land Dedication Reimbursement</u></b>	<b><u>Acres</u></b>	<b><u>Cost/Acre</u></b>	<b><u>Reimbursement</u></b>
Generation Center Land	5.76	\$268,870	\$1,547,638
Remaining Excess Park Land	<u>16.00</u>	\$185,890	<u>\$2,973,759</u>
<b>Total Reimbursement For Excess Park Land Dedication</b>	<b>21.75</b>		<b>\$4,521,397</b>

<sup>1</sup>. Per Development Agreement Section 7.06.2, Richland conveyed 21.7 community park acres and 16.4 linear park acres; in addition, Saybrook conveyed 5.76 community park acres for the generation center, all totaling 43.86 acres.

**IN-LIEU FEES**

Table 4-5 Shows the In-Lieu Fees. Developers will be required to dedicate their fair share of community park land or pay the In-Lieu Fee. The In-Lieu Fee should be updated if the total expected residential units, or the residential mix of SFR and MFR units, or if Saybrook’s residential development differs from the residential development included in this In-Lieu Fee calculation, as this will change the In-Lieu Fee rates and credit/reimbursement amounts.

In addition, the DA states in section 7.06.2.6 that the In-Lieu Fee shall be paid for all units within each subdivision before issuance of the first building permit for construction of a single family unit in each such subdivision.

**Table 4-5 – In-Lieu Community Parks Dedication CFF**

<u>Land Use</u>	<u>Fee</u>
<u>Residential</u>	
Single Family	\$2,413 per Unit
Multi-Family	\$1,724 per Unit

## **5. WEST/CENTRAL LATHROP REGIONAL TRANSPORTATION CFF UPDATE**

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This section of the report identifies the facilities, costs, and the updated CFF rates required to fund the transportation facilities in the West/Central Lathrop Regional Transportation CFF program.

### **BACKGROUND**

The West/Central Lathrop Regional Transportation (WCLRT) CFF was created in 2003 to supplement the existing WLSP Regional Transportation Impact Fee (RTIF). The RTIF was created in 1997 to mitigate the transportation impacts from developments in the West Lathrop Specific Plan area (WLSP). The WLSP area includes the Mossdale Village, CLSP, and River Islands developments. The WCLRT CFF provides a revenue source for funding transportation facilities that include specific transportation projects serving development areas west of the I-5 highway.

### **FACILITIES AND COSTS**

Table 5-1 on the following page identifies the transportation facilities in the WCLRT CFF program and shows their costs in 2005 dollars and also in 2019 dollars - inflated based on the ENR 20-City CCI as of December 2018. City staff reviewed the inflated costs to determine if they were sufficient to fund the cost of constructing the projects in current dollars. Staff identified the Louise/I-5 interchange, whose inflated cost was significantly lower than the project's current estimated construction cost. For example, the Louise/I-5 interchange project was estimated to cost \$11,564,000 in 2005; its ENR CCI-inflated 2018 cost was \$16.9 million. However based on the City's estimate in 2018, the cost to construct this facility was \$39,200,000. In order to be able to fund this facility in the future, City staff determined that the cost of this interchange had to be updated in the Fee Program. As a result, the \$39.2 million cost was incorporated into the calculation of the proposed WCLRT CFF. Table 5-1 on the following page shows the total cost of the transportation facilities in the WCLRT CFF program, inflated by the ENR CCI to 2019 dollars, is \$289.6 million.

**Table 5-1 - Transportation Facilities and Costs**

No.	Route	Project Limits	Description	Project Cost (2005 \$)	Project Cost (2019 \$)
1	Arbor Avenue	Between Macathur Drive and Paradise Avenue	Widen roadway to 4 lanes with left turn at all intersections and driveways	\$9,138,000	\$13,772,000
2	Golden Valley Parkway	Between Paradise Avenue and Paradise Cut	Construct a 4-lane roadway with left turn lanes at all intersections and driveways includes Paradise Cut bridge	\$30,203,000	\$45,518,000
3	Golden Valley Parkway	Between Paradise cut and San Joaquin River	Construct a 4-lane divided arterial. Includes San Joaquin River Bridge.	\$20,745,000	\$31,264,000
4	Golden Valley Parkway	Between San Joaquin River and River Edge Avenue	Construct a 4-lane divided arterial.	\$2,754,000	\$4,150,000
5	Golden Valley Parkway	Between River Edge Avenue and River Island Parkway.	Construct a 6-lane divided arterial.	\$5,627,000	\$8,480,000
6	Golden Valley Parkway	Between River Island Parkway and Lathrop Road	Construct a 6-lane divided arterial.	\$6,046,000	\$9,112,000
7	Golden Valley Parkway	Btw. Lathrop Road and Central Lathrop Specific Plan north border	Construct a 4/6 divided arterial.	\$4,740,000	\$7,144,000
8	Golden Valley Parkway / Manthey Road	Between Central Lathrop Specific Plan north border and Roth Road.	Construct a improved 2-lane arterial.	\$1,430,000	\$2,155,000
9	Roth Road Interchange Improvements	Roth Road Interchange	Signalize and improve ramp intersections, include 4 lanes in interchange area.	\$752,000	\$1,133,000
10	Lathrop Road Interchange Improvements	Lathrop Road Interchange	Signalize and improve ramp intersections, include 8 lanes in interchange area.	\$25,370,000	\$38,234,000
11	Lathrop Road	Between Golden Valley Parkway and I-5	Construct a 6-lane divided arterial.	\$958,000	\$1,444,000
12	Louise Avenue Interchange Improvements	Louise Avenue Interchange	Construct 8 lanes in interchange area, expand ramps, upgrade signals as required.	\$11,564,000	\$40,327,000
13	River Island Parkway	Between Golden Valley Parkway and I-5	Construct a 6-lane divided arterial.	\$758,000	\$1,142,000
14	River Island Parkway	Between Golden Valley Parkway and McKee Avenue	Construct a 6-lane divided arterial.	\$1,517,000	\$2,286,000
15	River Island Parkway	Between McKee Avenue and San Joaquin River	Construct a 4-lane divided arterial. Includes San Joaquin River Bridge.	\$9,958,000	\$15,007,000
A	River Island Parkway	Between San Joaquin River and Broad Street	Construct a 4-lane divided arterial.	\$1,590,000	\$2,396,000
B	Broad Street	Between River Island Parkway and South River Island Parkway	Construct a 4-lane divided arterial.	\$2,435,000	\$3,670,000
C	S. River Island Parkway	Between Broad Street and Golden Valley Parkway.	Construct a 4-lane divided arterial.	\$2,357,000	\$3,552,000
D	Broad Street	Between River South Island Parkway and Golden Valley Parkway.	Construct a 4-lane divided arterial.	\$1,831,000	\$2,759,000
16	Paradise Avenue Interchange Improvements	Paradise Avenue Interchange	Construct new diagonal ramps, signalize ramp intersections, add left turn lanes on all approaches to new signalized intersections, maintain 2-lane overpass.	\$20,800,000	\$31,347,000
17	Paradise Avenue	Between I-205 and Golden Valley Parkway	Widen roadway to 4 lanes with left turn at all intersections and driveways	\$985,000	\$1,484,000
19	Macarthur Drive Interchange Improvements	Macarthur Drive Interchange	Construct interchange improvements	\$11,032,000	\$16,626,000
20	Macarthur Drive	Between I-205 and Arbor Avenue	Widen Roadway to 4 lanes.	\$1,369,000	\$2,063,000
21	Arbor Avenue and Macarthur Drive	Traffic Signal	Construct new traffic signals.	\$472,000	\$711,000
22	Golden Valley Parkway and Paradise Avenue	Traffic Signal	Construct new traffic signals.	\$472,000	\$711,000
23	Golden Valley Parkway and River Island Parkway	Traffic Signal	Construct new traffic signals.	\$472,000	\$711,000
24	Golden Valley Parkway and Lathrop Road	Traffic Signal	Construct new traffic signals.	\$472,000	\$711,000
25	River Island Parkway and Broad Street	Traffic Signal	Construct new traffic signals.	\$277,000	\$417,000
26	S. River Island Parkway and Broad Street	Traffic Signal	Construct new traffic signals.	\$277,000	\$417,000
27	Golden Valley Parkway and Broad Street	Traffic Signal	Construct new traffic signals.	\$277,000	\$417,000
28	Golden Valley Parkway and S. River Island Parkway	Traffic Signal	Construct new traffic signals.	\$277,000	\$417,000
<b>Total</b>				<b>\$176,955,000</b>	<b>\$289,577,000</b>



Table 5-2 on the following page shows the updated total cost of the transportation facilities in the WCLSP CFF program is \$289.6 million. An estimated \$99.0 million in fee revenue is expected to be collected through the WLSP RTIF program for seven transportation projects that are in both of these transportation fee programs. This amount will be used to reduce the total cost of the transportation projects to be funded through WCLSP CFF and would leave a net cost of \$190.6 million to be allocated to developments in the City through the WCLSP CFF program.

The cost allocation percentages shown in Table 5-2 are based on a traffic model analysis conducted by TJKM in 2003 and were applied in the WCLSP CFF calculation in the 2005 Fee Study. Costs are allocated based on trip generation from the following five zones:

1. Area A = Central Lathrop Specific Plan area
2. Area B = Mossdale Village
3. Area C = River Islands
4. Area D = East Lathrop
5. Area E = Areas outside the City

Based on the trip generation allocation, the CLSP area is allocated approximately \$35.9 million of the transportation project costs, or about 19% of the total \$190.6 million cost; Mossdale Village is allocated \$20.8 million, or about 11% of the total cost; and River Islands is allocated \$61.6 million, or about 32% of the total cost. The remaining 38% of the cost, approximately \$72.3 million, is allocated to East Lathrop and areas outside of the City and therefore this portion of the total cost cannot be collected and will need to be funded through other sources.

