

JANUARY 14, 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

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.



JANUARY 14, 2019 – Regular Meeting Agenda – 7:00 p.m.

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

This City Council Agenda may be accessed by computer at the following Worldwide Web Address: 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/

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, JANUARY 14, 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)

- 5 Potential Cases

1.2.2 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

1.2.3 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 PRESENTED TO THE WOMEN'S CENTER-YOUTH & FAMILY SERVICES – DECLARING JANUARY HUMAN TRAFFICKING AWARENESS MONTH

2.2 INTRODUCTION OF NEW EMPLOYEE(S):

- Alejandro Garcia – Maintenance Worker I
- Ivan Hernandez – Maintenance Worker I
- Brad Taylor – Associate Engineer
- Steven Medina – Assistant Engineer

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 Special Council Meeting of November 19, 2018

4.3 OUT-OF-STATE TRAVEL-REQUEST TO SEND PARKS AND RECREATION SUPERINTENDENT TO ATTEND CONVENTION IN NEVADA
Adopt Resolution to Approve Out-of-State Travel for Parks and Recreation Superintendent to attend CalFest Convention in Nevada

- 4.4 FUND AN ECONOMIC DEVELOPMENT ADMINISTRATOR POSITION
Adopt a Resolution Authorizing the Funding for an Economic Development Administrator Position
- 4.5 CAPITAL FACILITY FEE FUNDS REPORT FOR FISCAL YEAR 2017-2018
Review and Accept the Capital Facility Fee Funds Report for Fiscal Year 2017-2018
- 4.6 AGREEMENT WITH ROBERTSON-BRYAN, INC. TO PREPARE REPORTS TO SUPPORT LATHROP CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE
Adopt Resolution Approving an Agreement with Robertson-Bryan, Inc. to Prepare Reports to Support Environmental Review and NPDES Permitting of a Lathrop Consolidated Treatment Facility Surface Water Discharge and Authorizing Related Budget Amendment
- 4.7 APPROVE PROFESSIONAL SERVICES AGREEMENT FOR DESIGN ENGINEERING SERVICES FOR THE WARREN AVENUE SIDEWALK IMPROVEMENT PROJECT PS 19-05
Adopt a Resolution Approving a Professional Services Agreement with Associated Engineering Group for Design Engineering Services for the Warren Avenue Sidewalk Improvement Project PS 19-05
- 4.8 2019 ONE VOICE TRIP PROJECT NOMINATIONS
Adopt a Resolution Approving Staff Recommended Project Nominations for the 2019 San Joaquin One Voice Trip

5. SCHEDULED ITEMS

- 5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED CHANGES TO COMMUNITY FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
City Council to Consider the Following:
 - 1. Hold a Public Hearing; and
 - 2. Consider Approval of Resolution to Reduce the Maximum Special Tax Listed in the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)
- 5.2 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.
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.)

5.3 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER 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

Council to Consider the Following:

1. Hold a Public Hearing; and
2. Introduce and conduct the First Reading of an Ordinance to adopt 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.)

5.4 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER 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

Council to Consider the Following:

1. Hold a Public Hearing; and
2. Introduce and conduct the First Reading of an Ordinance to adopt 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.)

5.5 FIVE-YEAR WATER AND SEWER RATE PLAN REVIEW

City Council to Consider a Resolution Postponing the Scheduled Rate Increase for the Water Fund for 2019

6. COUNCIL COMMUNICATIONS

6.1 MAYOR DHALI WAL REFERRAL: Appointment of One (1) Member to the Measure C Oversight Committee with Term Expiring June 30, 2021, due to Unexpired Term Vacancy

- 6.2 MAYOR DHALIWAL REFERRAL: Appointment of Two (2) Members to the Planning Commission with Term Expiring June 30, 2022, due to Unexpired Term Vacancies
- 6.3 MAYOR DHALIWAL REFERRAL – Mayor and Councilmember Appointments to Serve On Outside Agency Boards, Commission and Committees for 2019
- 6.4 MAYOR DHALIWAL REFERRAL – Create Economic Development Sub-Committee and Propose Appointment of two (2) Members of the City Council for 2019
- 6.5 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)
- *Central Valley Executive Committee/LOCC*
 - *Council of Governments*
 - *Integrated Waste Management Solid Waste Division*
 - *Reclamation District 17 Joint Powers Authority*
 - *San Joaquin Partnership Board of Directors*
 - *San Joaquin County Commission on Aging*
 - *San Joaquin Regional Rail Commission*
 - *San Joaquin Valley Air Pollution Control District*
 - *Water Advisory Board*
 - *Tri Valley-San Joaquin Valley Regional Rail Authority*
 - *San Joaquin Area Flood Control Agency*
- 6.6 MAYOR & COUNCILMEMBER COMMENT(S)

7. ADJOURNMENT



Teresa Vargas, CMC
City Clerk

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**CITY OF LATHROP
CITY COUNCIL SPECIAL MEETING
MONDAY, NOVEMBER 19, 2018
7:00 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive
Lathrop, CA 95330**

MINUTES

PLEASE NOTE: There was a Closed Session which commenced at 5:35 p.m. The Special Meeting reconvened at 7:05 p.m.

1. PRELIMINARY

1.1 CALL TO ORDER – Mayor Dhaliwal called the meeting to order at 5:35 p.m.

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)

- 5 Potential Cases

1.2.2 CONFERENCE WITH LEGAL COUNSEL: Existing Litigation Pursuant to Government Code 54956.9(a)

- City of Lathrop vs. TCN Properties, L.P., et al., San Joaquin County Superior Court, Case No. STK-CV-UF-2017-0001082

1.2.3 PUBLIC EMPLOYEE PERFORMANCE EVALUATION: Pursuant to Government Code 54957

- City Manager
- City Attorney

RECONVENE – Mayor Dhaliwal reconvened the meeting at 7:05 p.m.

1.2.4 REPORT FROM CLOSED SESSION

City Attorney Salvador Navarrete reported that the City Council met in Closed Session pursuant to Item 1.2 and provided staff with appropriate direction; no other reportable action was taken.

1.3 ROLL CALL Present: Mayor Dhaliwal; Vice Mayor Elliott;
Councilmembers: Akinjo and Salcedo

Absent: Councilmember Dresser

1.4 INVOCATION – Mayor Dhaliwal led a moment of silence honoring victims of the California fires and Thousand Oaks Borderline Bar and Grill shooting.

- 1.5 PLEDGE OF ALLEGIANCE – Vice Mayor Elliott led the pledge of allegiance.
- 1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

Mayor Dhaliwal expressed his condolences related to the passing of Councilmember Dresser’s younger brother.
- 1.7 INFORMATIONAL ITEM(S) - None
- 1.8 DECLARATION OF CONFLICT(S) OF INTEREST - None

2. PRESENTATIONS

- 2.1 PROCLAMATION – DECLARING NOVEMBER AS SIKH AWARENESS MONTH

Vice Mayor Elliott, on behalf of the City Council, presented the Proclamation to members of the Sikh community declaring November 2018 as Sikh Awareness Month. Daljit S. Goraya (Lathrop, CA) commented on the matter.
- 2.2 PROCLAMATION – DECLARING NOVEMBER AS HOMELESS YOUTH AWARENESS MONTH

Councilmember Salcedo on behalf of the City Council, presented the Proclamation to Lacey Agbulos (Women’s Center-Youth & Family Services). Ms. Agbulos provided information on resources available.
- 2.3 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

City Clerk Teresa Vargas announced that Item 2.3 was moved to the Regular Meeting of December 10, 2018.
- 2.4 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:

 - *Veteran’s Day Celebration*
Reported event held on November 11, 2018 at Valverde Park
 - *Breakfast with Santa*
Announced event scheduled for December 1, 2018, starting at 9:00 a.m. at the Lathrop Community Center
 - *Christmas Tree Lighting Event*
Announced event scheduled for December 1, 2018, starting at 6:00 p.m. at the Lathrop Community Center

- *Christmas Parade*

Announced event scheduled for December 8, 2018, starting at 11:00 a.m. at the Lathrop Community Center

- *Holiday Light Contest*

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

3. **CITIZEN'S FORUM**

Craig Weis (Lathrop, CA) commented on the Measure C presentation provided during the Council Meeting of October 8, 2018.

4. **CONSENT CALENDAR**

On a motion by Councilmember Salcedo, seconded by Mayor Dhaliwal, the City Council approved the Consent Calendar, by the following roll call vote, unless otherwise indicated:

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

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**

Approved Minutes for the Regular Council Meeting of October 8, 2018.

4.3 **TREASURER'S REPORT SEPTEMBER 2018**

Approved Quarterly Treasurer's Investment Report for September 2018.

4.4 **DELINQUENT UTILITY TURN OFFS**

Crais Weis (Lathrop, CA) expressed concern with the reconnection fees applied to terminated accounts due to non-payment; requested information related to the City's use of fees collected on delinquent accounts. Finance Director Cari James provided the information.

Adopted **Resolution 18-4472** suspending service disconnections for delinquent accounts scheduled on December 12, 2018.

4.5 **FUNDING FOR A MAINTENANCE WORKER I/II IN THE PUBLIC WORKS DEPARTMENT**

Adopted **Resolution 18-4473** to approve funding for a Maintenance Worker I/II position.

4.6 CHRISTMAS PARADE TEMPORARY STREET CLOSURE

Adopted **Resolution 18-4474** approving temporary street closures for the Lathrop Christmas Parade on December 8, 2018.

4.7 ACCEPT IMPROVEMENTS FOR THE 5TH STREET SIDEWALK IMPROVEMENTS CIP PS 15-19

Adopted **Resolution 18-4475** accepting improvements from McFadden Construction, Inc. and Sinclair General Engineering Construction, Inc. for the 5th Street Sidewalk Improvement Project CIP PS 15-19 and authorizing the filing of a Notice of Completion.

4.8 ACCEPT IMPROVEMENTS FOR MOSSDALE TRAIL LIGHTING CIP PK 18-10 FROM T&S INTERMODAL MAINTENANCE, INC.

Adopted **Resolution 18-4476** accepting improvements from T&S Intermodal Maintenance, Inc. for CIP PK 18-10 Mossdale Trail Lighting, authorizing the filing of a Notice of Completion, and the release of contract retention.

4.9 RESOLUTION OF INTENTION TO VACATE A PORTION OF MADRUGA ROAD TO SOUTH LATHROP LAND, L.L.C.

Adopted **Resolution 18-4477** approving the City's intention to vacate 9,789 square feet of Madrugá Road to South Lathrop Land, L.L.C.

4.10 APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 89 LOTS IN TRACT 3999 VILLAGE "BB" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS

Adopted **Resolution 18-4478** approving final map for Tract 3999 Village "BB" within the Lakeside East District, totaling 89 single-family lots and a Subdivision Improvement Agreement with River Islands Development, LLC, and Irrevocable Offer of Dedication for portions of Garden Farms Avenue, Bosch Avenue, and Oberlin Avenue.

4.11 APPROVAL OF FINAL MAP AND SUBDIVISION IMPROVEMENT AGREEMENT (SIA) FOR 103 LOTS IN TRACT 4001 VILLAGE "AA" WITHIN LAKESIDE EAST DISTRICT OF RIVER ISLANDS

Adopted **Resolution 18-4479** approving final map for Tract 4001 Village "AA" within the Lakeside East District, totaling 103 single-family lots, Common Use Agreement with Island Reclamation District 2062 for a portion of Riverfront Drive, Subdivision Improvement Agreement with River Islands Development, LLC, and Irrevocable Offer of Dedication for Riverfront Drive and Bosch Avenue.

4.12 COMMUNITY FACILITIES DISTRICTS ANNUAL BOND ACCOUNTABILITY REPORT FOR FY 2017/18

Received FY 17-18 accountability report for bonded and non-bonded Community Facilities Districts.

5. SCHEDULED ITEMS

5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED COMMUNITY FACILITIES DISTRICTS NOS. 2018-1 AND 2018-2 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES) CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

City Attorney Salvador Navarrete provided the presentation. Mayor Dhaliwal opened the public hearing for the proceedings of two districts, Community Facilities District No. 2018-1 & 2018-2 (Central Lathrop Specific Plan Facilities). City Clerk Teresa Vargas confirmed receipt of a public comment letter received for Item 5.1 submitted by Martin Harris, Terra Land Group, LLC; and confirmed distribution to the City Council and copies for the public. City Attorney Salvador Navarrete announced that Bond Counsel Dave Fama, Jones Hall, was present and available for questions. A question and answer period ensued amongst the Council. City Attorney Salvador Navarrete provided the information. There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

1. Held a Public Hearing (for CFD 2018-1 & CFD 2018-2); and
2. Adopted **Resolution No. 18-4480** Forming a Community Facilities District and Five Improvement Areas and Levying a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District (for CFD 2018-1).