**Table 5-2 - Transportation Facilities Cost Allocation**

No.	Project Cost (2019 \$)	Less: '97 RTIF (2019 \$)	Net Project Cost (2019 \$)	Contribution to Projects by Area <sup>1</sup>						Net Project Cost by Area			
				A	B	C	D	E	Total	A	B	C	Total
1	\$13,772,000	\$0	\$13,772,000	11.1%	7.1%	48.5%	2.0%	31.3%	100%	\$1,530,222	\$973,777	\$6,677,333	\$9,181,332
2	\$45,518,000	(\$28,484,000)	\$17,034,000	14.0%	2.0%	45.0%	18.0%	21.0%	100%	\$2,384,760	\$340,680	\$7,665,299	\$10,390,739
3	\$31,264,000	(\$19,564,000)	\$11,700,000	19.1%	17.3%	48.2%	4.5%	10.9%	100%	\$2,233,637	\$2,020,908	\$5,637,273	\$9,891,818
4	\$4,150,000	(\$2,597,000)	\$1,553,000	13.1%	21.2%	59.1%	5.8%	0.7%	100%	\$204,044	\$328,737	\$918,197	\$1,450,977
5	\$8,480,000	(\$5,307,000)	\$3,173,000	19.4%	19.4%	50.7%	9.0%	1.5%	100%	\$615,657	\$615,657	\$1,610,179	\$2,841,493
6	\$9,112,000	(\$5,702,000)	\$3,410,000	49.1%	20.9%	20.2%	7.4%	2.5%	100%	\$1,673,619	\$711,288	\$690,368	\$3,075,275
7	\$7,144,000	\$0	\$7,144,000	69.9%	8.1%	7.4%	14.0%	0.7%	100%	\$4,990,293	\$577,823	\$525,293	\$6,093,409
8	\$2,155,000	\$0	\$2,155,000	68.9%	0.9%	1.9%	25.5%	2.8%	100%	\$1,484,103	\$20,329	\$40,661	\$1,545,093
9	\$1,133,000	\$0	\$1,133,000	16.6%	4.1%	5.5%	23.0%	50.9%	100%	\$188,304	\$46,794	\$61,749	\$296,846
10	\$38,234,000	(\$5,962,000)	\$32,272,000	30.9%	5.3%	6.8%	32.9%	24.1%	100%	\$9,975,275	\$1,694,281	\$2,194,495	\$13,864,051
11	\$1,444,000	\$0	\$1,444,000	59.9%	4.4%	5.8%	27.7%	2.2%	100%	\$864,291	\$63,241	\$84,322	\$1,011,854
12	\$40,327,000	\$0	\$40,327,000	6.2%	16.7%	25.6%	18.7%	32.7%	100%	\$2,516,406	\$6,746,706	\$10,311,615	\$19,574,727
13	\$1,142,000	\$0	\$1,142,000	9.8%	27.0%	40.2%	18.0%	4.9%	100%	\$112,327	\$308,902	\$458,673	\$879,902
14	\$2,286,000	\$0	\$2,286,000	17.9%	17.9%	47.1%	11.4%	5.7%	100%	\$408,215	\$408,215	\$1,077,685	\$1,894,115
15	\$15,007,000	\$0	\$15,007,000	18.4%	12.9%	55.8%	7.5%	5.4%	100%	\$2,756,387	\$1,939,680	\$8,371,252	\$13,067,319
A	\$2,396,000	\$0	\$2,396,000	18.9%	12.8%	55.4%	7.4%	5.4%	100%	\$453,323	\$307,646	\$1,327,624	\$2,088,593
B	\$3,670,000	\$0	\$3,670,000	12.4%	15.7%	59.5%	4.1%	8.3%	100%	\$455,080	\$576,190	\$2,184,018	\$3,215,288
C	\$3,552,000	\$0	\$3,552,000	3.0%	34.8%	59.8%	1.8%	0.6%	100%	\$108,293	\$1,234,536	\$2,122,536	\$3,465,366
D	\$2,759,000	\$0	\$2,759,000	10.9%	9.1%	63.6%	3.6%	12.7%	100%	\$301,007	\$251,069	\$1,755,551	\$2,307,627
16	\$31,347,000	(\$31,347,000)	\$0	5.7%	6.1%	47.9%	2.6%	37.7%	100%	\$0	\$0	\$0	\$0
17	\$1,484,000	\$0	\$1,484,000	7.0%	7.0%	62.0%	1.0%	23.0%	100%	\$103,880	\$103,880	\$920,080	\$1,127,840
19	\$16,626,000	\$0	\$16,626,000	8.5%	4.4%	24.2%	2.9%	60.1%	100%	\$1,414,872	\$724,893	\$4,021,830	\$6,161,595
20	\$2,063,000	\$0	\$2,063,000	10.0%	7.0%	43.0%	2.0%	38.0%	100%	\$206,300	\$144,410	\$887,090	\$1,237,800
21	\$711,000	\$0	\$711,000	9.5%	6.4%	40.8%	2.1%	41.3%	100%	\$67,616	\$45,149	\$290,159	\$402,923
22	\$711,000	\$0	\$711,000	9.4%	8.2%	61.1%	1.4%	19.9%	100%	\$66,905	\$58,231	\$434,066	\$559,202
23	\$711,000	\$0	\$711,000	24.0%	26.7%	33.1%	12.3%	4.0%	100%	\$170,640	\$189,482	\$235,270	\$595,392
24	\$711,000	\$0	\$711,000	62.5%	8.7%	8.8%	18.3%	1.6%	100%	\$444,660	\$62,071	\$62,639	\$569,369
25	\$417,000	\$0	\$417,000	17.1%	12.4%	61.1%	6.4%	3.0%	100%	\$71,432	\$51,750	\$254,620	\$377,802
26	\$417,000	\$0	\$417,000	8.8%	14.7%	64.4%	3.2%	8.9%	100%	\$36,488	\$61,424	\$268,631	\$366,543
27	\$417,000	\$0	\$417,000	8.7%	15.0%	64.6%	5.7%	6.2%	100%	\$36,112	\$62,425	\$269,174	\$367,711
28	\$417,000	\$0	\$417,000	7.2%	22.3%	63.3%	6.2%	1.0%	100%	\$30,066	\$92,866	\$264,044	\$386,976
<b>Total</b>	<b>\$289,577,000</b>	<b>(\$98,963,000)</b>	<b>\$190,614,000</b>							<b>\$35,904,214</b>	<b>\$20,763,039</b>	<b>\$61,621,724</b>	<b>\$118,288,977</b>

1. Area A = CLSP  
Area B = Mosssdale Village  
Area C = Stewart Tract/River Islands  
Area D = East Lathrop  
Area E = Areas outside the City

## COST ALLOCATION

The total \$35.9 million cost allocated to CLSP is further allocated to the development planned within CLSP. The planned development in CLSP has been updated in this Fee Study to reflect the most current estimate of residential and nonresidential development.

The cost allocation methodology used in this Fee Study is the same that was used in the 2005 Fee Study. Development estimate for CLSP is multiplied by the adjusted PM peak hour trip rates to determine total trip volume. PM Peak hour trips are adjusted by reducing the trip totals for Retail and Office development by 60% and 20%, respectively, to account for pass-by and diverted trips that are linked to other trips. Reducing these trip totals ensures that trip generation estimates on the roadways is not overestimated. Based on adjusted PM Peak Hour trip volume, an allocation of the total cost is calculated for each land use category in CLSP. The cost per unit was calculated by dividing the total units into the total allocated cost for each land use category. Table 5-3 shows the cost per unit or per 1,000 square feet for CLSP. The cost per unit or per 1,000 building square feet is also the WCLSP CFF rate for each land use category.

**Table 5-3**  
**CLSP - Cost Allocation**

Land Use	Units / Bldg SF	Adjusted PM Peak Hour Trip Rate	Adjusted PM Peak Hour Trip Volume	Percent Allocation	Total Costs	Cost per Unit / Bldg SF
<b>Area A - CLSP Cost</b>	<b>\$ 35,904,214</b>					
<i>Dwelling</i>						
<i>Residential</i>	<i>Units</i>	<i>per Unit</i>				<i>per Unit</i>
Single Family	4,870	1.01	4,919	49.61%	\$17,813,847	<b>\$3,658</b>
Multi-Family	274	0.62	170	1.71%	\$615,644	<b>\$2,245</b>
Subtotal - Residential	5,144		5,089	51.33%	\$18,429,492	
<i>Non-Residential</i>						
	<i>Bldg SF</i>	<i>per 1,000 SF</i>				<i>Per 1,000 SF</i>
Service/Office Commercial	3,524,250	0.94	3,313	33.42%	\$11,999,135	<b>\$3,405</b>
Retail Commercial	1,174,750	1.29	1,512	15.25%	\$5,475,588	<b>\$4,661</b>
Subtotal - Non-Residential	4,699,000		4,825	48.67%	\$17,474,723	
<b>Total</b>			<b>9,914</b>	<b>100.00%</b>	<b>\$35,904,214</b>	

**WEST/CENTRAL LATHROP REGIONAL TRANSPORTATION FEE**

Table 5-4 shows the proposed WCLRT CFF for CLSP.

**Table 5-4  
West/Central Lathrop Regional Transportation CFF**

<b>Land Use</b>	<b>Central Lathrop</b>
<u>Residential</u>	
Single Family	<b>\$3,658</b> per Unit
Multi-Family	<b>\$2,245</b> per Unit
<u>Non-Residential</u>	
Service/Office Commercial	<b>\$3,405</b> per 1,000 sf
Retail Commercial	<b>\$4,661</b> per 1,000 sf

## 6. SEWER/RECYCLED WATER CAPITAL FACILITIES FEE UPDATE

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This section of the report identifies the updated sewer and recycled water facilities, costs, and CFF rates required to fund reimbursement costs for oversized the sewer and recycled water facilities in the CLSP area.

### FACILITIES AND COSTS

In June 2018, the City Council adopted the original Sewer/Recycled Water CFF. The original Sewer/Recycled Water CFF was based on facilities that included a pump station, force mains, sewer pipelines, and recycled water pipelines; specifically items 1 – 3 shown in Table 6-1 below. This Fee Study includes additional pump station costs and additional sewer work (items #4 and #5 in Table 6-1) that were incurred by Richland or Saybrook and approved by the City. The additional facilities increase the total cost to \$16.4 million. Tables 1 through 5 in the appendix of this report provide details of the sewer and recycled water backbone facilities and costs that have been constructed to serve the CLSP area. Facilities include a portion of a pump station, force mains, sewer pipelines, and recycled water pipelines. Table 6-1 shows the total cost of these facilities in 2019 dollars is \$16.4 million.

**Table 6-1**  
**Sewer/Recycled Water Capital Facilities for CLSP**

No.	Improvement	Project Cost (2017 \$)	Project Cost (2019 \$)
1	Portion of Pump Station and Force Mains <sup>1</sup>	\$5,302,500	\$5,633,000
2	Sanitary Sewer Mains	\$2,849,175	\$3,027,000
3	Recycled Water Mains	\$3,095,280	\$3,288,000
4	Additional Pump Station Costs <sup>2</sup>	-	\$792,000
5	Estimated Additional Sewer Work	-	\$3,663,000
<b>Total</b>		<b>\$11,246,955</b>	<b>\$16,403,000</b>

1. Includes 1/4 of the total pump station cost.

2. Includes 1/4 of the additional costs incurred since 2014.

## COST ALLOCATION FACTORS

The allocation of the CLSP sewer and recycled water facilities is based on the wastewater flow factors provided by the City and summarized in Table 6-2 below. Wastewater flow is a reasonable method of allocating sewer facilities costs since it accurately measures the demand placed on the sewer system by various types of development.

**Table 6-2**  
**Sewer Cost Allocation Factors**

<b>Land Use</b>	<b>Wastewater Flow Factor</b>
Low Density Residential	200 gpd/du
Medium Density Residential	170 gpd/du
High Density Residential	170 gpd/du
Commercial	590 gpd/ac
Industrial <sup>1</sup>	355 gpd/ac

1. Industrial development is not allowed in CLSP.

Sources: *City of Lathrop*

## CLSP SEWER/RECYCLED WATER FACILITIES CFF CALCULATION

Table 6-3 on the following page summarizes the cost allocation of the sewer and recycled water facilities costs. The estimated development in CLSP includes 5,144 residential units and approximately 4.7 million square feet of commercial development. The residential development estimate varies from the CLSP EIR which shows nearly 6,800 units as potentially developing in the CLSP. However development densities in approved tentative maps for CLSP show residential development at lower densities than were originally contemplated. As a result, the costs allocation shown in Table 6-3 includes the lower density residential estimates. If these densities change in future years, the CFF should be updated to account for the revised development plans.

**Table 6-3**  
**Sewer/Recycled Water Cost Allocation**

<u>Land Use</u>	<u>Units / Bldg SF</u>	<u>Wastewater Flow Factor</u>	<u>Wastewater Flow Daily Volume</u>	<u>Percent Allocation</u>	<u>Cost Allocation</u>	<u>Cost per Unit / Bldg SF</u>
<b>Total Improvement Cost \$16,403,000</b>						
<i>Residential</i>						
	<i>Dwelling Units</i>	<i>GPD per Unit</i>	<i>GPD</i>			<i>per Unit</i>
Single Family	4,870	200	974,000	79.0%	\$12,960,250	<b>\$2,661</b>
Multi-Family	274	170	46,580	3.8%	\$619,803	<b>\$2,262</b>
Subtotal - Residential	5,144		1,020,580	82.8%	\$13,580,053	
<i>Non-Residential</i>						
	<i>Acres</i>	<i>Building Sq. Ft</i>	<i>GPD per acre</i>			<i>Per 1,000 SF</i>
Commercial	359.6	4,699,000	590	17.2%	\$2,822,947	<b>\$601</b>
<b>Total</b>			<b>1,232,733</b>	<b>100.0%</b>	<b>\$16,403,000</b>	

**CLSP SEWER/RECYCLED WATER FACILITIES CFF**

The sewer and recycled water facilities, or portions of facilities, identified in this chapter will serve the CLSP area and therefore the Sewer/Recycled Water CFF calculated here is to be charged only to development in the CLSP area. Table 6-4 summarizes the Sewer/Recycled Water CFFs. Since the sewer and recycled water facilities have been funded by Richland or Saybrook, CFF revenue will be used to reimburse the developer.

**Table 6-4**  
**Sewer/Recycled Water Capital Facilities Fees**

<u>Land Use</u>	<u>Fee</u>
<u>Residential</u>	
Single Family	\$2,661 per Unit
Multi-Family	\$2,262 per Unit
<u>Non-Residential</u>	
Commercial	\$601 per 1,000 sf

## **7. SURFACE WATER SUPPLY FEE CREDIT ALLOCATION FOR SAYBROOK**

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In 1995 the City entered into a water supply development agreement with the South San Joaquin Irrigation District (SSJID) to purchase treated surface water through the South County Surface Water Supply Project (SCSWSP). The City's groundwater supplies were limited and surface water would be required to meet future demand from new development planned in the City. In 2005 the SCSWSP became operational and began supplying water to the City. SCSWSP facilities include water treatment plant improvements, pipelines, pump stations, and storage reservoir improvements. The City of Lathrop's share of the total \$148.3 million Phase 1 cost is estimated to be approximately \$43.7 million.

Phase 1 of the water project will supply the City with 7.15 million gallons per day (MGD) of treated water and Phase 2 would increase the total to 10.52 MGD. Of the Phase 1 total, 3.08 MGD was allocated to the River Islands development; 1.34 MGD was allocated to existing City ratepayers; 0.69 MGD was allocated to the Mossdale Village development; 1.91 MGD was allocated to CLSP; and 0.13 MGD was allocated to other future development areas. In 2013 the City sold 1.0 MGD of its surface water supply allocation to the City of Tracy and as a result, CLSP's Phase 1 surface water supply allocation was reduced to 0.91 MGD.

### **CLSP SURFACE WATER SUPPLY CFF CREDIT CALCULATION**

The DA obligates Saybrook to fund a proportionate share of the annual debt service of water bonds used to purchase the 0.91 MGD surface water supply allocation for the Saybrook's development. In paying the annual debt service, Saybrook earns Surface Water Supply CFF credits annually in proportion to the present value of the debt service that has been paid by Saybrook. In total, Saybrook will earn fee credits for of 2,116 SFR units or equivalent dwelling units (see Table 7-1). This number is calculated by dividing the 910,000 gallons per day water allotment by the average water usage for a SFR unit or 1.0 EDU, which is 430 gallons per day ( $910,000 / 430 = 2,116$ ).

Exhibit D6 in the DA shows that as of December 2016, Saybrook has earned a total of \$4,379,634 in Surface Water Supply credits. Based on the CLSP Surface Water Supply CFF of \$5,768 per EDU, Saybrook has earned a total of 759 Surface Water Supply credits. Based on the present value of the bond debt service over the remaining years through fiscal year 2031-32, which is the last year of water bond debt service, Saybrook will earn 90 or 91 Surface Water Supply credits annually until it reaches a cumulative total of 2,116. Table 7-2 shows the cumulative allocation calculation of Saybrook's Surface Water Supply CFF credits.



**Table 7-1 Surface Water Supply CFF - CLSP**

Fiscal Year	2003 and 2013 and 2017	CLSP Portion -	Debt Service	Total CLSP	Present	Surface Water Supply CFF for CLSP (\$/EDU) <sup>6</sup>
	Bonds/Loan Debt Service for Water Users <sup>1</sup>	Water Supply Bonds and Loan Debt Service <sup>2</sup>	Obligation Met with \$4M Prepay <sup>3</sup>	Portion of Debt Service	Value of CLSP CLSP Portion of Debt Serv. <sup>4,5</sup>	
2006-07	\$1,098,173	\$489,871	(\$108,156)	\$381,715	\$455,569	
2007-08	\$1,180,023	\$526,383	(\$94,305)	\$432,077	\$493,171	
2008-09	\$1,298,023	\$579,020	(\$94,305)	\$484,714	\$525,665	
2009-10	\$1,294,973	\$577,659	(\$94,305)	\$483,354	\$508,566	
2010-11	\$1,295,403	\$577,851	(\$94,305)	\$483,546	\$501,101	
2011-12	\$1,294,803	\$577,583	(\$94,305)	\$483,278	\$498,035	
2012-13	\$1,293,143	\$576,843	(\$94,305)	\$482,538	\$495,226	
2013-14	\$1,098,868	\$566,688	\$0	\$566,688	\$579,486	
2014-15	\$1,102,803	\$573,528	\$0	\$573,528	\$585,047	
2015-16	\$750,215	\$389,340	\$0	\$389,340	\$396,256	
2016-17	\$750,215	\$398,520	\$0	\$398,520	\$404,426	
2017-18	\$947,461	\$480,449	\$0	\$480,449	\$484,893	
2018-19	\$947,461	\$480,449	\$0	\$480,449	\$480,449	\$5,768
2019-20	\$947,461	\$480,449	\$0	\$480,449	\$475,328	
2020-21	\$947,461	\$480,449	\$0	\$480,449	\$470,262	
2021-22	\$947,461	\$480,449	\$0	\$480,449	\$465,249	
2022-23	\$947,461	\$480,449	\$0	\$480,449	\$460,290	
2023-24	\$947,461	\$480,449	\$0	\$480,449	\$455,384	
2024-25	\$947,461	\$480,449	\$0	\$480,449	\$450,531	
2025-26	\$947,461	\$480,449	\$0	\$480,449	\$445,729	
2026-27	\$947,461	\$480,449	\$0	\$480,449	\$440,978	
2027-28	\$947,461	\$480,449	\$0	\$480,449	\$436,278	
2028-29	\$947,461	\$480,449	\$0	\$480,449	\$431,628	
2029-30	\$947,461	\$480,449	\$0	\$480,449	\$427,027	
2030-31	\$947,461	\$480,449	\$0	\$480,449	\$422,476	
2031-32	\$947,461	\$480,449	\$0	\$480,449	\$417,973	
<b>Totals</b>	<b>\$26,668,553</b>	<b>\$13,040,017</b>	<b>(\$673,989)</b>	<b>\$12,366,029</b>	<b>\$12,207,022</b>	
Phase I SCSWSP Capacity for CLSP <sup>7</sup>						0.91 mgd
Present Value Cost of Surface Water Supply Capacity for CLSP						\$13.41 /gpd
Demand Met by Surface Water per EDU <sup>8</sup>						430 gpd
Potential Development Served by this Capacity						2116 EDUs
Present Value Cost of Water Supply Capacity Per EDU						<b>\$5,768 /EDU</b>
<b>Proposed CLSP Surface Water Supply CFF for Growth Areas FY 2017-18 <sup>9</sup></b>						
	5/8" Meter	\$5,768	3" Meter	\$86,520		
	3/4" Meter	\$8,652	4" Meter	\$144,200		
	1" Meter	\$14,420	6" Meter	\$288,400		
	1 1/2" Meter	\$28,840	8" Meter	\$461,440		
	2" Meter	\$46,144	10" Meter	\$836,360		