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

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

3. Adopted **Resolution No. 18-4481** Determining Necessity to Incur Bonded Indebtedness for a Community Facilities District and Five Improvement Areas Therein (for CFD 2018-1).

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

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

4. Adopted **Resolution No. 18-4482** Calling Special Election for a Community Facilities District and Five Improvement Areas Therein (for CFD 2018-1).

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

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

5. Adopted **Resolution No. 18-4483** Forming a Community Facilities District and Levying a Special Tax to Refinance the Cost of Certain Public Facilities in and for Such District (for CFD 2018-2).

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

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

6. Adopted **Resolution No. 18-4484** Determining Necessity to Incur Bonded Indebtedness for a Community Facilities District (for CFD 2018-2).

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

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

7. Adopted **Resolution No. 18-4485** Calling Special Election for a Community Facilities District (for CFD 2018-2)

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

City Clerk Teresa Vargas opened the ballots and announced the results of the election:

For CFD 2018-1 Improvement Area 1: 100% of the votes were "yes", which included a total of 94 votes;
For CFD 2018-1 Improvement Area 2: 100% of the votes were "yes", which included a total of 62 votes;
For CFD 2018-1 Improvement Area 3: 100% of the votes were "yes", which included a total of 115 votes;
For CFD 2018-1 Improvement Area 4: 100% of the votes were "yes", which included a total of 98 votes;
For CFD 2018-1 Improvement Area 5: 100% of the votes were "yes", which included a total of 134 votes; and

For CFD 2018-2: 100% of the votes were "yes", which included a total of 503 votes.

Mayor Dhaliwal announced that the results of the elections being unanimously in favor of the levy of the special taxes in both Districts, the establishment of the appropriations limits and the incurring of bonded indebtedness for each District. The Council then proceeded with the final actions for the Districts.

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

8. Adopted **Resolution No. 18-4486** Declaring Results of Special Elections for a Community Facilities District and Directing Recording of Notice of Special Tax Lien (for CFD 2018-1)

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

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

9. Adopted **Resolution No. 18-4487** Declaring Results of Special Elections for a Community Facilities District and Directing Recording of Notice of Special Tax Lien (for CFD 2018-2)

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

Mayor Dhaliwal opened the public hearing for the introduction and first reading of an ordinance related to the levying special taxes within City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities). There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Vice Mayor Elliott, seconded by Mayor Dhaliwal, the City Council:

10. Held a Public Hearing; and
11. Introduced and held first reading of an Ordinance 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).

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

Mayor Dhaliwal opened the public hearing for the introduction and first reading of an ordinance related to the levying special taxes within City of Lathrop Community Facilities District No. 2018-2 (Central Lathrop Specific Plan Facilities). There were no speakers. Mayor Dhaliwal closed the public hearing.

On a motion by Vice Mayor Elliott, seconded by Councilmember Salcedo, the City Council:

12. Held a Public Hearing; and
13. Introduced and held first reading of an Ordinance 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)

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

The City Council considered and took the following actions to authorize the issuance of bonds:

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

14. Adopted **Resolution No. 18-4488** Authorizing the Issuance of Special Tax Bonds for and on Behalf of Each Improvement Area of a Community Facilities District, Approving and Directing Execution of Indentures, Approving Sale of Such Bonds, and Approving Other Related Documents and Actions (for CFD 2018-1).

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

On a motion by Mayor Dhaliwal, seconded by Councilmember Salcedo, the City Council:

15. Adopted **Resolution No. 18-4489** Authorizing the Issuance of Special Tax Bonds for and on Behalf of a Community Facilities District, Approving and Directing the Execution of an Indenture, Approving the Sale of Such Bonds, and Approving Other Related Documents and Actions (for CFD 2018-2).

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

5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER UNMET TRANSIT NEEDS FOR FY 19-20

Assistant Public Works Director Michael King introduced Assistant Regional Planner Michelle Prince (San Joaquin Council of Governments). Mr. King provided the presentation. A question and answer period ensued. Mayor Dhaliwal opened the public hearing. Christine Mendes (Manteca, CA) and Debra Williams (Manteca, CA) withdrew their request to speak on the matter. 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. Mayor Dhaliwal closed the public hearing.

On a motion by Councilmember Salcedo, seconded by Mayor Dhaliwal, the City Council held a public hearing to receive public testimony regarding unmet transit needs within the City of Lathrop (Transportation Development Act requirements for transit funds). No other action taken.

6. COUNCIL COMMUNICATIONS

- 6.1 MAYOR DHALI WAL REFERRAL: Appointment of One (1) Member to the Senior Advisory Commission with Term Expiring June 30, 2019, due to Unexpired Term Vacancy
- One (1) Application Received

Mayor Dhaliwal made the following appointment:

Senior Advisory Commission
Robert Long

Term Expires
June 30, 2019

On a motion by Councilmember Akinjo, seconded by Councilmember Salcedo, the City Council approved the appointment made by Mayor Dhaliwal as noted above.

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

- 6.2 MAYOR DHALIWAL REFERRAL: Appointment of One (1) Member to the Planning Commission with Term Expiring June 30, 2019, due to Unexpired Term Vacancy
- Six (6) Applications Received

Mayor Dhaliwal made the following appointment:

<u>Planning Commission</u>	<u>Term Expires</u>
Ash Ramilay	June 30, 2019

Ray Mendes (Manteca, CA) requested clarification on the selection process. Mayor Dhaliwal provided the information. Debra Williams (Manteca, CA) expressed support for consideration of applicant Christine Mendes.

On a motion by Councilmember Akinjo, seconded by Councilmember Salcedo, the City Council approved the appointment made by Mayor Dhaliwal as noted above.

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

- 6.3 COUNCILMEMBER DRESSER REFERRAL: Traffic Calming Measures for the Lathrop Acres Area

Mayor Dhaliwal moved Item 6.3 to the next regular meeting due to Councilmember Dresser's absence.

- 6.4 COUNCILMEMBER DRESSER REFERRAL: Review of Recreational Vehicle and Boat Parking Regulations, and Potential Revisions to Ordinance Language

Mayor Dhaliwal moved Item 6.4 to the next regular meeting due to Councilmember Dresser's absence.

- 6.5 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S) – None

6.6 MAYOR & COUNCILMEMBER COMMENT(S)

Councilmember Akinjo commented on the success of the Veteran's Day celebration event; expressed sympathy for the California fire victims. Councilmember Salcedo echoed Councilmember Akinjo's comments and wished everyone a Happy Thanksgiving. Vice Mayor Elliott commented on the success of the Veteran's Day celebration event; thanked Deputy Dominguez for his role as keynote speaker and the volunteers that assisted with the event; thanked volunteers and first responders involved in the California fire rescue missions. Mayor Dhaliwal also echoed similar sentiments; expressed sympathy for the California fire victims and the loss of Councilmember Dresser's younger brother.

7. **ADJOURNMENT** – There being no further business, Mayor Dhaliwal adjourned the meeting at 8:19 p.m.


Teresa Vargas, CMC
City Clerk

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**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL MEETING REGULAR MEETING**

ITEM **OUT-OF-STATE TRAVEL – REQUEST TO SEND PARKS
AND RECREATION SUPERINTENDENT TO ATTEND
CONVENTION IN NEVADA**

RECOMMENDATION: **Adopt Resolution to Approve Out-of-State Travel for
Parks and Recreation Superintendent to attend the
CalFest Convention in Nevada**

SUMMARY:

The Parks and Recreation Superintendent is budgeted to attend the CalFest Convention in Reno, Nevada January 23 – 25, 2019. This convention will keep the City up to date with the latest products and trends for community Special Events. Staff is requesting Council approval of the attached resolution approving out-of-state travel.

BACKGROUND:

In 2018, the Parks and Recreation Department joined the California/Nevada Festivals and Events Association (CalFest) and attended the annual convention in Palm Springs, California).

This convention provides training and services to our Parks and Recreation staff members who are responsible for the production of our calendar of annual community events. Attendance at the 2018 convention not only provided staff with current best practices, it also fostered partnerships with vendors such as Upbeat Parade Promotions and Fun and Games Rentals, who had an immediate positive impact on our current events. This convention will continue to assist us in the development of partnerships with our local businesses and community organizations to continue to engage the members of our community and develop a sense of community pride. The CalFest, as an association that includes both California and Nevada, rotates the location of the annual conference between California and Nevada annually.

FISCAL IMPACT:

The cost to attend this conference is as follows:

Transportation -	\$ 162.00
Hotel - (3 Night)	\$ 330.00
Registration for Member	\$ 550.00
Meals	\$ 126.00
Total	\$ 1,167.02

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL MEETING REGULAR MEETING
OUT-OF-STATE TRAVEL – REQUEST TO SEND PARKS AND RECREATION
SUPERINTENDENT TO CONVENTION IN NEVADA**

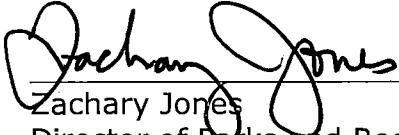
The Parks and Recreation Department has \$2,400 budgeted for the Parks and Recreation Superintendent to attend this convention.

ATTACHMENTS:

- A. Adopt Resolution to Approve Out-of-State Travel to send Parks and Recreation Superintendent to CalFest Convention in Nevada.
- B. Convention Registration Materials

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL MEETING REGULAR MEETING
OUT-OF-STATE TRAVEL – REQUEST TO SEND PARKS AND RECREATION
SUPERINTENDENT TO CONVENTION IN NEVADA**

APPROVALS:



Zachary Jones
Director of Parks and Recreation

12/14/2018


Date



Cari James
Director of Finance

12/15/18

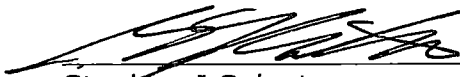
Date



Salvador Navarrete
City Attorney

12-7-18

Date



Stephen J Salvatore
City Manager

12-27-18

Date

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING OUT-OF-STATE TRAVEL FOR PARKS AND RECREATION
SUPERINTENDENT TO ATTEND CONVENTION IN NEVADA**

WHEREAS, the Parks and Recreation Superintendent is budgeted to attend the California Festivals and Events Association Convention Reno, Nevada in January of 2019; and

WHEREAS, the convention will provide the City staff with the training and resources to continue to improve the quality of our annual calendar of community events presented to the residents of Lathrop;

NOW, THEREFORE, BE IT RESOLVED, the City Council approves the out-of-state travel for the Parks and Recreation Superintendent to attend the California Festivals and Events Association Convention Reno, Nevada in January 23 – 25, 2019:

The foregoing resolution was passed and adopted this 14th day of January 2019, by the following vote of the City Council, to wit:

AYES:

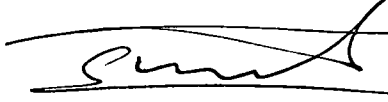
NOES:

ABSENT:

ABSTAIN:

Sonny Dahliwal, Mayor

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

ATTEST:

Teresa Vargas, City Clerk



CALFEST 25th ANNUAL CONVENTION

January 23-25, 2019 • Grand Sierra Resort • Reno, NV

Join CalFest for three days of educational sessions, motivation,
innovation,
fun and the best networking in the
Festivals & Events Industry!



CONVENTION HIGHLIGHTS

Sessions led by your peers and the best minds in the industry

CalFest Trade Show featuring the latest products and trends for Special Events

Showcasing with talent for every event

CalFest Celebration Awards recognizing excellence in innovation and creativity

Networking opportunities at Luncheons, Celebration Dinner, and after-hours in the Hospitality Suite

Gala Celebration *The social gathering of the convention where you get to dress in costume (or not) and there are prizes, food, live auction and surprises.*



CONVENTION SCHEDULE:

January 23:

8:45 – 4:00 One-Day Special Workshop (Separate Registration Required)

ORGANIZATIONAL SUSTAINABILITY – HOW TO KEEP YOUR EVENT POINTED TOWARDS THE FUTURE

**Ira Rosen, CFEE, Assistant Professor/Program Director,
Temple University School of Sport Tourism and Hospitality
Management. Philadelphia, PA**



Cindy Lerick, CFEE, Owner, Cindy Lerick, LLC, St. Paul, MN

This full day workshop will address the following three topics:

- Keeping Your Event Fresh – Utilizing Creativity to Grow Your Event
- Board/Staff Relationships – Understanding Roles and Responsibilities to Avoid Dysfunction
- Enhancing the Customer Experience – How to Keep Your Customers Coming Back for More

This all day session will deal with three essential elements of driving your festival or event into the future. The first topic will provide you with a hands-on tool to evaluate current events and analyze the viability of proposed events. The second topic will take an in-depth look at the often complicated topic of establishing functional relationships with boards and staffs. The final topic will look at how to keep your customers happy and coming back for all of your events. Learning outcomes will include the following:

1. Participants will gain an understanding of the reasons why events fail and how to prevent that from happening.

2. Participants will learn practical strategies for growing their events and attracting new audiences.
3. Participants will learn how to apply creativity to the development of a future event plan.
4. Participants will gain an understanding of the most effective ways to manage board/staff relationships.
5. Participants will learn practical strategies for enhancing positive outcomes through the application of practical techniques to enhance customer service.

This presentation will not be lecture based but will engage the audience in vigorous discussions about their events, where their events are and where they want their events to be in the future. A number of hands-on exercises will be included in the workshop.

Cindy Lerick, CFEE is an independent consultant, providing services to a broad range of festivals and events around the world. Her most recent position was Executive Director of the Sausalito Art Festival in Sausalito, California; a position she accepted in 2017 to help the organization through an internal transition period. Prior to that move, she served as the Executive Director/President of the Saint Louis Art Fair from 2009 -2017. Before that she was the Executive Director of the Uptown Association and the Uptown Art Fair (1996-2007) She also co-produced the Main Street Fort Worth Arts Festival from 2002 – 2004.

Cindy is a ZAPP on-site consultant, the Int'l Festivals and Events Assn.'s CFEE program coordinator and past chair of IFEA. She has over 30 years experience in event management. Events she has produced include art fairs, educational seminars, corporate meetings, marathons, triathlons, and various running and biking events for both non-profit and for-profit companies. She received the NAIA inaugural MO Dana Distinguished Service Award in 2007 and received recognition in 2011 from Western States Arts Federation for her leadership, vision and commitment to the design of the ZAPApplication system

Ira Rosen, CFEE is an Assistant Professor with Temple University's School of Sport, Tourism and Hospitality Management. He teaches several event management courses and is the Program Director for the school's award-winning Event Leadership Executive Certificate Program. Additionally, for almost thirty years, he has owned and operated Entertainment on Location, Inc., a full-service event consulting company based in New Jersey. EOL has done extensive production and consulting work for major events and clients throughout the world.

Prior to opening EOL, Ira worked for almost 8 years with Radio City Music Hall Productions. His production background includes multi-million dollar parades, major corporate events around the world and meeting management projects for many different organizations. He has spoken and lead training programs throughout the world, and has written extensively on topics ranging from risk management to sponsorship to the financial and operational management of events. He has been a featured speaker at conventions and conferences and is one of the instructors for the CFEE program. In 2005, he was inducted into the IFEA Hall of Fame, becoming one of only 60 people to hold this honor.

To register: Organizational Sustainability Workshop

To register online: www.JotForm.com/83055941179160



6:00 Welcome Reception/Bowling

January 24:

8:30 – 4:00 pm Keynote & Break-out Sessions

Networking Lunch & Trade Show

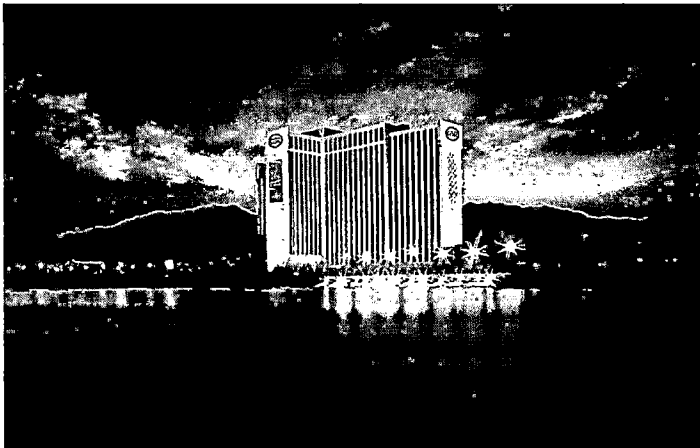
Gala, Silent and Live Auction - 25th Anniversary Party....

January 25:

8:30 – 4:00 Keynote & Break-out Sessions

CalFest Celebration Awards Lunch & Trade Show

**CONVENTION HOTEL
ACCOMMODATIONS**



The Convention will take place at the **Grand Sierra Resort, 2500 E. Second St., Reno, NV 89595**. Attendees are entitled to special room rates of \$69.00/night for a Summit Room, single/double occupancy or \$89.00/night, single or double occupancy for a A Room. **The Resort Fee is an additional \$26.50 + tax per night.** For reservations call **1-775-789-2000**. You must identify yourself as part of CalFest, using the code **Cal-19**, to obtain the group rate or click on the following link:
<https://book.passkey.com/event/49732242/owner/16854/home>



REGISTRATION

To register for the convention:

Online registration: <https://form.jotform.com/81973560984168>

To download a registration form: 2019 CalFest Convention Registration Form

To register as an exhibitor at the CalFest Trade Show:

Online registration: <https://form.jotform.com/53073443477155>

To download a CalFest Tradeshow form: CalFest Tradeshow Registration Form
Entertainers! Showcasing opportunities are available

CALL FOR SPEAKERS: Each year CalFest offers the most interesting, dynamic presenters at its convention. Do you have some valuable information you would like to share or can you suggest an engaging speaker?

If so, we want to hear from you.

2019 Call for Speakers

CALFEST CELEBRATION AWARDS – FREE THIS YEAR!

One of the benefits of your CalFest membership is your opportunity to enter your materials into the ***CalFest Celebration Awards***.

Entries, for a possible 36 awards, are based on three budget classifications in categories ranging from Event Photos to Best Promotional and Commemorative Posters, Media/Press Kit, TV Commercial or PSA and many more. Award recipients will be announced during the CalFest Convention, January 25 at the Grand Sierra Resort.



To enter: 2019 Celebration Awards Entry Form

CALFEST SILENT & LIVE AUCTION

Join in the fun! This is the only fundraiser CalFest holds every year during the annual convention. You are the donors—and the bidders. We ask that you provide experiences, souvenirs, hotel stays, behind-the-scenes tours of your event, golf or vacation packages—Whatever promotes and highlights your community and your event. Be creative! Be generous! Auction Form

CONVENTION SESSIONS January 24 & 25 (Exact Schedule to be determined)

KEYNOTE



Kelven Tan

Kelven Tan has over 28 years experience in entertainment and events marketing and is a much sought after public speaker on the global festival circuit. He has presented in Shanghai, London, Christchurch, Hong Kong, the U.S., Malaysia and Seoul

His career began in 1988 with the first "Singapore Show" drawing 20,000 attendees and continues today with roles in many successful and ongoing events, some attracting millions of viewers. He was the first Singaporean to have served on the prestigious board of the International Association of Amusement Parks and Attractions (IAAPA). In 2001, IAAPA awarded Tan with the Meritorious Service Award and the Director's Award in recognition of his service to the association. He also served two terms on the board of the International Festivals and Events Association (IFEA).

Along with his service to the festival industry, he is personally responsible for creating many dynamic festivals and events including "The Nation's Countdown," an annual beach party in Sentosa which continues to be Singapore's signature New Year's Event event. He also created the world's first Balloon Hat Festival. This event held the Guinness Book of Records for 4 consecutive years for "Most people twisting and wearing balloon hats at one time."

Beyond being a world-renowned thought-leader in the festival industry, in 2013 he created a new plan for the 18-year-old Festival DuBois in his own hometown.

In his own words, he has spent his entire career in pursuit of the simplest, yet most meaningful of tasks, bringing a smile to someone's face.

KEYNOTE



ARE YOU INVINCIBLE?

Roy Tuscany, CEO, High Fives Foundation, Truckee, CA

A program based on the understanding of using the phrase “positive out of the negative” to understand that we are not invincible but can overcome any barrier in life when understanding the difference between being invincible and being real.

Roy Tuscany

Originally from Waterbury, VT, and after graduating from the University of Vermont with a degree in mechanical engineering, Roy headed out west to pursue the dream of being a professional free-skier. In 2006 he suffered a life-altering injury that left him paralyzed from the waist down and was the catalyst to the creation of High Fives. Roy turned the financial and community support of his own recovery into a “Pay-it-Forward” adventure with the creation of the High Fives Foundation, a non-profit. He was named the “Spirit Inspires” award from Disabled Sports USA in 2011 and once held the world record for the most high fives in a 24-hour period. He lives in Reno and enjoys finding fun in everything he does.

VOLUNTEERS: RECRUITMENT, TRAINING AND RETENTION

Mike Whan, Executive Director, and Volunteers from Hot August Nights, Reno, NV

Having enough volunteers for your event is crucial. In today’s busy lifestyles, how do we find volunteers and what do we need to do to make sure they return the following year? Almost 500 volunteers from Hot August Nights collectively work over 40,000 hours a year. Many of these volunteers have been involved in the event for 10, 20 or 30 years. Listen and ask questions of a panel of these Hot August Nights volunteers. Why do they volunteer, what are they looking for, why do they keep coming back or why would they leave? What’s the best way to take care of your volunteers?

How Do THEY Do It? Exhibitor Sales and Management

Michael Bleau, CEO & Director of Sales, events locker, Seattle, WA

A discussion of exhibitor and onsite sponsorship sales, management and placement best practices through the lens of real world examples from industry leading events, deliverables timeline and logistics.

FINDING, CREATING AND SELLING EVENT ASSETS AND ACTIVATIONS THAT SPONSORS LOVE!
Teresa Stas, Director of Sponsorships, Green Cactus, Event Sponsorships and Consulting, Fresno, CA

Move past the logo soup on posters and brochures! With this session as we identify assets that your event can and should be selling, you'll learn how to create unique activations that can bring in big dollars and take a look at some event case studies for what did and didn't work. As a bonus, you'll also walk away with an Asset List that can be used for your events.

INNOVATIVE LEADERSHIP

Dan Stark, School of Business Faculty, University of Phoenix, Las Vegas, NV

This session is an interactive discussion of key leadership elements such as effective leadership behavior, the differences between leadership and management, and how an innovative mindset impacts people and organizations. Be prepared to participate!

EXPANDING YOUR REACH WITH CO-OP MARKETING, ADVERTISING AND RESOURCES

Sunday Minnich, Executive Director, Morgan Hill Mushroom Mardi Gras, Morgan Hill, CA

Working together to share ideas, advertising and marketing with other large events is vital to the promotion, success and cost savings for your event. Learn how Morgan Hill created a group, "Morgan Hill Presents," to share resources including vendors, contractors and advertisers.

MAKING ATTRACTIONS OUT OF MOLEHILLS

John Steffanic, CEO, Plumas Sierra County Fair, Quincy, CA

This is an entertaining presentation geared towards smaller events. Through examples and concepts, attendees will learn ways to make every corner of their venue an attraction costing little or nothing.

SPONSORSHIP SELLING MADE EASY

Sylvia Allen, Allen Consulting, Inc., Holmdel, NJ

This simple 12-step process is guaranteed to generate sponsorship dollars, whether you are raising \$500 or \$50,000! You will learn how to price your sponsorships so they are realistic; you'll learn how to find sponsors outside of your immediate geographic area; you will learn how to approach sponsors; and you will learn how to service your sponsors so they want to return year after year after year. Sylvia Allen sells sponsorship for a living. Com prepared to learn and have fun.

BEST PRACTICES FOR SURVIVING IN A DANGEROUS WORLD

Ira Rosen, CFEE, Assistant Professor/Program Director, Temple University School of Sport, tourism and Hospitality Management, Philadelphia, PA

We all face difficult challenges with our events every day. This session will look at risk and crisis management, safety and security and how best to assess risks and protect our events as best as possible. Participants will gain an understanding of the terms risk, crisis, safety and security, practical strategies for managing risk in a dangerous environment and industry best practices in the field.

ENHANCED PERSPECTIVE: THE CURRENT AND FUTURE STATE OF FESTIVALS AND CANNABIS

Geoff Hinds, CEO, San Bernardino County Fair, Victorville, CA

With legalization in many states, cannabis is quickly becoming an item of main stream discussion throughout the United States and the world. This session will try to provide an insight and discussion into how the legal landscape has evolved and changed regarding cannabis and what this may mean for event producers, venues and hosts.