**Table 7-2 Surface Water Supply CFF Credits**

<b>Fiscal Year</b>	<b>Total CLSP Portion of Debt Service</b>	<b>Present Value of CLSP Portion of Debt Service</b>	<b>Annual Credits Earned (EDUs)</b>	<b>Cumulative Credits Earned (EDUs)</b>
2006-07	\$381,715	\$455,569		
2007-08	\$432,077	\$493,171		
2008-09	\$484,714	\$525,665		
2009-10	\$483,354	\$508,566		
2010-11	\$483,546	\$501,101		
2011-12	\$483,278	\$498,035		
2012-13	\$482,538	\$495,226		
2013-14	\$566,688	\$579,486		
2014-15	\$573,528	\$585,047		
2015-16	\$389,340	\$396,256		
2016-17	\$398,520	\$404,426		<b>759</b>
2017-18	\$480,449	\$484,893	90	<b>849</b>
2018-19	\$480,449	\$480,449	90	<b>939</b>
2019-20	\$480,449	\$475,328	90	<b>1,029</b>
2020-21	\$480,449	\$470,262	90	<b>1,119</b>
2021-22	\$480,449	\$465,249	90	<b>1,209</b>
2022-23	\$480,449	\$460,290	90	<b>1,299</b>
2023-24	\$480,449	\$455,384	90	<b>1,389</b>
2024-25	\$480,449	\$450,531	90	<b>1,479</b>
2025-26	\$480,449	\$445,729	91	<b>1,570</b>
2026-27	\$480,449	\$440,978	91	<b>1,661</b>
2027-28	\$480,449	\$436,278	91	<b>1,752</b>
2028-29	\$480,449	\$431,628	91	<b>1,843</b>
2029-30	\$480,449	\$427,027	91	<b>1,934</b>
2030-31	\$480,449	\$422,476	91	<b>2,025</b>
2031-32	\$480,449	\$417,973	91	<b>2,116</b>
<b>Totals</b>	<b>\$12,366,029</b>	<b>\$12,207,022</b>		
		<b>Total Credit Earned (Dec. 2016) <sup>1</sup></b>		<b>\$4,379,000</b>
		<b>Present Value Cost of Water Supply Capacity Per EDU</b>		<b>\$5,768 /EDU</b>
		<b>Cumulative Credits Earned (Dec. 2016)</b>		<b>759 EDUs</b>
		<b>Total Present Value of CLSP Portion of Debt Service</b>		<b>\$12,207,022</b>
		<b>Less: Total Credit Earned (Dec. 2016)</b>		<b>(\$4,379,000)</b>
		<b>Total Remaining Present Value of CLSP Debt Service</b>		<b>\$7,828,022</b>
		<b>Total Remaining Credits</b>		<b>1,357 EDUs</b>
		<b>Remaining Years of Debt Service (as of Dec. 2016)</b>		<b>15 yrs.</b>
		<b>Average Credits Earned Per Year (After Dec. 2016)</b>		<b>90 EDUs</b>

<sup>1</sup> Per Ex. D6 of the Assignment and Amendment of Development Agreement By and Between the City of Lathrop and Saybrook CLSP, LLC and Lathrop Land Acquisition dated December 6, 2016.

## **8. CIP UPDATE FOR THE CULTURE AND LEISURE FACILITIES**

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In 2014 the City completed construction of the Lathrop Generations Center. The Generation Center building includes a 4,200 square foot public library and a 5,300 square foot youth and teen center. Additionally, the 5.76 acre site on Spartan Way includes play equipment, a skate park, parkour course, outdoor stage, turf seating, landscaping and irrigation, and a parking lot. In 2012, the City received a \$5.0 million grant to help fund the facility. The 5.76 acre site itself will be purchased by the City from Saybrook at a cost of \$6.00 per square foot, for a total of approximately \$1.5 million.

While the CFF program includes a teen center and library facility space in the Culture and Leisure Facilities CFF, it does not include enough funding for the land associated with the teen center or library facilities to be able to provide funding to acquire the 5.76 acre site.

In order to use Culture and Leisure Facilities CFF revenue to reimburse Saybrook for the 5.76 acre site, the total square footage of the future library facilities was reduced by 1,600 square feet from 32,700 to 31,100 to allow for including the \$1.5 million in funding of the 5.76 acre park land. By simultaneously reducing the library facility space while including the 5.76 park acres in the CIP, the Culture and Leisure Fee rates did not increase. This change to the Culture and Leisure CIP was approved with the adoption of the City of Lathrop 2018 Capital Facilities Fee Study Update in June of 2018.

### **UPDATE OF THE CULTURE AND LEISURE FACILITIES CIP**

With the creation of the In-Lieu Community Parks Dedication CFF in this Fee Study, the 5.76 acre site for the Generation Center is now included in the community park land that will be funded through the In-Lieu Community Parks Dedication CFF. As a result of this, the 5.76 acres of park land will no longer be funded through the Culture and Leisure Facilities CFF. Therefore, the library facility included in the Culture and Leisure Fee CIP can be restored to the original facility size of 32,700 square feet.

### **REMAINING LIBRARY AND YOUTH FACILITIES**

With the construction of the Lathrop Generations Center, the total remaining library and youth center facilities needed by build out of the City are reduced; the CFF program assumes a buildout population of 65,400 for the City. Table 8-1 below summarizes the required facilities, the existing facilities that were constructed at the Generations Center, and the remaining facilities that need to be constructed in the future to serve the City's build out population.

For library facilities, 32,700 square feet of building space is required by build out of the City. With the construction of the 4,200 square foot library at the Generations Center, 28,500 square feet of library building space remains to be constructed in the future. For the youth center, 5,300 square feet of space are in the Generations Center, leaving 2,200 square feet of youth center building space remaining to be constructed.

**Table 8-1**

**Remaining Library and Youth Center Facilities at Build Out**

<b><u>Library Facilities</u></b>	<b><u>Building (sf)</u></b>
Requirements by Buildout	<b>32,700</b>
Existing Library Facilities <sup>1</sup>	<b><u>(4,200)</u></b>
Net Remaining Library Building Requirements	<b>28,500</b>
<b><u>Youth Center Facilities</u></b>	
Requirements by Buildout	<b>7,500</b>
Existing Youth Center Facilities <sup>2</sup>	<b><u>(5,300)</u></b>
Net Remaining Youth Center Building Requirements	<b>2,200</b>

<sup>1</sup> Library space at the Generations Center.

<sup>2</sup> Youth center space at the Generations Center.

## 9. NEXUS FINDINGS

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Development in the City will create a need for additional public facilities as well as expansion of existing facilities to serve future residents and employees. The CFF program will provide funding for public facilities in accordance with the policies and goals set forth by the City. As required pursuant to the Mitigation Fee Act, the CFFs calculated in this Fee Study meet the nexus requirements of the law, as outlined below.

### NEXUS TEST

#### **Purpose of the Fees**

The purpose of the CFFs is to provide funding for the infrastructure and facilities identified in this Fee Study.

#### **Use of Fee**

- CFF revenue will be used to fund future development's fair share of the cost of infrastructure and facilities that have been identified by the City as necessary to serve new development in the City.

#### **Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed.**

New residential and non-residential development will generate additional demand for the infrastructure and facilities identified in this Fee Study. The facilities, infrastructure improvements, and capacity enhancements included in this Fee Study will ensure that the City will maintain the desired level of service standards that are identified for the facility categories included in this Fee Study.

#### **Determine how there is a reasonable relationship between the fee's use and the type of development project on which the fee is imposed.**

CFF revenue collected will fund the facilities included in this Fee Study. These facilities will serve development in the City and the proposed fees in this Fee Study are a fair-share cost allocation based on the impact that future development will have on these facilities and improvements. Separate CFF accounts will be established to ensure that fee revenue is applied to the infrastructure and facilities for which it is collected.

**Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed.**

A reasonable relationship between the amount of each CFF and the cost of the public facility, or portion thereof, is established in this Fee Study through the use of cost allocation factors to estimate the demand for a facility or, the impact that a land use will have on a facility. For example, the cost allocation for the Sewer/Recycled Water Fee is based on the gallons per day of wastewater generated for each specific land use. The wastewater generation rates, which differ between land use categories, measure each land use's impact on sewer facilities and infrastructure. As a result, each land use category or development type is allocated its fair share of the cost based on its impact, as identified by its cost allocation factor.

By assigning the demand for infrastructure and facilities based on the cost allocation factors for each land use and quantifying that demand in the calculation of the CFFs, a reasonable relationship is established between the amount of the fee and the cost of the facilities attributable to the different types of development in the City.