CREATING A SPONSORSHIP DECK THAT ACTUALLY WORKS

Teresa Stas, Director of Sponsorships, Green Cactus, Event Sponsorships and Consulting, Fresno, CA

No more "menu" sponsorship one sheeters! We'll cover the process of how to create a successful deck that has the information that national sponsors want and need to partner with your event. You'll also learn a few tips and tricks to make the process easier for you in the future.

WORKING WITH DESTINATION MARKETING ORGANIZATIONS

Dan Stark, Managing Director, Paladin, LLC, Las Vegas, NV

Cindy Gustafson, CEO, North Lake Tahoe Resort Association, Tahoe City, CA

Nina Brown, Special Events and Marketing Manager, Reno-Sparks Convention & Visitors Authority, Reno, NV

Panel discussion with destination marketing professionals that work with events. Find out how best to approach them about assistance with PR, marketing and potential sponsorship, and what they specifically look for to determine if an event is a good fit for their marketing objectives.

Let the Good Times Roll...fill the next Economic Slowdown...How to be fiscally prepared

Lucas Wilder, Events Manager, Redwood City, CA

Brian Bowe, Executive Director, Gilroy Garlic Festival, Gilroy, CA

Cindy Lerick, Cindy Lerick, LLC, St. Paul, MN

Does your organization have long term fiscal policies? Join this roundtable and listen to organizations discuss their long term financial strategy. Learn about how major events set aside rainy day funds, whether it be in investments or reserves. Wondering how much you should put in reserves? Or, how much of those reserves should be used when the economy tanks? Discuss all of these *thrilling* topics to ensure your event has the financial sustainability needed to continue well into the future.

THE POWER OF WE

Shaun Gallant, Executive Director, The Blue Devils Drum & Bugle Corps, Concord, CA

Why building a team is crucial to the success of business! Understanding a few key things you can do to build a team built on trust, empowerment and accountability, that will last forever. I vs. WE and the power that comes from it.

CHEAP DIY DIGITAL MARKETING IN THE FACE OF PRIVACY LAWS AND ALGORITHMS

Melody Brunsting, President, Melody's Ad Works, Inc., Wildomar, CA

Did the world deactivate their Facebook accounts when Facebook exposed raw data on up to 87,000,000 accounts to political consulting firm Cambridge Analytica? Not exactly. 1.49 billion people, on average, log onto Facebook daily and are considered daily active users as of September, 2018. Yet algorithms have changed, and with that, your ability to get your messages out on Instagram and Facebook. This session will show you key components to using Facebook's huge data base to expand your own data base, Facebook and Instagram following, and convert followers to guests at your event. You'll discover where to find the audiences of other events and convert them to ticket holders.

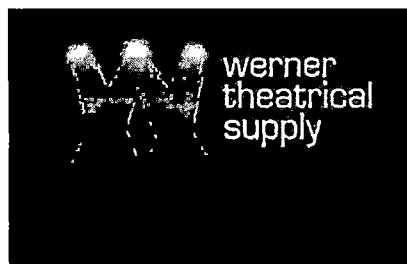
HOW TO BLOW OUT YOUR ATTENDANCE BY ATTRACTING MILLENNIALS

Karen Juilfs, General Chair, Vacaville Fiesta Days, Vacaville, CA

Millennials are family oriented so you need to reach them by engaging their children and address the environment in which they were raised. Learn how to jump-start your marketing and what influences their decisions

Sessions will be added as descriptions become available

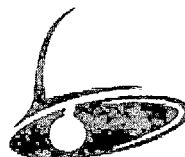
• Thanks to our Sponsors



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PARADE FLOATS



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Tahoe**



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**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM: FUND AN ECONOMIC DEVELOPMENT
ADMINISTRATOR POSITION**

**RECOMMENDATION: Adopt a Resolution Authorizing the Funding
for an Economic Development Administrator
Position**

SUMMARY:

Currently, the City's economic development activities are administered through various departments including the City Manager's Office, the Community Development Department and the Finance Department. In order to meet the City's current development needs, Staff is requesting the City Council fund a full-time Economic Development Administrator position in the City Manager's Office.

The Economic Development Administrator position may be funded by the General Fund, the Measure C Fund or a combination of both funds. The position's annual salary ranges between \$119,282 to \$144,988, plus estimated benefits of \$56,000. The City will have an open recruitment and hire the position within the salary range. For Fiscal Year 2018/19, a budget amendment in the amount of \$88,000 will be needed.

BACKGROUND:

In Fiscal Year 2008/2009, due to the down turn in the economy, the Economic Development Administrator position was unfunded. Currently, with various development projects in process including River Islands, Central Lathrop and South Lathrop, staff is requesting Council fund a full-time Economic Development Administrator position in the City Manager's Office.

The Economic Development Administrator will be able to assist the City in moving forward with the right type of projects to meet the needs of our growing community. This includes development of an economically viable and balanced community consisting of a wide variety of commercial businesses, retail businesses, services, and other vital outlets for the success of our community.

RECOMMENDATION:

Staff recommends Council fund one (1) Economic Development Administrator position in the City Manager's Office. This will allow us to have a staff member dedicated to focusing on our retail and commercial growth.

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
FUNDING FOR AN ECONOMIC DEVELOPMENT ADMINISTRATOR**

PAGE 2

FISCAL IMPACT:

The annual salary for the Economic Development Administrator position ranges from \$119,282 to \$144,988, plus an estimated \$56,000 in benefits. The City will recruit for the position and hire within the salary range. A budget amendment in the amount of \$88,000 will be needed for the remainder of Fiscal Year 2018/19. Council may fund the positions from the General Fund, Measure C Fund or a combination of both funds.

- Option 1
 Increase Appropriations in the General Fund (City Manager Dept)
 1010-1120-410-1100 \$88,000
- Option 2
 Increase Appropriations in Measure C Fund (pending Measure C
 Committee finds expense in conformance with the intent of the Measure)
 1060-1910-410-1100 \$88,000
- Option 3
 Increase Appropriations 50% General Fund and 50% Measure C Fund
 1010-1120-410-1100 \$44,000
 1060-1910-410-1100 \$44,000

ATTACHMENTS:

- A. Resolution to Approve Funding for an Economic Development Administrator
- B. Job Description - Economic Development Administrator

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
FUNDING FOR AN ECONOMIC DEVELOPMENT ADMINISTRATOR**

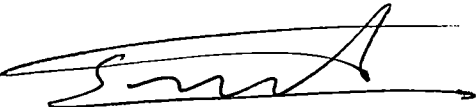
APPROVALS:



Cari James
Finance Director

1/8/19

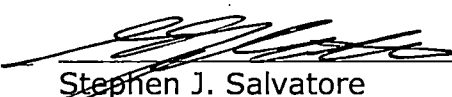
Date



Salvador Navarrete
City Attorney

1-9-19

Date



Stephen J. Salvatore
City Manager

1-9-19

Date

RESOLUTION NO. 19-_____**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
AUTHORIZING THE FUNDING OF AN ECONOMIC DEVELOPMENT
ADMINISTRATOR POSITION**

WHEREAS, the City's current economic development activities are administered through various departments including the City Manager's Office, the Community Development Department and the Finance Department; and

WHEREAS, in order to meet the City's development needs, Staff is requesting the City Council fund a full-time Economic Development Administrator Position; and

WHEREAS, the annual salary for the Economic Development Administrator position ranges from \$119,282 to \$144,988, plus an estimated \$56,000 in benefits; and

WHEREAS, a budget amendment for Fiscal Year 2018/19 in the amount of \$88,000 is needed; and

WHEREAS, Council may choose the following option to fund the Economic Development Position:

- Option 1
Increase Appropriations in the General Fund (City Manager Dept)
1010-1120-410-1100 \$88,000
- Option 2
Increase Appropriations in Measure C Fund (pending Measure C Committee finds expense in conformance with the intent of the Measure)
1060-1910-410-1100 \$88,000
- Option 3
Increase Appropriations 50% General Fund and 50% Measure C Fund
1010-1120-410-1100 \$44,000
1060-1910-410-1100 \$44,000

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop does hereby authorize the funding of an Economic Development Administrator position to be funded as per Option _____.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Lathrop on the 14th day of January 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Teresa Vargas, City Clerk

SONNY DHALIWAL, MAYOR

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CITY OF LATHROP

ECONOMIC DEVELOPMENT ADMINISTRATOR

*Class specifications are only intended to present a descriptive summary of the range of duties and responsibilities associated with specified positions. Therefore, specifications **may not include all** duties performed by individuals within a classification. In addition, specifications are intended to outline the **minimum** qualifications necessary for entry into the class and do not necessarily convey the qualifications of incumbents within the position.*

DEFINITION:

Under direction, plans, organizes, coordinates and directs the Economic Development program. Administers marketing and outreach programs for the retention and expansion of existing businesses and for the attraction of commercial and industrial development to the Lathrop community; provides staff assistance to the City Manager; and performs related work as required.

DISTINGUISHING CHARACTERISTICS:

This position is within the economic development class series and is a single position class. The incumbent in this class will be expected to work independently and exercise good judgment in implementing the City's economic development and related projects. The incumbent receives supervision from the City Manager.

SUPERVISION RECEIVED/EXERCISED:

Receives direction from the City Manager.

ESSENTIAL FUNCTIONS: *(include but are not limited to the following)*

- Develops and implements goals, objectives, policies and programs which promote the City's economic development.
- Ensures that economic development activities comply with City goals, policies and procedures as well as local, federal and state regulations; develops and maintains required reports, files and records.
- Participates in the development and administration of the Economic Development program budget.
- Provides assistance and coordination to the City Council, commissions, committees and City management staff in matters related to a wide variety of economic development activities and programs.
- Develops and proposes policies for the effective recruitment of new industry, business and investment in the area.
- Develops and proposes policies to stimulate the expansion of existing industry, business and investment in the area.

- Serves as liaison with existing and potential industries, businesses, land and building owners, developers, marketing firms and federal, state, regional and county agencies regarding loans, grants, data and educational resources.
- Researches and analyzes economic problems and prepares comprehensive reports.
- Prepares reports and gives presentations to community groups, business and government committees, commissions and City Council.
- Represents the City in meetings with representatives of business and community organizations, governmental agencies and the public.
- Monitors legislation and developments related to economic development matters; evaluates their impact on City operations and programs and recommends and implements policy and procedural improvements
- Assists new and existing firms with expeditious permit processing and capital needs including packaging of financing from federal, state and local sources.
- Attends meetings of local industrial, commercial and civic organizations to increase community contact and develop understanding of the economic development program.
- Performs related duties as required.

PHYSICAL, MENTAL AND ENVIRONMENTAL WORKING CONDITIONS:

Position requires prolonged sitting, standing, walking, kneeling, squatting, and stooping in the performance of daily activities. The position also requires repetitive hand movement and fine coordination in preparing reports using a computer keyboard. Additionally, the position requires both near and far vision in reading written reports and work related documents. Acute hearing is required when providing phone and personal service. Additionally, the incumbent in this position works outdoors in all weather conditions, including wet, hot, and cold. The nature of the work also requires the incumbent to drive motorized vehicles. The need to lift, drag, and push files, paper, and documents weighing up to 25 pounds is also required.

Some of these requirements may be accommodated for otherwise qualified individuals requiring and requesting such accommodations.

QUALIFICATIONS: *(The following are minimal qualifications necessary for entry into the classification.)*

Education and/or Experience:

Any combination of education and experience that has provided the knowledge, skills, and abilities necessary for an **Economic Development Administrator**. A typical way of obtaining the required qualifications is to possess the equivalent of:

Education:

Equivalent to a Bachelor's Degree from an accredited college or university with major course work in urban planning, business, public administration, finance or a closely related field.

Experience:

Three (3) years of professional level experience in economic/business development and municipal services.

License/Certificate:

Possession of, or ability to obtain, a valid Class C California driver's license.

KNOWLEDGE/ABILITIES/SKILLS: *(The following are a representative sample of the KAS's necessary to perform essential duties of the position. The level and scope of the knowledge and abilities listed below vary between the Assistant and Associate levels.)*

Knowledge of:

Community characteristics, including planning, zoning, schools, budgets, and recreational facilities and civic attractions. Principles and practices of marketing, public information and media relations. Functions and organizations of a municipal government. Applicable federal, state and local laws, rules and regulations relating to economic development. Principles of organization, administration and budget. Economic development incentives. Informational resources relating to industry, legislation, business, economics, community development, and related matters affecting the growth of the community. Public and private sector financing. Real estate development. Urban planning.