## **10. FEE PROGRAM ADMINISTRATION**

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### **FEE IMPLEMENTATION**

According to the California Government Code, prior to levying a new fee or increasing an existing fee, a public agency must hold at least one open and public meeting. At least 10 days prior to this meeting, the agency must make data on facility costs and funding sources available to the public. Notice of the time and place of the meeting, and a general explanation of the matter, are to be published in accordance with Section 6062a of the Government Code, which states that publication of notice shall be posted over a 10-day period in a newspaper regularly published once a week or more. Two publications, with at least five days intervening between the dates of the first and last publication, not counting such publication dates, are sufficient. The Fee Study and fees established herein will be adopted through a City ordinance and resolution. Once the fee program is adopted by the Lathrop City Council, it shall become effective no sooner than sixty days after the final legislative action.

### **FEE ADJUSTMENTS**

The CFFs will be adjusted in future years to reflect revised facility standards, receipt of funding from alternative sources (i.e., state or federal grants), revised costs, or changes in land uses or development plans. In addition to such adjustments, each year the CFF Fees will be adjusted by the change in the Engineering News Record 20-City CCI over the prior calendar year. This Fee Study adjusted costs in this report based on the ENR 20-City CCI value of 11,186 for December 2018. For inflating facilities costs that are in the City's 2005 CFF Fee Study, this Fee Study applied ENR 20-City CCI values of 6,695 (July 2003) for costs that were established in 2003 and an ENR 20-City CCI value of 7,422 (July 2005) for costs established in 2005.

### **ANNUAL ADMINISTRATIVE DUTIES**

The Government Code requires a public agency to report, every year and every fifth year, certain financial information regarding their impact fees. Within 180 days after the last day of each fiscal year the public agency must make the following information available for the past fiscal year:

- (a) A brief description of the type of fee in the account or fund
- (b) The amount of fee revenue
- (c) The beginning and ending balance of the account or fund

- (d) The amount of fee revenue collected and interest earned
- (e) An identification of each public improvement on which fees were expended and the amount of expenditures on each improvement, including the total percentage of the cost of public improvement that was funded with fees
- (f) An identification of an approximate date by which time construction on the improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement
- (g) A description of each interfund transfer or loan made from the account or fund, when it will be repaid and at what interest rate
- (h) The amount of any refunds made once it is determined that sufficient monies have been collected to fund all projects

The public agency must make this information available for public review and must also present it at the next regularly scheduled public meeting not less than 15 days after this information is made available to the public.

#### **FIFTH-YEAR ADMINISTRATIVE DUTIES**

For the fifth year following the first deposit into the fee account and every five years thereafter, the public agency must make the following findings with respect to any remaining funds in the fee accounts:

- (a) Identify the purpose to which the fee is to be put
- (b) Demonstrate a reasonable relationship between the fee and the purpose for which it is charged
- (c) Identify all sources and amounts of funding anticipated to complete financing incomplete improvements
- (d) Designate the approximate dates on which funding is expected to be deposited into the appropriate accounts or funds

As with the annual report, the five-year report must be made public within 180 days after the end of the public agency's fiscal year and must be reviewed at the next regularly scheduled public meeting. The public agency must make these findings; otherwise the law states that the City must refund the fee revenue to the then current owners of the development project.



## ***APPENDIX A***

### ***Sewer System Capital Facilities Costs***

**Table 1  
PUMP STATION AND FORCE MAINS**

ITEM	UNIT	UNIT COST	CFF AREA		REMARKS
			QTY	ITEM SUB-TOTAL	
<b>A. Sewer System Work</b>					
Pump Station Construction Work	LS	\$1,750,000	1	\$1,750,000	1/4 of the total pump station cost
14"SSFM	LF	\$65.00	11900	\$773,500	
18"SSFM	LF	\$85.00	11900	\$1,011,500	
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$3,535,000</b>	
<b>F. Right of Way Acquisition</b>	SF	\$2.00		\$0	
<b>G. Contingences</b>		30%		\$1,060,500	
<b>H. Design / Plan Check / Bonding / Staking / Inspection</b>		20%		\$707,000	
<b>TOTAL</b>				<b>\$5,302,500</b>	

**Table 2**  
**OVERSIZED SEWER MAINS**

All Sanitary Sewer Gravity Lines larger than 12"

ITEM	UNIT	UNIT COST	CFF AREA		REMARKS
			QTY	ITEM SUB-TOTAL	
<b>A. Sewer System Work - Constructed by Saybrook</b>					
24" Sanitary Sewer	LF	\$105.00	4000	\$420,000	
18" Sanitary Sewer	LF	\$90.00	1850	\$166,500	
14" Sanitary Sewer	LF	\$75.00	1200	\$90,000	
Dewatering	LF	\$75.00	7050	\$528,750	
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$1,899,450</b>	
<b>F. Right of Way Acquisition</b>	SF	\$2.00		\$0	
<b>G. Contingences</b>		30%		\$569,835	
<b>H. Design / Plan Check / Bonding / Staking / Inspection</b>		20%		\$379,890	
<b>TOTAL</b>				<b>\$2,849,175</b>	

**Table 3****RECYLCED WATER MAINS**

All Sanitary Sewer Gravity Lines larger than 12"

ITEM	UNIT	UNIT COST	CFF AREA		REMARKS
			QTY	ITEM SUB-TOTAL	
<b>A. Recycled Water System Work - Constructed by Saybrook</b>					
24" Recycled Water	LF	\$95.00	3400	\$323,000	
20" Recycled Water	LF	\$80.00	6350	\$508,000	
10" Recycled Water	LF	\$40.00	3300	\$132,000	
6" Recycled Water	LF	\$24.00	5100	\$122,400	
<b>CONSTRUCTION SUBTOTAL</b>				<b>\$2,063,520</b>	
<b>F. Right of Way Acquisition</b>	SF	\$2.00		\$0	
<b>G. Contingences</b>		30%		\$619,056	
<b>H. Design / Plan Check / Bonding / Staking / Inspection</b>		20%		\$412,704	
<b>TOTAL</b>				<b>\$3,095,280</b>	

**Table 4**  
**Additional Pump Station Costs**

2006 Richland Contract to Auburn	\$10,479,300
Change orders to Auburn Contract	\$800,253
<b>Total Amount Paid to Auburn by 2006 Richland Contract</b>	<b>\$11,279,553</b>
2014 Saybrook Contract to Auburn	\$138,176
<b>Total Amount paid prior to 2017 Auburn Contract Completion</b>	<b>\$11,417,729</b>
2017 - Saybrook Contact to Auburn	\$270,000
Change Orders to Auburn Contract	\$2,834,548
<b>Total Amount Paid to Auburn by 2017 Saybrook Contract</b>	<b>\$3,104,548</b>
Sale of Equipment to Crow Holdings (City ordered Removal)	(\$254,625)
Amount Paid to TESCO by SFA	\$91,950
Amount Paid to GENERAC by SFA	\$23,214
Amount Paid to SHAPE by SFA	\$28,965
Amount Paid to CRUMP by SFA	\$120,971
Amount Paid to Rain for Rent by SFA	\$14,931
Amount Paid to ARNAUDO by SFA	\$39,000
<b>Total Paid outside of Auburn Contract by SFA</b>	<b>\$64,407</b>
<b>Total Cost of CLSP SS &amp; SD Pump Station Completion</b>	<b>\$14,586,684</b>
<b>Total Additional Cost Beyond 2006 Contract (2019 \$)</b>	<b>\$3,168,955</b>
<b>1/4 of Additional Cost added to DA Pump Station Cost (rounded)</b>	<b>\$792,000</b>

Sources: City of Lathrop; Saybrook, LLC

**Table 5**  
**Additional Sanitary Sewer Facilities**

Item	Quantity	Cost	
		Per LF / Unit	Amount (2019 \$)
18" C905 SSFM including backfill	6,665	\$90	\$599,850
14" C905 SSFM including backfill	6,665	\$75	\$499,880
Bore & Jack includes 28" steel casing for 18" SSFM under I-5	310	\$1,500	\$465,000
Bore & Jack includes 24" steel casing for 14" SSFM under I-5	310	\$1,400	\$434,000
18" Gate valve (bore locations, at manifold and every 2,000')	6	\$6,000	\$36,000
14" Gate valve (bore locations, at manifold and every 2,000')	6	\$4,000	\$24,000
Bore & Jack includes 28" steel casing for 18" SSFM UPR Spur Line	200	\$1,500	\$300,000
Bore & Jack includes 24" steel casing for 14" SSFM UPR Spur Line	200	\$1,400	\$280,000
Connect to existing SSFM stubs in Manthey Road	2	\$5,000	\$10,000
Manifold to combine 14" / 18" into single 20"	1	\$10,000	\$10,000
Connect 20" SSFM at Nestle Way	1	\$5,000	\$5,000
<b>Subtotal</b>			<b>\$2,663,730</b>
Contingencies (10%)			\$266,373
<b>Total Construction Cost</b>			<b>\$2,930,103</b>
Engineering, Design, Inspection, Fees, etc. (25% of total const. cost)			\$732,526
<b>Total Construction and Soft Costs (2019 \$) (rounded)</b>			<b>\$3,663,000</b>

Sources: City of Lathrop; Saybrook, LLC

**ITEM:** **BIENNIAL BUDGET FISCAL YEAR (FY) 2018 – 2019  
MID-YEAR REPORT (YEAR 2)**

**RECOMMENDATION:** **Adopt a Resolution Accepting the Biennial Budget  
FY 2018/19 Mid-Year Report (Year 2)**

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**SUMMARY:**

As part of the Biennial Budget process approved by Council in June 2017, a mid-cycle review is conducted on the second year's programmed allocations (Year 2 or FY 2019). The mid-cycle financial review (as of December 31, 2018) provides a budget update to the City Council for the current fiscal year. Analysis of the revenues collected and all expenditures through December 31, 2018 measures the budget's adherence to the Adopted Budget. The primary focus of the report is on the General Fund, which accounts for a majority of the City's basic administrative operations.

At Mid-Year, a \$138.7 thousand appropriation adjustment for the General Fund is requested to align the City's expenditures with its current operating needs. The additional expenditures derived from administrative costs needed to enhance the City's Economic Development efforts, the replacement of a damage police motorcycle, and the emergency repair of the Crossroads Storm Drain Line.

Staff recommends that the City Council amend Year 2 (FY 2019) of the Adopted Biennial Budget for various funds and projects as identified in Attachment B.

**BACKGROUND:**

As part of the Biennial Budget process approved by Council in June 2017, a mid-cycle review is conducted on the second year's programmed allocations (Year 2 or FY 2019). The mid-cycle financial review (as of December 31, 2018) provides a budget update to the City Council for the current fiscal year. Analysis of the revenues collected and all expenditures through December 31, 2018 measures the budget's adherence to the Adopted Budget. In limited instances, budget actions are recommended in this report to address unforeseen events at the time the budget document was produced and adopted.

The Mid-Year Budget Report for FY 2019 is presented in two categories:

- **General Fund Mid-Year Status:** provides an overview of the general fund revenue, expenditures, and fund balance performance compared to the fiscal plan.
- **Mid-Year Requests:** summarizes staff's recommendations to amend the fiscal plan to address program needs or perform technical adjustments.

**General Fund Mid-Year Status**

Most of the City's administrative expenditures are supported by the General Fund. After six months' experience in Year 2 of the Biennial Budget, Council has approved General Fund budget amendments of \$1,521,433 in revenue and \$1,934,643 in expenditures resulting in a General Fund Balance Reserves decrease of \$413 thousand to a projected balance of \$7.5 million at June 30, 2019.

**Revenues:**

Overall, staff is projecting General Fund revenues will finish the year as projected in the Amended Biennial Budget approved by Council at \$19.9 million. Current revenue trends in Property Tax and Sales Tax seem favorable and will be evaluated at the end of Year 2 (FY 2019) to recommend adjustments to our projections if needed.

**Expenditures:**

General Fund expenditures are greater than the amended budget level with an increase of \$160,660 offset by additional revenues of \$21,980 for a total appropriation increase of \$138,680. Expenditures have increased as the result of unanticipated administrative costs to enhance the City's Economic Development efforts, the replacement of a damaged police motorcycle, additional emergency repairs to the Crossroads Storm Drain Line.

**GF Reserves/Fund Balance:**

The City's General Fund Reserve provides some flexibility to address one-time priority programs, smooth out economic swings, buffer the loss of state and federal revenues, and temporarily support City operations in the event of a catastrophic event (such as an earthquake or fire). At Year-End for FY 2018, staff reported a General Fund Reserves balance of \$7.9 million. With the Council approved amendments to FY 2018/19 Budget, Staff is projecting a General Fund Reserves balance of \$7.4 million at the end of FY 2019.

**Mid-Year Requests**

As part of the Biennial Budget process approved by Council in June 2017, a mid-cycle review is conducted on the second year's programmed allocations (Year 2 or FY 2019). The Mid-Year Budget Report includes budget amendments reflecting changes to revenues and expenses in the first six months of Year 2 (FY 2019). Adjustments to the fiscal plan are grouped by Program/Project Requests and Technical Adjustments as follows:

**Program/Project Requests**

The following program/project requests require additional funding to address a specific need:

**General Fund**

- Professional Services (Economic Development – increase \$100,000): The Economic Development Department requests an appropriation increase of \$100 thousand to cover professional service costs to be able to assist the City's Economic Development efforts.



- Motorcycle Replacement and Uniform (Police Service – increase \$37,160): The Police Service Department requests an appropriation increase of \$37 thousand to replace a damaged motorcycle and new police uniforms.
- Crossroads Storm Drain Line (Public Works – increase \$23,500): The Public Works Department requests an appropriation increase of \$23.5 thousand to subsidize additional emergency repairs to the Crossroad Storm Drain Line (CIP SD18-13).

**Measure C**

- Police Services Contract (Public Safety – increase \$118,900): The City requests an appropriation increase of \$119 thousand to add a Sergeant position funded through the Measure C fund.

**Special Revenue**

- Maintenance Districts (Districts – increase \$250,300): The City requests an appropriation increase of \$345 thousand offset by revenues of \$95 thousand for a net increase of \$250 thousand for landscaping services, corrosion testing in various City parks, and water usage charges.
- Streets (Streets – increase \$31,000): The City requests an appropriation increase of \$31 thousand for various road and sidewalk repairs.

**Technical Adjustments**

These actions are recommended to align the budget levels with previously approved Council actions or fix inadvertent oversights from the approved Adopted budget as follows:

**Special Revenue – Grants**

- Office Traffic Safety (OTS) Grant (Police Services – decrease \$39,700): The Lathrop Police Services Department was only awarded \$54,000 OTS funds. As a result, revenue and appropriations will decrease approximately \$40 thousand.

**Capital Improvement Projects (CIPs)**

- CIP GG19-08 Police Building (Police Services – increase \$1,074,000): The Police Services Department will redirect \$244 thousand previously budgeted in their O&M budget to the New Capital Improvement Project GG19-08 to be used for additional unanticipated cost for the new Police Building. In addition, \$830 thousand will be redirected from Capital Facilities Fees (CFFs) for the eligible land purchase for the future police building.
- CIP PW13-08 Water Meter (Water – increase \$325,000): The City requests an appropriation increase of \$325 thousand to continue the upgrade and replacement of water meters citywide.

**Mid-Year Budget Adjustments Summary**

Fund	Revenues	Expenditures	Total
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
General Fund	\$21,980	\$160,660	\$138,680
Measure C		118,900	118,900
Special Revenue			
Streets		31,000	31,000
OTS Grant	(39,700)	(39,700)	-
Various Districts	95,000	345,300	250,300
Capital Improvement Projects (CIPs)			
General	1,074,000	1,074,000	-
Storm Drain	23,500	23,500	-
Water	325,000	325,000	-
<b>Total Adjustments</b>	<b>\$1,499,780</b>	<b>\$2,038,660</b>	<b>\$538,880</b>

**REASON FOR RECOMMENDATION:**

The Mid-Year Budget Report provides an opportunity to make adjustments in order to be in alignment with the budget forecast.

**COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:**

The Mid-Year Budget Report adheres to the established City Council's goal to achieve long-term financial solvency.

**FISCAL IMPACT:**

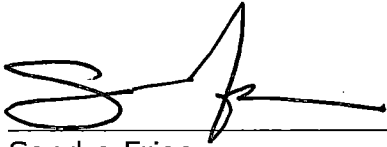
The Mid-Year Budget Report provides the City Council a periodic update on the City's Biennial Budget FY 2017/18 & 2018/19. Program requests totaling \$138,680 thousand are recommended to be funded from General Fund Reserves.

**ATTACHMENTS:**

- A. Resolution Accepting the Biennial Budget FY 2018/19 Mid-Year Report (Year 2)
- B. Summary of FY2017/18 and 2018/19 Mid-Year Budget Amendments (Year 2)

**CITY MANAGER'S REPORT**  
**FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING**  
**BIENNIAL BUDGET FISCAL YEAR 2018 – 2019 MIDYEAR REPORT (YEAR 2)**

**APPROVALS:**



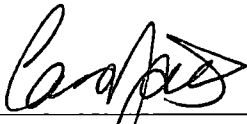
Sandra Frias  
Budget Manager

2/6/19  
Date

*Vanessa L. Portillo*

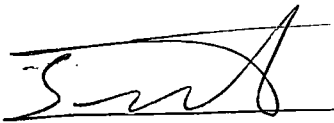
Vanessa L. Portillo  
Deputy Finance Director

2.6.19  
Date



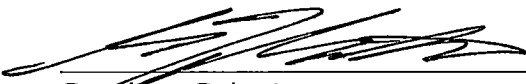
Cari James  
Director of Finance

2/6/19  
Date



Salvador Navarrete  
City Attorney

2-7-19  
Date



Stephen Salvatore  
City Manager

2.7.19  
Date

**RESOLUTION NO. 19-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
APPROVING THE MID-YEAR BUDGET REPORT FOR YEAR 2 OF THE  
BIENNIAL BUDGET 2017/18 AND 2018/19**

**WHEREAS**, the City Council of the City of Lathrop adopted the Biennial Budget for Fiscal Year 2017/18 and 2018/19 on June 13, 2017 by Resolution No. 17-4249; and

**WHEREAS**, Staff proposes amendments to expenditures to more accurately project estimates for activity in the General Fund; and

**WHEREAS**, the proposed Mid-Year Report recommends using General Fund Unassigned Fund Balance to support administrative costs for Economic Development efforts, replacement of a damaged motorcycle, and emergency repairs to the Crossroads Storm Drain Line totaling \$138,680; and

**WHEREAS**, the proposed Mid-Year Report recommends amending all other City funds based on changes in revenue and expenditure projections as shown on Attachment B of the Staff Report and adjustments recommended therein;

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby approve the Mid-Year Budget Report for Year 2 of the Biennial Budget 2017/18 and 2018/19.