Ability to:

Establish and maintain cooperative effective working relationships with those contacted in the course of work. Communicate effectively and persuasively both orally and in writing. Interpret and apply federal, state and local policies, procedures, laws and regulations. Prepare and analyze a variety of reports, statements and correspondence. Develop and administer a division budget. Be persuasive in marketing and selling the City to prospective businesses and industries. Coordinate and provide liaison among various agencies and organizations. Organize work, set priorities and exercise independent judgment within established guidelines. Maintain accurate records and prepare clear, concise and effective correspondence, media materials, public and educational materials, reports and other written materials. Collect and analyze a wide variety of data and materials.

Skill to:

Operate an office computer and a variety of word processing and software applications including, graphic and presentation programs.

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

**ITEM: CAPITAL FACILITY FEE FUNDS REPORT FOR
FY 2017-2018**

**RECOMMENDATION: Review and Accept the Capital Facility Fee
Funds Report for Fiscal Year 2017-2018**

SUMMARY:

Pursuant to Government Code Section 66006 et seq., the City of Lathrop is required to provide an annual overview of fees collected by the Capital Facility Fee (CFF) program as a result of new development. This report presents the background for each fee and shows the fee schedules and history for last year. The information provided is required by the Government Code to be made available for public review and subsequently reviewed by City Council at the next regular meeting after being made public.

BACKGROUND:

The City's Capital Facility Fee (CFF) program was first instituted on October 10, 1990 to provide adequate capital facility improvements to serve new development within the City. Since then, the CFF program has had amended to ensure that new development pays its proportionate share of improvement costs needed as a result of new development.

In 2003, the CFF program was amended to include a broad range of capital facility fees and establish fees for new development planned for the area West of I-5, mainly River Islands and Mosssdale Landing. The 2005 CFF Update established fees for new development in the Central Lathrop Specific Plan (CLSP) area and followed with revisions in 2007 adding the offsite roadway intersection improvements and the surface water supply fee components for the CLSP area. The North Lathrop Study completed in 2010 updated the CFF program January 2011 and introduced the North Lathrop Transportation Impact Fee for new development impacting the Roth Road/I-5 interchange and the associated frontage roads in the North Lathrop area. In 2017 the Interim Urban Level of Flood Protection Development (ULOP) Impact Fee Nexus Study established the Interim Levee Fee as a part of the implementation of the financing plan for the Reclamation District 17 Urban Level of Flood Protection Levee System Improvements. Recently, the CFF program was amended to include the detail from the February 2018 South Lathrop Specific Plan Study "Nexus Study" adding the South Lathrop Specific Plan area to the CFF program.

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
CAPITAL FACILITY FEES FUND REPORT FOR FY 2017-2018**

PAGE 2

The CFF program provides a source of revenue by which new development within the City contribute their fair share of the costs that directly impact the need to construct infrastructure or expand community public facilities to meet growth needs. The City's CFF program funds improvements in the following categories:

1. Transportation
 - a. Local
 - b. Regional
2. Culture and Leisure
3. Municipal Services
4. Storm Drainage
5. Administration
6. San Joaquin County Multi-Species Habitat
7. Environmental Mitigation
8. Park-In-Lieu
9. Water
10. Surface Water
11. Sewer

The attached Annual CFF report, required by California Government Code 66006 et seq., was developed to identify the balances of fees in the Capital Facility Fee funds. The annual report provides the following information for each fee:

- a detailed description
- the fee amount
- beginning and ending balances for the fiscal year
- fees collected & interest earned
- transfers, refunds, and expenditures

The expenditures have been further broken down to identify the public improvements on which the fees were expended and the amount of expenditures for each improvement.

The Five-Year CFF Fund Report provides an overview of the improvement projects identified in the CFF program. The report lists the estimated cost for each project and the approximate date available. The fees and project costs are adjusted annually based on the annual changes to the Engineering News-Record Construction Cost Index (ENR CCI). The annual adjustment utilizing the ENR CCI ensures the current cost of construction and appropriate fees reflect the effects of inflation.

REASON FOR RECOMMENDATION:

The attached report was made public on December 21, 2018; section 66006 of the California Government Code requires a detailed report regarding collection and expenditure of fees in the CFF program. Under the California Government Code, the report is required to be made public. City Council shall review the information made available to the public at its next regular scheduled meeting:

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
CAPITAL FACILITY FEES FUND REPORT FOR FY 2017-2018**

PAGE 3

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:

This agenda item promotes team work by keeping the community and Council informed about the CFF program.

FISCAL IMPACT:

The cost for this item was staff time and materials to complete the attached report.

ATTACHMENTS:

- A. Capital Facility Fee Funds Report for Fiscal Year 2017-2018
- B. Five Year Capital Facility Funds Report

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
CAPITAL FACILITY FEES FUND REPORT FOR FY 2017-2018**

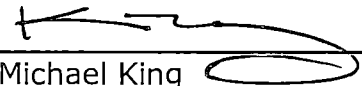
APPROVALS:



Yesenia Linnell
Senior Management Analyst

1-7-19

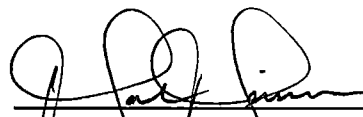
Date



Michael King
Assistant Director of Public Works

12-19-18

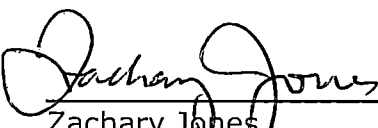
Date



Mark Meissner
Director of Community Development

12-19-18

Date



Zachary Jones
Director of Parks & Recreation

12-20-2019

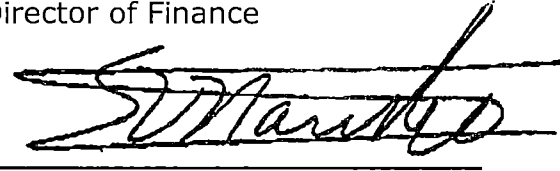
Date

for 

Cari James
Director of Finance

12-20-18

Date



Salvador Navarrete
City Attorney

12/21/18

Date



Stephen J. Salvatore
City Manager

1-7-19

Date

City of Lathrop

Capital Facility Fee Funds Report 2017 – 2018

Made Pursuant to Government Code
Section 66000 et seq.

Made Available for Public Review on:
December 20, 2018

City Council Agenda Date:
January 14, 2019

For further information, please contact:
Yesenia Linnell, Public Works Department
(209) 941-7430



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Regional Transportation Impact Fee – 2230

1. Fee Information

a. Description and History of Fee: This fee was collected to fund street improvements for Lathrop’s regional roadways. The fee originated in 1990 and was adopted by Lathrop City Council on October 10, 1990. The Regional Transportation Fee was calculated in coordination with the San Joaquin County Council of Governments to provide countywide transportation improvements for street and highway projects identified in the Congestion Management Program (CMP). Improvements to both Lathrop and Interstate 5 are included in the CMP.

The fee was reevaluated in the November 1, 1994 CFF Update and was updated to reflect the effects of inflation. In addition, the McKinley Avenue and Yosemite Avenue Intersection Improvements were added to the CFF. Updates to the Regional fee were also done in September of 2003 and again in August of 2005. The 2003 and 2005 studies included adjusting the previous Capital Facility Fee in Historic Lathrop (East) to reflect the effects of inflation.

The San Joaquin Regional Transportation Impact Fee (RTIF) is automatically adjusted on an annual basis at the beginning of each fiscal year (July 1) based on the Engineering News Record California Construction Code Index (CCCI).

b. Amount of Fee: The Regional Transportation Fee was changed to the San Joaquin Regional Transportation Impact Fee (RTIF) as of February 20, 2006. Funds collected as a result of the newly adopted fee are reported in Funds 2340 and 2360.

As of February 20, 2006, the Regional Transportation Fee is no longer collected.

<u>Land Use Type</u>	<u>Unit</u>	<u>FY 17/18</u>
Residential (Single-Family)	DUE	\$-0-
Residential (Multi-Family)	DUE	\$-0-
Retail	Sq. Ft	\$-0-
Office	Sq. Ft	\$-0-
Commercial/Industrial	Sq. Ft	\$-0-



2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	-
b.	Fees Collected	-
c.	Interest Earned	-
d.	Expenditures	-
e.	Transfer Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	-

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2230 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2230 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2230 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Regional Transportation Impact Fee does not currently have funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City’s Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Local Transportation Impact Fee – 2250

1. Fee Information

a. Description and History of Fee: This fee is collected to fund street improvements for existing city streets to accommodate for increased road usage due to new development. The Crossroads fee is an exception in that it is collected to reimburse the developer for infrastructure that was built with the original project. The fee originated in 1990 and was adopted by the Lathrop City Council on October 10, 1990. The original fee was designed to fund the widening of local roads from two lanes to four lanes as well as the addition of traffic signals and turning lanes to increase the capacity of intersections. In 1990 the Engineering Report for the Lathrop Traffic Mitigation Fee identified an estimated 6.4 million in signal system, intersection and road widening improvements.

An update to the fee was adopted by the Lathrop City Council and adopted on November 1, 1994. The update included the same projects that were included in the original CFF, with the exception of Louise Avenue and the addition of the McKinley Avenue Mainline Improvements. The widening and improvements of Louise Avenue between Harlan Road and Fifth Street were completed prior to the 1994 update (with CFF funds as a contributing source) which is why Louise Avenue was omitted from the 1994 update.

The Local Transportation CFF was reevaluated in September 2, 2003 and again in August 1, 2005. The studies included adjusting the previous Capital Facility Fee in Historic Lathrop (East) to reflect the effects of inflation.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study “Nexus Study” adopted on March 12, 2018 identified approximately 65.8 million in interchange improvements, road widening improvements, and railroad crossing improvements.

b. Amount of Fee: The amount of the fee varies by land use type and location.

<u>East Lathrop/North Harlan Land Use Type</u>	<u>Unit</u>	<u>July 1, 2017 to Dec. 31, 2017</u>	<u>Jan. 1, 2018 to June 30, 2018</u>
Single Family Residential	DU	\$3,399	\$3,558
Multi-Family Residential	DU	\$2,499	\$2,616
Commercial	1,000 sqft	\$4,641	\$4,859
Industrial	1,000 sqft	\$1,367	\$1,431

<u>Crossroads Land Use Type</u>	<u>Unit</u>	<u>July 1, 2017 to Dec. 31, 2017</u>	<u>Jan. 1, 2018 to June 30, 2018</u>
Commercial	Acre	\$28,096	\$29,417
Industrial	1,000 sqft	\$ 1,020	\$ 1,068



<u>South Lathrop Specific Plan Land Use Type</u>	<u>Unit</u>	<u>July 1, 2017 to Dec. 31, 2017</u>	<u>Jan. 1, 2018 to June 30, 2018</u>
Industrial/ Limited Industrial	1,000 sqft	\$ -	\$ 4,516
Office Commercial	1,000 sqft	\$ -	\$15,631
Retail Commercial	1,000 sqft	\$ -	\$15,631
Warehouse	1,000 sqft	\$ -	\$ 466

2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 2,036,745
b.	Fees Collected	\$ 34,192
c.	Interest Earned	\$ 23,137
d.	Expenditures	-
e.	Transfers Out	\$ 561,499
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 2,655,574

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2250 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2250 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2250 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Local Transportation Impact Fee does not currently have funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City’s Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Culture and Leisure Capital Facility Fee – 2260

1. Fee Information

a. Description and History of Fee: The Culture and Leisure Capital Facility Fee is collected to fund costs for the completion of Neighborhood, Community and Linear Parks, a Library, Cultural Center, Senior Center and Community Center.

The Culture and Leisure Capital Facility Fee was first implemented with the adoption of the October 10, 1990 CFF Study Report. The original fee collected funds merely for Parks and a Library. The Capital Facility Fee program was reevaluated in 1994 and in addition to a park and library component, a component for a cultural center was added. Adopting this change increased the fee for both Single Family (from \$1,627 to \$1,789) and Multi-Family (from \$1,084 to \$1,295) residential dwelling units.