The foregoing resolution was passed and adopted this 11<sup>th</sup> day of February, 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

**CITY OF LATHROP  
MID-YEAR BUDGET ADJUSTMENTS**

ATTACHMENT B

FUND/CATEGORY DESCRIPTION	GL ACCOUNT	INCREASE	(DECREASE)
<b>GENERAL FUND</b>			
<b>Revenue</b>			
Settlement Proceeds	1010-40-10-371-08-00	21,980	
<b>Expenditures</b>			
Professional Services	1010-11-30-420-01-00	100,000	
Professional Services	1010-40-10-420-01-00		(220,700)
Uniforms and Protective Clothing	1010-40-10-430-40-00	3,800	
Computer and Equipment	1010-40-10-450-12-00		(23,300)
Vehicles	1010-40-10-450-30-00	33,360	
Transfer Out GG19-08	1010-99-00-990-90-10	244,000	
Transfer Out SD18-13	1010-99-00-990-90-10	23,500	
<b>MEASURE C</b>			
<b>Expenditures</b>			
Special Contract/Intergov	1060-40-10-425-16-00	118,900	
<b>LOCAL STREETS</b>			
<b>Expenditures</b>			
Machine and Equipment	2080-50-10-450-20-00	31,000	
<b>OTS GRANT</b>			
<b>Revenue</b>			
Other Federal Grants	2190-40-10-333-05-00		(39,700)
<b>Expenditures</b>			
Special Contract/Intergov	2190-40-10-425-10-00		(17,475)
Materials and Supplies	2190-40-10-430-20-00		(7,000)
Miscellaneous Equipment	2190-40-10-430-37-00		(1,294)
Training and Travel	2190-40-10-435-20-00		(5,325)
Machine and Equipment	2190-40-10-450-20-00		(8,606)
<b>CROSSROADS STORM DRAIN ZONE 1A</b>			
<b>Revenue</b>			
Miscellaneous Revenue	2500-50-21-371-90-00	95,000	
<b>Expenditures</b>			
Alarm Services	2500-50-21-420-18-00	7,000	
Communication Equipment Repair	2500-50-21-420-72-00	45,500	
Gas and Electric	2500-50-21-430-49-00	22,000	
Machine and Equipment	2500-50-21-450-20-00	5,000	
Improvements - Nonstructure	2500-50-21-450-38-00	68,000	
<b>MOSSDALE SERVICES CFD 2004-1</b>			
<b>Expenditures</b>			
Professional Services	2570-50-63-420-01-00	12,000	
Street Trees & Landscaping	2570-50-63-420-27-00	80,800	
Communication Equipment Repair	2570-50-63-420-72-00	8,300	
Water	2570-50-63-430-50-00	18,200	
Machine and Equipment	2570-50-63-450-20-00	10,300	
<b>MOSSDALE LANDSCAPE AND LIGHTING DISTRICT</b>			
<b>Expenditures</b>			
Park Maintenance	2580-50-64-420-32-00	68,200	
<b>CAPITAL IMPROVEMENT PROJECTS</b>			
<b>GENERAL CIP</b>			
<b>Revenue</b>			
Transfer in	3010-99-00-393-00-00 GG19-08	1,074,000	
<b>Expenditures</b>			
Transfer out	2270-99-00-990-90-10	830,000	
Professional Services	3010-80-00-420-01-00 GG19-08	220,700	
Machine and Equipment	3010-80-00-450-12-00 GG19-08	23,300	
Land	3010-80-00-450-35-00 GG19-08	830,000	
<b>STORM DRAIN CIP</b>			
<b>Revenue</b>			
Transfer in	3910-99-00-393-00-00 SD18-13	23,500	
<b>Expenditures</b>			
Construction Contracts	3910-80-00-420-12-00 SD18-13	23,500	
<b>WATER CIP</b>			
<b>Revenue</b>			
Increase transfer in	5690-99-00-393-00-00 PW13-08	325,000	
<b>Expenditures</b>			
Increase transfer out	5600-99-00-990-90-10	325,000	
Increase estimated expense - Professional Services	5690-80-00-420-01-00 PW13-08	325,000	

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**ITEM: CREATE CIP GG19-07 FOR CITY WIDE SURVEILLANCE SYSTEM**

**RECOMMENDATION: Council to Discuss and Consider the Adoption of a Resolution Approving the Creation of CIP GG19-07 for City Wide Surveillance System**

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**SUMMARY:**

Over the last several months, staff has been exploring options to purchase a city wide surveillance system. This surveillance system will assist law enforcement with identifying stolen or wanted vehicles, sexual predators, and missing persons, to name a few. Staff recommends Council consider the creation of Capital Improvement Project (CIP) GG19-07, and approve a budget amendment to allocate funding for the purchase and installation of the surveillance system.

In an effort to utilize technology to enhance crime prevention and citizen safety, the proposed System would encompass a combination of stationary and mobile surveillance equipment.

Funding for the proposed Surveillance System will be provided by Measure C funds and salary savings from the Police Services Budget. At their January 29, 2019 meeting, the Measure C Oversight Committee found this expense in compliance with the intent of the Measure.

**BACKGROUND:**

Agencies throughout the region are increasingly installing surveillance systems to enhance citizen safety and help prevent crime. Some neighboring cities have deployed surveillance technology, which could allow for the sharing of information, and could assist in identifying wanted criminals that may travel throughout the City of Lathrop and neighboring jurisdictions.

For the past eight years, Motorola Company has been the City's standard surveillance system. Currently, Motorola has a surveillance camera system with technology that covers multiple traffic lanes with one camera. City staff has tested the Motorola multiple traffic lane system and has found that it works well.

Recently, Motorola Company purchased Vigilant. Vigilant is the world leader in license plate identification, and owns the largest repository of license plate information. The current Vigilant surveillance system requires one camera for each lane of traffic, which makes it costly to cover multiple lanes of traffic.

The proposed Motorola surveillance system uses cameras mounted on stationary locations and/or trailers to record video and license plate information. Stationary locations would include various entry points, including near highway entrances and other known roadways that are used to access the City.

**CITY MANAGER’S REPORT  
 FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
 CREATE CIP GG19-07 FOR CITY WIDE SURVEILLANCE SYSTEM**

Recorded information is then transmitted to a central system for law enforcement purposes, including identifying stolen or wanted vehicles, sexual predators, and missing persons.

Staff proposes the following intersections:

- Harlan and Louise Ave
- Golden Valley and River Islands Parkway
- Harlan and Lathrop Rd
- Golden Valley and Lathrop Rd (once signal is installed)

The City’s intent is to utilize the system to proactively identify crime as it occurs in the City.

Staff recommends Council consider the creation of Capital Improvement Project (CIP) GG19-07, and approve a budget amendment to allocate funding for the purchase and installation of surveillance systems at select locations throughout the City.

The cost per intersection, including equipment and installation, is estimated to be \$30,500. In addition, the purchase of a mobile trailer is estimated to be \$67,000. The total cost for six locations, including one mobile trailer fully equipped with surveillance, license plate readers and solar, would be approximately \$250,000. This assumes that electricity and wireless service is available at the location. An additional \$175,000 is included for the installation of electricity and wireless services as needed and the purchase of additional mobile surveillance as desired by Council. This cost also includes ninety days of local video retention, as required by the City Video retention ordinance.

**REASON FOR RECOMMENDATION:**

The proposed Surveillance System represents an effort to utilize technology to enhance crime prevention and citizen safety.

**FISCAL IMPACT:**

The creation of CIP GG19-07 for the proposed surveillance equipment and installation would be approximately \$425,000.

**Budget Amendment**

Decrease Expenditure		
1010-40-10-425-10-00	(Salary Savings)	\$(175,000)
Increase Transfer Out		
1060-99-00-990-90-10	(Measure C)	\$250,000
1010-99-00-990-90-10	(Salary Savings)	\$175,000
Increase Transfer In		
3010-80-00-393-00-00	GG19-07	\$425,000



**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
CREATE CIP GG19-07 FOR CITY WIDE SURVEILLANCE SYSTEM**

Increase Expenditure		
3010-80-00-420-01-00	GG19-07	\$425,000

**ATTACHMENTS:**

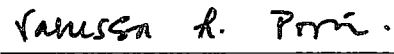
- A. Resolution Approving Creation of CIP GG19-07 and Authorizing Related Budget Amendments

**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
CREATE CIP GG19-07 FOR CITY WIDE SURVEILLANCE SYSTEM**

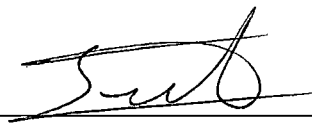
**APPROVALS:**

  
\_\_\_\_\_  
Tony Fernandes  
Information Technologies Manager

2-7-19  
Date

*for*   
\_\_\_\_\_  
Cari James  
Director of Finance

2-7-19  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-7-19  
Date

  
\_\_\_\_\_  
Stephen Salvatore  
City Manager

2-7-19  
Date

**RESOLUTION NO. 19-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP  
APPROVING THE CREATION OF CIP GG19-07 FOR A CITY WIDE  
SURVEILLANCE SYSTEM**

**WHEREAS**, over the last several months, staff has been exploring options to purchase a citywide surveillance system; and

**WHEREAS**, agencies throughout the region are increasingly installing surveillance systems to enhance citizen safety and help prevent crime; and

**WHEREAS**, the surveillance system will assist laws enforcement with identifying stolen or wanted vehicles, sexual predators, and missing persons, to name a few; and

**WHEREAS**, in an effort to utilize technology to enhance crime prevention and citizen safety, the proposed System will encompass a combination of stationary and mobile surveillance equipment; and

**WHEREAS**, for the past eight years, Motorola Company has been the City's standard surveillance system provider; and

**WHEREAS**, the proposed Motorola surveillance system uses cameras mounted on stationary locations and/or trailers to record video and license plate information; and

**WHEREAS**, stationary locations will include various entry points, including near highway entrances and other known roadways that are used to access the City; and

**WHEREAS**, the cost per intersection, including equipment and installation, is estimated to be \$30,500 and the cost of a mobile trailer is estimated to be \$67,000; and

**WHEREAS**, the total cost for six locations, including one mobile trailer fully equipped with surveillance, license plate readers and solar would be approximately \$250,000; and

**WHEREAS**, an additional \$175,000 is included for the installation of electricity and wireless services as needed and the purchase of additional mobile surveillance as desired by Council; and

**WHEREAS**, the surveillance system will be funded \$175,000 from salary savings and \$250,000 from Measure C;

**NOW, THEREFORE, BE IT RESOLVED,** that the City Council of the City of Lathrop does hereby approve the following budget amendment:

Decrease Expenses 1010-4010-425-1000	(Salary Savings)	\$(175,000)
Increase Transfer Out 1060-9900-990-9010	Measure C	\$250,000
1010-9900-990-9010	Salary Savings	\$175,000
Increase Transfer In 3010-8000-391-0000	GG19-07	\$425,000
Increase Expense 3010-8000-420-0100	GG19-07	\$425,000

The foregoing resolution was passed and adopted this 11<sup>th</sup> day of February, 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

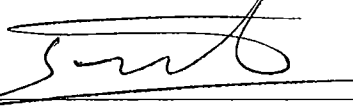
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Teresa Vargas, City Clerk

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

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**CITY MANAGER'S REPORT  
 FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
 2019 ONE-VOICE TRIP OUT-OF-STATE TRAVEL**

**REASON FOR RECOMMENDATION:**

This trip helps to promote regional projects. In addition, the City has benefited with more than \$1,790,000 in federal appropriations from its efforts over the past fifteen (15) years.