In September of 2003, the City Council again adopted a revision to the Culture and Leisure CFF. This amendment to the CFF was implemented to capture the new direction in which the City was headed. The City has since approved planned communities, that combined exceed 17,000 new homes, for Mossdale Landing, Central Lathrop Specific Plan Area and River Islands. These communities have pushed Lathrop's population well over the 12,980 projection for year 2010 (as of January 2011, the City of Lathrop's population was estimated at over 18,656) hence the need for an increase in facilities. The 2003 update increased the fee significantly for both Single Family and Multi-Family residential dwelling units and added a Senior Center to the list of facilities.

The 2005 update to the Culture and Leisure CFF split the fee into two separate components; Parks and Facilities. This was done to ensure enough monies were collected for both areas of culture and leisure as well as to ensure the importance of both sub-components. This update also included an increase to capture the effects of inflation.

The Culture and Leisure CFF was reevaluated May 3, 2018 adjusting the previous CFF to reflect the effects of inflation. The studies also included adjusting the total library space to 31,100 square feet at build out as well as a reduction in the library square footage standard to 475 square feet per 1,000 residents. Additionally, the 5.76 acre of land associated with the Generation Center was added to the CFF program with no net increase to the CFF rates for the Culture and Leisure Facility sub-component.



b. Amount of Fee: The amount of the fee varies by land use type and location.

	Accounting Period			
	July 1, 2017 to December 31, 2017		January 1, 2018 to June 30, 2018	
Land Use Type (Unit)	Historical Lathrop North Harlan Mossdale Village	Central Lathrop	Historical Lathrop North Harlan Mossdale Village	Central Lathrop
Single Family (DU)				
Parks	\$5,278	\$5,800	\$5,526	\$6,072
Facilities	\$3,234	\$3,234	\$3,386	\$3,386
Multi-Family (DU)				
Parks	\$3,769	\$4,134	\$3,947	\$4,338
Facilities	\$2,309	\$2,309	\$2,417	\$2,417

	Accounting Period			
	July 1, 2017 to Dec. 31, 2017		January 1, 2018 to June 30, 2018	
Land Use Type (Unit)	Mossdale Landing	Stewart Tract	Mossdale Landing	Stewart Tract
Single Family (DU)				
Parks	\$5,276	-	\$5,524	-
Facilities	\$2,118	\$3,234	\$2,218	\$3,386
Multi-Family (DU)				
Parks	\$3,768	-	\$3,945	-
Facilities	\$1,513	\$2,309	\$1,584	\$2,417

2. Fund Information (During Reporting Period)

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2017	\$ 6,653,412
b.	Fees Collected	\$ 971,022
c.	Interest Earned	\$ 77,918
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 7,702,352



2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2260 expended during the reporting period? No

2b. Transfers and Loans: Description of Transfers and Loans made from fund.

Were funds from Fund 2260 transferred or loaned during the reporting period? No

2c. Refunds: Description of refunds made during reporting period.

Were funds from Fund 2260 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Culture and Leisure Capital Facility Fee does not currently have funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Municipal Services Capital Facility Fee – 2270

1. Fee Information

a. Description and History of Fee: The Municipal Services Capital Facility Fee is collected to fund costs related to a new City Hall, Police Station, Corporation Yard and Animal Shelter needed to support the growth of the City.

The Municipal (City) Services Capital Facility Fee (CFF) was first implemented with the adoption of the October 10, 1990 CFF Study Report. The original fee collected monies to fund a new city hall, police station and a corporation yard for field staff (operations and maintenance). The Capital Facility Fee program was reevaluated in 1994 and in addition to the facilities previously adopted with the original study; a component for an Animal Control Facility was added. Adopting this change increased the fee for residential land use types as well as for commercial and industrial.

In September of 2003, the City Council again adopted a revision to the Municipal Services CFF. This amendment to the CFF was implemented to ensure that the City was collecting enough monies to fund the facilities needed to accommodate new development as the existing facilities (excluding city hall) do not meet the City's service level standards.

- The City currently contracts with the City of Manteca for its animal control shelter facilities since Lathrop does not have one of its own.
- The City's Police Services Department, which is currently contracted with the San Joaquin County Sheriff's Department, is too small to expand for the City's anticipated growth. At build out there will not be enough room to expand for the projected 1.5 sworn peace officers per 1,000 residents.
- The Corporation Yard facility that houses most of the City's field staff (maintenance and operations) as well as much of the city's equipment and vehicles is too small to accommodate for growth.

A 2005 update to the Municipal Services CFF increased the fee to reflect the effects of inflation. Additionally, a Performing Arts Center was added to accommodate the City's growing population and a Wireless Network was added to ensure that the City is keeping up with technology to offer residents and employees the highest level of service.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study "Nexus Study" adopted on March 12, 2018 identified SLSP will also be subject fund future development fair share of the cost of municipal buildings and facilities.



b. About the Fee: The amount of the fee varies by land use type and location. The fees are as follows:

Accounting Period		
	July 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
<u>Land Use Type (Unit)</u>	East Lathrop/ North Harlan/ Mossdale Village/ Crossroads/ Central Lathrop/ Stewart Tract	East Lathrop/ North Harlan/ Mossdale Village/ Crossroads/ Central Lathrop/ Stewart Tract
Single Family (DU) Residential	\$3,623	\$3,793
Multi-Family (DU) Residential	\$2,587	\$2,709
Service Retail (Per 1,000 sq. ft.)	\$2,360	\$2,471
Other Non- Residential (Per 1,000 sq. ft.).	\$1,429	\$1,496

Accounting Period		
	July 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
<u>Land Use Type</u>	Mossdale Landing	Mossdale Landing
Single Family Residential	\$3,558	\$3,725
Multi-Family Residential	\$2,542	\$2,662
Service Retail per 1,000 sf.	\$2,310	\$2,419
Other Non- Residential per 1,000 sf.	\$1,398	\$1,464

Accounting Period		
	July 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
<u>Land Use Type</u>	South Lathrop Specific Plan	South Lathrop Specific Plan
Service Retail per 1,000 sf.	\$ -	\$2,471
Other Non- Residential per 1,000 sf.	\$ -	\$1,464



2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 6,074,202
b.	Fees Collected	\$ 1,376,731
c.	Interest Earned	\$ 73,218
d.	Expenditures	(\$ 368,467)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 7,155,684

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2270 expended during the reporting period? Yes

A total of \$368,467 was expended from Fund 2270 to service debt for the City Hall Facility.

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2270 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2270 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Municipal Services Capital Facility Fee does not currently have funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City’s Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Storm Drainage Capital Facility Fee – 2280

1. Fee Information

a. Description and History of Fee: This Storm Drainage Capital Facility Fee (CFF) is collected to fund storm drainage improvements to support new development. The Crossroads fee is an exception in that it is collected to reimburse the developer for infrastructure that was built with the original project.

On February 20, 1987, San Joaquin County Ordinance Number 3297 established a fee of \$1,000 per gross acre of land to reimburse the costs of establishing the storm drain system known as “City Service Zone 1”. This fee was to be updated every year by the Engineering News Record (ENR) Construction Cost Index for inflation.

On July 7, 1992, the City adopted a Storm Drain Master Plan which identified the facilities in place, existing deficiencies, and needed improvements for terminal storm drainage in areas of the existing City and surrounding area. Storm drainage CFFs were established in 1994. The City’s only terminal storm drain system consisted of the former County Service area 4, Zones A & B (designed by the County), which included most of the populated areas of the City at that time. This system has been expanded on several occasions as a result of new growth and has been re-designated as “Storm Drain City Zone 1”.

The Storm Drainage Capital Facility Fee was reevaluated in September 2, 2003 and again in August 1, 2005. The studies included adjusting the previous Capital Facility Fee in Historic Lathrop (East) to reflect the effects of inflation. Additionally, new CFF fees were established for the Mossdale development area to be used as funding for the improvement the development community would be constructing.

New development that occurs in the areas surrounding City Zone 1 must pay a fee to the Area of Benefit District No. 6, which was established by San Joaquin County (Ord. 3297) to reimburse the capital costs of constructing the trunk and outfall lines of the current system.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study “Nexus Study” adopted on March 12, 2018 identified approximately 1.7 million to construct an outfall facility that would be allocated equally to the three developments that will benefit from this facility.



b. Amount of Fee: The amount of the fee varies by land use type and location.

Land Use Type	Unit	July 1, 2017 to December 31, 2017			January 1, 2018 to June 30, 2018		
		East Lathrop	North Harlan	Mossdale	East Lathrop	North Harlan	Mossdale
Low Density Residential	DU	\$854	\$854	\$326	\$894	\$894	\$341
Medium Density Residential	DU	-	-	\$224	-	-	\$234
High Density Residential	DU	-	-	\$175	-	-	\$183
Village Commercial	Acre	-	-	-	-	-	-
Service Commercial	Acre	\$5,868	\$5,868	\$4,041	\$6,144	\$6,144	\$4,231
Freeway Commercial	Acre	\$10,531	\$10,531	\$4,041	\$11,025	\$11,025	\$4,231
Neighborhood Commercial	Acre	\$2,607	\$2,607	\$4,041	\$2,729	\$2,729	\$4,234
Limited Industrial Zone 5	Acre	\$8,191	\$8,191	-	\$8,576	\$8,576	-
Limited Industrial Other Zones	Acre	\$4,566	\$4,566	-	\$4,780	\$4,780	-
General Industrial	Acre	\$5,544	\$5,544	-	\$5,804	\$5,804	-
Transit Station (Lathrop Road)	Acre	\$5,216	\$5,216	-	\$5,461	\$5,461	-
Fire Station (Yosemite)	Acre	\$5,868	\$5,868	-	\$6,144	\$6,144	-
Area of Benefit 6	Acre	\$2,275	-	-	\$2,383	-	-

<u>Crossroads Land Use Type</u>	<u>Unit</u>	<u>July 1, 2017 to Dec. 31, 2017</u>	<u>Jan. 1, 2018 to June 30, 2018</u>
Onsite	Acre	\$12,161	\$12,732
Offsite	Acre	\$ 6,935	\$ 7,260

<u>South Lathrop Specific Plan Land Use Type</u>	<u>Unit</u>	<u>July 1, 2017 to Dec. 31, 2017</u>	<u>Jan. 1, 2018 to June 30, 2018</u>
Office Commercial	1,000 sqft	\$ -	\$380
Limited Warehouse	1,000 sqft	\$ -	\$129
Warehouse	1,000 sqft	\$ -	\$129



2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 537,097
b.	Fees Collected	\$ 412
c.	Interest Earned	\$ 6,011
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 543,521

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2280 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2280 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2280 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

There Storm Drainage Capital Facility Fee does not currently have funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City’s Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Administration Capital Facility Fee – 2290

1. Fee Information

a. Description and History of Fee: The purpose of the capital facility fee 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 commensurate with the benefits received. Under Government Code Section 66000 et seq., the City is required to separately account for revenues and expenditures within the capital facilities fee funds and is allowed to apply an appropriate fee for administration of Transportation, Municipal Services, and Culture and Leisure as identified in the report titled “City of Lathrop Capital Facilities Fees, As Amended September 2, 2003”.

b. Amount of Fee: This fee is calculated as a percentage of the capital facilities fees charged prior to issuance of the building permit. Currently the fee is 3% of all capital facility fees applicable to the project.

2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 508,105
b.	Fees Collected	\$ 134,134
c.	Interest Earned	\$ 5,914
d.	Expenditures	-
e.	Transfers Out	(\$ 100,000)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 548,153

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2290 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2290 transferred or loaned during the reporting period? Yes

A total of \$100,000 was transferred from Fund 2290 to cover the Capital Facility Fee Program administration costs.

2c. Description of refunds made during reporting period.

Were funds from Fund 2290 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2017-18: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Administration Fee Fund 2290 does not currently have funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Environmental Mitigation Capital Facility Fee – 2310

1. Fee Information

- a. Description and History of Fee: One of the environmental mitigation measures required in relation to development on the west side of Interstate 5 is the protection of habitat for the Riparian Brush Rabbit. To meet this requirement, land in the “oxbow” along the San Joaquin River was acquired, fenced, and maintained as protected habitat. This fee will be used to acquire the land and construct a fence needed to protect the rabbit as identified in the report titled “City of Lathrop Capital Facilities Fees, As Amended September 2, 2003.” Ongoing maintenance costs are to be funded through an endowment or other means, and are not included herein.

- b. Amount of Fee: The amount of the fee varies by land use type and location and is only applicable to the Mossdale Landing area.

	July 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
Low Density Residential	\$190	\$199
Medium Density Residential	\$108	\$113
High Density Residential	\$ 39	\$ 41
Village Commercial	\$911	\$954
Service Commercial	\$911	\$954
Freeway Commercial	\$911	\$954
Waterfront Resort Commercial	\$911	\$954

2. Fund Information During Reporting Period

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	-
b.	Fees Collected	-
c.	Interest Earned	-
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	-



2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2310 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2310 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2310 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-2019: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Environmental Mitigation Fund 2310 does not currently have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2018-19. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Regional Levee Impact Fee – 2315

1. Fee Information

- a. Description and History of Fee: The Regional Levee Impact Fee is collected to ensure that new development pays its proportionate share of the levee improvement costs needed to provide urban level of flood protection (ULOP) to the Reclamation District 17 pursuant to the requirements of Senate Bill 5 and the Department of Water Resources ULOP criteria.

On February 6, 2017, the City adopted the Interim Urban Level of Flood Protection ULOP Development Impact Fee Nexus Study which identified levee improvements necessary for enhanced flood protection, such as, the reconstruction of the dryland levee, seepage berm, cutoff wall Improvements, erosion repairs, encroachment remediation, and pipe penetration rehabilitation. The City of Lathrop Ordinance Number 17-374 established the Interim Urban Levee Flood Protection Levee Impact Fee to fund the improvements identified within the Adequate Progress Report.

- b. Amount of Fee: The amount of the fee is calculated by acreage and will be charged by unit basis and is applicable to all projects within the RD 17 area.

	Per Gross Developable	July 1, 2017 to June 30, 2018
Single Family - Residential	Acre	\$17,054
Multi-Family -Residential	Acre	\$18,667
Commercial	Acre	\$19,236
Industrial	Acre	\$15,080

2. Fund Information During Reporting Period

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 27,865
b.	Fees Collected	\$ 94,460
c.	Interest Earned	\$ 973
d.	Expenditures	(\$ 50,000)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 73,298



2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2310 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2310 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2310 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-2019: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Regional Levee Impact Fee Fund 2315 does not currently have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2018-19. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



West Central Lathrop Transportation Capital Facility Fee – 2320

1. Fee Information

a. Description and History of Fee: The West/Central Lathrop Regional Transportation Fee is a supplemental fee collected, in conjunction with the original 1997 WLSP (West Lathrop Specific Plan) Regional Transportation Fee, in order to fund traffic improvements needed as a result of new development. Negotiations between developers and City staff concluded that a West/Central Lathrop Regional Traffic Impact Fee would be added to the Capital Facilities Fee (CFF) Program that would help to fund projects identified in the 1997 WLSP Regional Fee as well as to fund newly added improvements.

The W/C Lathrop Regional Transportation Fee was derived as a result of a traffic study performed by TJKM Transportation Consultants that evaluated trips to / from the regional areas of Lathrop to / from five major service areas within Lathrop: Central Lathrop Specific Plan Area, Mossdale Village, River Islands, Historic Lathrop and area outside of the city limits.

The West Central Lathrop Transportation CFF was reevaluated May 3, 2018. After further review City staff found the project cost were consistent with current cost estimates to construct the improvements with exception of the Louise Avenue Interchange and the Paradise Avenue Interchange improvements. As a result, the fee study includes adjusting the previous CFF to reflect the effects of inflation as well as an increase to the rates for Central Lathrop, Mossdale Village and River Islands.

b. Amount of Fee: The amount of the fee varies by land use type and location.

July 1, 2017 to December 31, 2017					
Land Use Type	Unit	Mossdale Village	Mossdale Landing, ML East, ML South	Central Lathrop	River Islands – Stewart Tract
Single Family	DU	\$ 2,797	\$ 2,506	\$ 3,126	\$ 3,673
Multi-Family	DU	\$ 1,720	\$ 1,541	\$ 1,920	\$ 2,230
Retail Commercial	1,000 sf	\$ 4,433	\$ 3,972	\$ 3,982	\$ 6,046
Service/Office Commercial	1,000 sf	\$ 4,017	\$ 3,600	\$ 2,909	\$ 3,336

January 1, 2018 to June 30, 2018					
Land Use Type	Unit	Mossdale Village	Mossdale Landing, ML East, ML South	Central Lathrop	River Islands – Stewart Tract
Single Family	DU	\$ 2,928	\$ 2,624	\$ 3,273	\$ 3,807
Multi-Family	DU	\$ 1,800	\$ 1,613	\$ 2,010	\$ 2,335
Retail Commercial	1,000 sf	\$ 4,641	\$ 4,159	\$ 4,169	\$ 6,330
Service/Office Commercial	1,000 sf	\$ 4,206	\$ 3,769	\$ 3,046	\$ 3,492



2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 3,686,935
b.	Fees Collected	\$ 1,082,239
c.	Interest Earned	\$ 44,531
d.	Expenditures	-
e.	Transfers Out	(\$ 57,350)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 4,756,355

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2320 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2320 transferred or loaned during the reporting period? Yes

A total of \$57,350 was transferred from Fund 2320 to the Manthey Road Bridge Replacement, Project PS 12-04.

2c. Description of refunds made during reporting period.

Were funds from Fund 2320 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The West Central Lathrop Transportation Capital Facility Fee Fund 2320 currently has funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.

<u>Project</u>	<u>Amount</u>	<u>% of Improvements</u>
Manthey Road Bridge Replacement, PS 12-04	\$ 503,406	11
Total	\$ 503,406	



West Lathrop Specific Plan Regional Transportation Impact Fee – 2330

1. Fee Information

a. Description and History of Fee: The West Lathrop Specific Plan (WLSP) Regional Transportation Impact Fee is collected from planned communities in the Central Lathrop area, Mossdale Village area and the River Islands area to fund regional road improvements needed as a result of new development west of Interstate 5.

The original fee was first developed in 1997 by the Fee Development Committee which is comprised of representatives from the City of Lathrop, San Joaquin Council of Governments, Caltrans, The Crane Transportation Group and Califia (a River Islands affiliate). The Committee was to evaluate existing transportation facilities to determine if they were sufficient to accommodate for new growth and, if insufficient, to identify the need for additional street infrastructure.

Upon determining a transportation level of service (LOS), the development projections for the City and project level impacts, a list of transportation system improvements was compiled. This list of improvements was utilized to determine a fee to fund the necessary improvement projects.

The West Central Lathrop Transportation CFF was reevaluated May 3, 2018. After further review City staff found the project cost were consistent with current cost estimates to construct the improvements with exception of the Louise Avenue Interchange and the Paradise Avenue Interchange improvements. As a result, the fee study includes adjusting the previous CFF to reflect the effects of inflation as well as an increase to the rates for Central Lathrop, Mossdale Village and River Islands.

b. Amount of Fee: The amount of the fee for the West Lathrop Specific Plan Regional Transportation Fee varies by land use type.

Land Use Type	Unit	July 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
Single Family	DU	\$ 327	\$ 343
Multi Family	DU	\$ 383	\$ 401
Retail Commercial	1,000 sf	\$ 1,832	\$ 1,918
Service Commercial	1,000 sf	\$ 508	\$ 532

2. Fund Information During Reporting Period

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2017	\$ 322,251
b.	Fees Collected	\$ 97,465
c.	Interest Earned	\$ 3,632
d.	Expenditures	-
e.	Transfers Out	(\$ 57,350)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 365,998



2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2330 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2330 transferred or loaned during the reporting period? Yes

A total of \$57,350 was transferred from Fund 2330 to the Manthey Road Bridge Replacement Project PS 12-04.

2c. Description of refunds made during reporting period.

Were funds from Fund 2330 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The West Lathrop Specific Plan Regional Transportation Capital Facility Fee Fund 2330 currently has funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City’s Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.

<u>Project</u>	<u>Amount</u>	<u>% of Improvements</u>
Manthey Road Bridge Replacement, PS 12-04	\$ 200,000	5
Total	\$ 200,000	



Lathrop Local East – 2340 and Lathrop Local West - 2360

1. Fee Information

a. Description and History of Fee: The Regional Transportation Impact Fee (RTIF) San Joaquin County was adopted by City Council on December 20, 2005. This fee was adopted to address traffic volumes exceeding the capacity of the regional network of highways and arterials existing in San Joaquin County. It was determined that existing funding sources, including federal, state, and local sources, will be inadequate to construct the Regional Transportation Network needed to avoid unacceptable levels of traffic congestion and related adverse impacts.

The City of Lathrop has an existing local and regional transportation capital facilities fee (CFF) system in place which began with the West Lathrop Regional Transportation Impact Fee adopted in 1997. In 2003, the City created the West/Central Lathrop Regional Transportation CFF which picked up where the WLSP RTIF ended, by providing for other transportation improvements needed to meet the increase in development in West and Central Lathrop Specific Plan areas. Several other transportation-related CFFs (as covered in this report) have been created to address improvements as areas have developed.

The San Joaquin RTIF effectively updates and is incorporated into the WLSP RTIF. RTIF – Lathrop Local East (Fund 234) was created to account for fees collected from new development in East Lathrop under the new schedule. RTIF – Lathrop Local West (Fund 236) also accounts for fees collected for new development in West Lathrop under the San Joaquin RTIF fee schedule. Both funds will be used in accordance with the RTIF Operating Agreement in their prospective areas.

b. Amount of Fee: The amount of the fee varies by land use type and location. The fees are as follows:

Land Use Type	Unit	July 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
Single Family	DU	\$ 3,312	\$ 3,312
Multi Family	DU	\$ 1,987	\$ 1,987
Commercial/Industrial	1,000 sf	\$ 1,000	\$ 1,000
Service/Office Commercial	1,000 sf	\$ 1,660	\$ 1,660
Retail Commercial	1,000 sf	\$ 1,320	\$ 1,320
Warehouse	1,000 sf	\$ 420	\$ 420



2d. Description of Transfers and Loans made from fund.

2. Fund 234 – RTIF – Lathrop Local East

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 950,610
b.	Fees Collected	\$ 12,357
c.	Interest Earned	\$ 6,254
d.	Expenditures	(\$ 539)
e.	Transfers Out	(\$ 880,000)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 88,682

2b. Fund 236 – RTIF – Lathrop Local West

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 3,025,176
b.	Fees Collected	\$ 698,650
c.	Interest Earned	\$ 35,928
d.	Expenditures	(\$ 539)
e.	Transfers Out	(\$ 57,350)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 3,701,864

2c. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2340 and 2360 expended during the reporting period? Yes

A total of \$539 was expensed from Fund 2340 and from Fund 2360 to cover payments to the San Joaquin Council of Governments for administrative costs.

Were funds from Fund 2340 and 2360 transferred or loaned during the reporting period? Yes

A total of \$880,000 was transferred from Fund 2340 to the Lathrop Road Widening Rehabilitation Project PS 02-24.

A total of \$57,350 was transferred from Fund 2360 to the Manthey Road Bridge Replacement Project PS 12-04.

2e. Description of refunds made during reporting period.

Were funds from Fund 2340 and 2360 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

There are no planned project expenditures from the RTIF Local East Fund 234 for Fiscal Year 2018-19.

The Lathrop Local West Fee Fund 2360 currently has funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2018-19. Please refer to the City’s Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.

<u>Project</u>	<u>Amount</u>	<u>% of Improvements</u>
Manthey Road Bridge Replacement, PS 12-04	\$ 503,406	11
Total	\$ 503,406	



Regional Transportation Impact Fee San Joaquin County – 2350

1. Fee Information

a. Description and History of Fee: The Regional Transportation Impact Fee (RTIF) San Joaquin County was adopted by City Council on December 20, 2005. This fee was adopted to address traffic volumes exceeding the capacity of the regional network of highways and arterials existing in San Joaquin County. It was determined that existing funding sources, including federal, state, and local sources, will be inadequate to construct the Regional Transportation Network needed to avoid unacceptable levels of traffic congestion and related adverse impacts.

The Regional Transportation Impact Fee San Joaquin County (Fund 235) meets the agreement requirement to pay ten (10) percent of the total fee revenue collected to the County of San Joaquin for the purpose of funding RTIF Capital Projects within the County. Fund 235 has been set up to account for this revenue which is paid on a quarterly basis per the RTIF Operating Agreement.

b. Amount of Fee: The amount of the fee varies by land use type and location. Only 10 percent of the fee is placed in Fund 2350 (See Funds 2340 and 2360). The fund amounts are as follows:

2. Fund 235 – RTIF SJ County 10%

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 83,652
b.	Fees Collected	\$ 96,736
c.	Interest Earned	\$ 340
d.	Expenditures	(\$ 105,051)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 75,676

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2350 expended during the reporting period? Yes

A total of \$105,051 was expensed from Fund 2350 and paid to the County of San Joaquin for the portion of fee dedicated to RTIF Capital Projects within the County.