**FISCAL IMPACT:**

Depending on tonight's decision by Council, a budget amendment from the General Fund Reserves to the City Council Training and Travel Account (Fund 1010-11-10-435-20-00) will be required to fund Council participants to attend this years' One Voice Legislative Event. The budget amendment amount may vary depending on the option selected by Council.

<b>Options Include</b>	<b>Cost</b>	<b>Budget Amendment</b>
1.) Send 2 Council Members & City Manager	Approx. \$11,400	Approx. \$7,600
2.) Send 1 Council Member & City Manager	Approx. \$7,600	Approx. \$3,800
3.) Send 1 Council Member	Approx. \$3,800	Approx. \$3,800
4.) Send City Manager	Approx. \$3,800	None
5.) Do not send representatives of the City in 2019	None	None

**ATTACHMENTS:**

- A. Resolution Authorizing Out-of-State Travel
- B. San Joaquin One Voice 2019 Registration Information
- C. San Joaquin One Voice 2019 Draft Schedule of Events



**CITY MANAGER'S REPORT  
FEBRUARY 11, 2019 CITY COUNCIL REGULAR MEETING  
2019 ONE-VOICE TRIP OUT-OF-STATE TRAVEL**

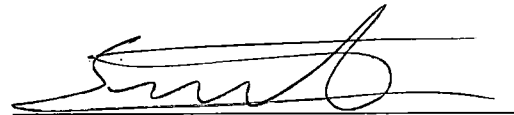
**APPROVALS:**

  
\_\_\_\_\_  
Teresa Vargas  
City Clerk

2/4/19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Cari James  
Finance Director

2/6/19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

2-6-19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

2-5-19  
\_\_\_\_\_  
Date

**RESOLUTION NO. 19-\_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP AUTHORIZING OUT-OF-STATE TRAVEL FOR UP TO TWO COUNCIL MEMBERS AND THE CITY MANAGER TO ATTEND THE SAN JOAQUIN ONE VOICE TRIP TO WASHINGTON, D.C. FROM MAY 5, 2019 TO MAY 9, 2019, AND APPROVING RELATED BUDGET AMENDMENT**

**WHEREAS**, over the past several years, City officials have participated in thirteen San Joaquin One Voice visits to Washington D.C., to promote jurisdictional projects and needs; and

**WHEREAS**, in 2018, Council adopted resolution 18-4348 authorizing up to two Councilmembers and the City Manager to attend this event; and

**WHEREAS**, due to scheduling conflicts only one Councilmember was able to attend, therefore, Councilmember Akinjo, and City Manager Stephen Salvatore represented the City in 2018; and

**WHEREAS**, in previous years, the Mayor, a Council Member, and the City Manager have participated on the trip; and

**WHEREAS**, in order to prevent a quorum from doing City business during the trip, attendees have traditionally been limited to two (2) members of the Council, one of whom may include the Mayor; and

**WHEREAS**, commencing with FY 2012/13 budget process, Council approved to eliminate the One Voice expense from the City Council's budget for a savings of \$3,000 for that fiscal year; and

**WHEREAS**, the travel funds for subsequent fiscal years were also removed from the Council budget with the notion that if Council elected to have one or two City Council Members to attend the One Voice legislative event, a budget amendment request would come back to Council for approval; and

**WHEREAS**, the City Managers travel budget was kept unchanged, therefore, if Council elects to send the City Manager to attend this years' One Voice legislative event, funds are available; and

**WHEREAS**, the following options were considered by Council:

<b>Options Include</b>		<b>Cost</b>	<b>Budget Amendment</b>
1.	Send 2 Council Members & City Manager	Approx. \$11,400	Approx. \$7,600
2.	Send 1 Council Member & City Manager	Approx. \$7,600	Approx. \$3,800
3.	Send 1 Council Member	Approx. \$3,800	Approx. \$3,800
4.	Send City Manager	Approx. \$3,800	None
5.	Do not send representatives in 2019	None	None

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop hereby authorizes option #\_\_\_ to have City and Council participant(s) attend this years' One Voice legislative event; and

**BE IT FURTHER RESOLVED**, that the City Council of the City of Lathrop approve the corresponding budget amendment based on the selected option, from the General Fund Reserves to the City Council training and travel account:

Option #	Budget Amendment	Fund Account
1	\$7,600	1010-11-10-435-20-00
2	\$3,800	
3	\$3,800	
4	N/A	
5	N/A	

The foregoing resolution was passed and adopted this 11<sup>th</sup> day of February, 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

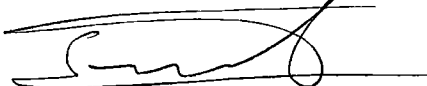
ABSTAIN:

\_\_\_\_\_  
Sonny Dhaliwal, Mayor

**ATTEST:**

\_\_\_\_\_  
Teresa Vargas, City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Salvador Navarrete, City Attorney

# 2019 San Joaquin One Voice<sup>®</sup> ATTACHMENT B Registration Form

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

Organization: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_

State/Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

Cost is **\$175 per person** and includes all continental breakfasts and the Wednesday evening reception. Registration fees apply to each **participant** (spouses and/or guests pay a per diem rate) and must be paid by April 4, 2019. The registration fee is waived for SJCOG Board members. Registration fees underwrite the direct costs of the trip.

Amount Enclosed \$ \_\_\_\_\_

**Please Note:**

The purpose of the San Joaquin One Voice<sup>®</sup> trip is to seek federal support or funding for projects of broad community-wide benefit and regional significance within San Joaquin County. In order to accomplish this goal, we need to present a unified presence as we meet with Congressional, Legislative, and Departmental representatives to advocate for the regionally significant issues that have been agreed upon during the COG selection process.

We understand many of our public officials do double-duty while in D.C. However, please keep in mind the effectiveness of the scheduled One Voice<sup>®</sup> meetings rely on participation from our delegates. Please discuss any separate meetings you may be scheduling with our staff so the One Voice<sup>®</sup> meeting schedule can be modified to insure maximum and comprehensive attendance at all One Voice<sup>®</sup> meetings.



# 2019 San Joaquin One Voice® Process & Schedule

## November

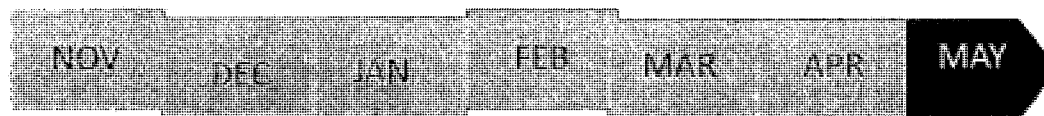
SJCOG sends out email to agencies and special districts soliciting proposals for the 2019 program.

## February 28

Deadline for interested parties to submit project proposals to SJCOG. Submission emails must include: completed project request form, project talking points, project photo or graphic, and minutes or resolution reflecting approval by the submitting agencies governing board or council.

## March 28

Project requests are presented to the SJCOG Board for approval and regional priorities are selected.



Local jurisdictions, transit agencies, partners, and outside organizations develop project requests and obtain approvals by their local boards and councils

## April 4

*Registration:* Cost is \$175 per participant and includes all breakfasts and the Wednesday evening reception.

*Accommodations:* A block of rooms have been reserved at the Washington Court Hotel for May 5-9. The room block expires Thursday, April 4. Reservations can be made by calling 800-321-3010.

## Travel to Washington

Meetings and activities scheduled for Sunday, May 5 (late afternoon) – Thursday, May 9 (morning). Participants are responsible for booking their own airfare and ground transportation to and from Washington, D.C.

ATTACHMENT 



# San Joaquin One Voice®

The annual San Joaquin One Voice® trip is scheduled for May 5-9, 2019 in Washington, DC. The firm of C.J. Lake, LLC is once again scheduling and facilitating our meetings with our Congressional representatives, various transportation officials, and others from USDOT, housing, education, air quality, and water agencies.

As a reminder, the Call for Projects was circulated in November and **projects are due to SJCOG by February 28, 2019**. The project requests will be brought to the SJCOG Board at their March meeting for consideration and approval. Staff will also be asking the Board to select the regional priority projects for the 2019 program.

## **Accommodations:**

A block of rooms have been reserved at the Washington Court Hotel for May 4-9, 2019. SJCOG has negotiated a group rate of \$324 for single occupancy and \$344 for double occupancy. Please use group code "9529" when making your reservation.

The deadline to reserve a room at the group rate is April 4, 2019. You can make a reservation by visiting [www.sjcog.org/onevoice](http://www.sjcog.org/onevoice) and clicking on the link provided or by contacting the hotel directly at 800-321-3010.

*Please Note:* The hotel routinely sells out in April. Participants are encouraged to make their reservations as soon as possible. Cancellations can be made

## **Registration:**

A \$175 registration fee is required for each participant attending the 2019 San Joaquin One Voice® trip. The fee is due by April 4, 2019 and includes the costs of your materials, breakfast on each day, and the Wednesday evening reception.

The registration fee for SJCOG Board members (or their elected designee) is waived, however we do ask that everyone complete the attached form. Spouses and guests may participate in breakfasts/receptions on a per-diem basis.

## **Transportation:**

Everyone is responsible for booking their own transportation to and from Washington, DC. SJCOG Board members shall be reimbursed for 50% of their airfare and hotel costs.

## **Cancellation Policy:**

All cancellations after April 30, 2019 are subject to payment for all costs; i.e. meals, copying fees, etc. Substitutions are always accepted.

## **Additional Information:**

A pre-trip planning session will be scheduled in April (date and time are pending). We will be discussing logistics for the trip and identifying lead speakers and discussing their roles.



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