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2320 transferred or loaned during the reporting period? No



2c. Description of refunds made during reporting period.

Were funds from Fund 2320 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Regional Transportation Impact Fee (RTIF) Fund 2350 will not have funds appropriated to any Capital Improvement Program (CIP) Projects. Its purpose is to account for the amount that is paid to the County of San Joaquin for the portion of the fee dedicated to RTIF Capital Projects within the County.



Regional Transportation Impact Fee
San Joaquin Council of Governments 15% – 2370

1. Fee Information

a. Description and History of Fee: The Regional Transportation Impact Fee (RTIF) Program Operating Agreement establishes the distribution of fee revenue collected by the participating agencies. Ten (10) percent of the fees collected by the City of Lathrop and each of the other participating agencies pass directly on to the San Joaquin Council of Governments (SJCOG) on a quarterly basis. This revenue is used to fund state highway improvements on the RTIF Project List. Another five (5) percent is paid directly to SJCOG on a quarterly basis to fund transit improvements on the RTIF Project List. Fund 237 was set up to account for this 15 percent of collected revenue to be passed on to SJCOG.

b. Amount of Fee: The amount of the fee is 15 percent of all fees collected under the RTIF Program (See Funds 2340 and 2360).

2. Fund Information – RTIF SJCOG 15%

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 125,478
b.	Fees Collected	\$ 145,103
c.	Interest Earned	\$ 510
d.	Expenditures	(\$ 157,576)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 113,514

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2370 expended during the reporting period? Yes

A total of \$157,576 was expensed from Fund 2370 and paid to the San Joaquin Council of Governments (SJCOG) on a quarterly basis per the RTIF Operating Agreement.

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2370 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2370 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Regional Transportation Impact Fee San Joaquin Council of Governments (SJCOG) Fund 2370 will not have funds appropriated to any Capital Improvement Program (CIP) Projects. Its purpose is to account for the amount that is paid to SJCOG on a quarterly basis per the RTIF operating Agreement.



Offsite Roadway Improvements Capital Facility Fee – 2380

1. Fee Information

- a. Description and History of Fee: The Offsite Roadway Improvements Fee was adopted by Lathrop City Council on May 29, 2007. The purpose of the fee is to establish a funding mechanism to pay for the offsite roadway improvements applicable to the Land Park Portion of the Central Lathrop Specific Plan (CLSP) area. The fee is collected to fund an estimated 8.5 million of buildout improvements at six intersections (Roth Road/McKinley Avenue, Lathrop Road/5th Street, Lathrop Road/Airport Road, Louise Avenue/McKinley Avenue, Louise Avenue/Airport Road, and Yosemite Avenue/McKinley Avenue) impacted by the proposed CLSP development located east of Interstate 5. The calculations used for the CLSP offsite intersection CFFs are based on the assumptions and methodology used to calculate the West/Central Lathrop Regional Transportation CFF in the 2003 and 2005 CFF studies. The CLSP fair share of offsite intersection costs was allocated to each type of land use based on the adjusted number of afternoon peak hour trips. The cost allocated to each land use type were then divided by the number of units of development to arrive at the appropriate fee for each unit of new development.
- b. Amount of Fee: The amount of the fee varies by land use type and location.

Central Lathrop Land Use Type	Unit	July 1, 2017 to December 31, 2017	January 1, 2018 to June 30, 2018
Single Family	DU	\$ -	\$142
Multi Family	DU	\$ -	\$ 88
Retail Commercial	1,000 sf	\$ -	\$182
Service/Office Commercial	1,000 sf	\$ -	\$133

2. Fund Information – CLSP Off-site Roadway Improvements

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2017	-
b.	Fees Collected	-
c.	Interest Earned	-
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	-



2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2380 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2380 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2380 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Offsite Roadway Improvements Fee Fund 2380 does not have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2018-19. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



North Lathrop Transportation Capital Facility Fee – 2420

1. Fee Information

a. Description and History of Fee: The North Lathrop Transportation Fee was established in January 2011. The purpose of the North Lathrop Transportation Fee is to establish a funding mechanism to pay for the planning, design, land acquisition, administration (including construction management and program management), and construction of the interchange and frontage road improvements (including streets, intersection relocations and traffic signals). The North Lathrop Study Area boundaries include the City of Lathrop, City of Manteca, and unincorporated San Joaquin County that are impacting the Roth/I5 Interchange and associated frontages

b. Amount of Fee: The amount of the fee varies by land use type and location.

July 1, 2017 to June 30, 2018		
Land Use Type	Unit	City of Lathrop N Lathrop Transportation
CLSP Residential	DU	\$ 616.04
CLSP Commercial	1,000 sf	\$ 3,373.55
N Lathrop Area – Residential	DU	\$ 729.52
N Lathrop Area – Commercial	1,000 sf	\$ 48,256.45
Gordon Trucking – Industrial	Acre	\$ 19,251.24
LN Industrial Building	1,000 sf	\$ 1,027.97
KSC Travel Center- Highway Commercial	Acre	\$ 98,006.32
Other Lathrop Projects – Residential	DU	\$ 710.82
Highway Commercial	1,000 sf	\$ 77,004.97

July 1, 2017 to June 30, 2018		
Land Use Type	Unit	City of Manteca N Lathrop Transportation
Center Point- Light Industrial	1,000 sf	\$ 775.62
Other Manteca Projects – Light Industrial	1,000 sf	\$ 1,291.86
Retail	1,000 sf	\$ 21,924.45

July 1, 2017 to June 30, 2018		
Land Use Type	Unit	San Joaquin County N Lathrop Transportation
Intermodal facility – Light Industrial	Acre	\$ 45,552.24
Other SJ County Projects – Residential	Acre	\$ 2,182.62
Retail	Acre	\$ 80,505.20
Light Industrial	Acre	\$ 6,785.05



2. Fund Information during Reporting Period

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 418,067
b.	Fees Collected	\$ 29,730
c.	Interest Earned	\$ 4,852
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 452,649

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2420 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 2420 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 2420 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The North Lathrop Transportation Fee Fund 2420 currently does not have funds appropriated to the Capital Improvement Program (CIP) Project for Fiscal Year 2018-19. Please refer to the City’s Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Park in Lieu – 3410

1. Fee Information

a. Description and History of Fee: This fee is collected under the authority of the Quimby Act, California Government Code Section 66477, to fund the acquisition of parkland needed to support new residential development. The fee is only charged in cases where parkland is not dedicated as part of a subdivision. The locations of the projects to be funded are generally described in the “Comprehensive General Plan and Environmental Impact Report for the City of Lathrop, California, December 1991.”

b. Amount of Fee: The amount of the fee varies from project to project but is always equal to the market value of the land for which the fee is being paid in lieu. Dedication (or payment of fees) is required in an amount necessary to provide five (5) acres of parkland per 1,000 new residents. An average rate of 3.59 people per household, results in park dedication of approximately one (1) acre of land for every 55.71 dwelling units.

2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 260,423
b.	Fees Collected	-
c.	Interest Earned	\$ 2,930
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 263,353

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 3410 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 3410 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 3410 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Park in Lieu Fee Fund 3410 currently does not have funds appropriated to the Capital Improvement Program (CIP) Project for Fiscal Year 2018-19. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.

Water Capital Facility Fee – 5610

1. Fee Information

a. Description and History of Fee: The Water Capital Facility Fee is collected to fund improvements to water facilities in support of new development as well as to upgrade and maintain the City's existing system. A water component, based on the city's planned development, was not added to the Capital Facility Fee Program until the 1994 update as the City's updated General Plan was not yet complete. The 1994 study, added a fee based on land usage and type appropriate for the City's future growth to fund and maintain new and existing water facilities. The Capital Facility Fee Program was updated in 2003 to reflect the direction in which the city was headed (and reevaluated in 2005 to show the impacts of inflation). The 2003 and 2005 studies identified facilities to accommodate for growth west of Interstate 5 as well as growth and improvements in Historic Lathrop.

At the present time, Lathrop obtains water supplies from the underlying groundwater basin using five active wells. Along with the five wells, the City's existing water system includes four above ground storage tanks, four booster pump stations, and over 77 miles of distribution pipelines.

Four separate water system Capital Facility Fees have been set up to address the current underground water supply.

- ✓ An updated water system CFF for East Lathrop based on a system buy-in approach since the water system in that area is largely built out;
- ✓ An incremental cost for West/Central Lathrop to reflect the cost of adding arsenic treatment to groundwater wells and for a portion of the cost of a standby well to provide additional water system reliability for the entire City;
- ✓ An incremental cost CFF for the Mossdale Landings developments associated with the cost of a 1.0 MG storage reservoir;
- ✓ A reimbursement CFF for the Crossroads area.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study "Nexus Study" adopted on March 12, 2018 identified approximately 3.3 million to construct the water system facilities. SLSP's fair share of the cost is 30% and the remainder of the 3.3 million cost would be funded by other developments that will benefit from this facility. The Water Capital Facility Fee was reevaluated May 3, 2018. The studies included adjusting the previous Capital Facility Fee to reflect the effects of inflation.



b. Amount of Fee: The amount of the fee varies by meter size and location. The current fees are as follows:

July 1, 2017 to December 31, 2017					
Meter Size	East Lathrop	Crossroads	North Harlan	Mossdale Village/Landing – Central Lathrop & Stewart Tract	Mossdale Landing (Storage)
5/8	\$ 3,301	\$ 4,065	\$ 3,102	\$ 722	\$ 855
1 FS	\$ 3,301	N/A	\$ 3,102	\$ 722	\$ 855
¾	\$ 4,952	\$ 6,098	\$ 4,654	\$ 1,083	\$ 1,283
1	\$ 8,253	\$ 10,163	\$ 7,756	\$ 1,806	\$ 2,138
1 ½	\$ 16,504	\$ 20,324	\$ 15,510	\$ 3,611	\$ 4,275
2	\$ 26,504	\$ 32,518	\$ 24,817	\$ 5,779	\$ 6,841
3	\$ 49,511	\$ 60,971	\$ 46,531	\$ 10,836	\$ 12,825
4	\$ 82,519	\$ 101,618	\$ 77,552	\$ 18,060	\$ 21,376
6	\$ 165,038	\$ 203,236	\$ 155,103	\$ 36,119	\$ 42,750
8	\$ 264,061	\$ 325,178	\$ 248,165	\$ 57,792	\$ 68,401
10	\$ 478,610	\$ 589,386	\$ 449,800	\$ 104,747	\$ 123,976

January 1, 2018 to June 30, 2018					
Meter Size	East Lathrop	Crossroads	North Harlan	Mossdale Village/Landing – Central Lathrop & Stewart Tract	Mossdale Landing (Storage)
5/8	\$ 3,456	\$ 4,256	\$ 3,248	\$ 756	\$ 895
1 FS	\$ 3,456	N/A	\$ 3,248	\$ 756	\$ 895
¾	\$ 5,185	\$ 6,384	\$ 4,872	\$ 1,134	\$ 1,343
1	\$ 8,640	\$ 10,640	\$ 8,120	\$ 1,891	\$ 2,238
1 ½	\$ 17,279	\$ 21,279	\$ 16,239	\$ 3,781	\$ 4,475
2	\$ 27,647	\$ 34,046	\$ 25,983	\$ 6,050	\$ 7,162
3	\$ 51,838	\$ 63,836	\$ 48,718	\$ 11,345	\$ 13,428
4	\$ 86,397	\$ 106,393	\$ 81,196	\$ 18,908	\$ 22,380
6	\$ 172,793	\$ 212,787	\$ 162,392	\$ 37,817	\$ 44,759
8	\$ 276,469	\$ 340,459	\$ 259,827	\$ 60,508	\$ 71,615
10	\$ 501,100	\$ 617,082	\$ 470,936	\$ 109,669	\$ 129,802



The amount of the fee rates in the SLSP development area are per 1,000 square feet of building space. The current fees are as follows:

<u>South Lathrop Specific Plan Land Use Type</u>	<u>Unit</u>	<u>July 1, 2017 to Dec. 31, 2017</u>	<u>Jan. 1, 2018 to June 30, 2018</u>
Office Commercial	1,000 sqft	\$ -	\$988
Limited Warehouse	1,000 sqft	\$ -	\$467
Warehouse	1,000 sqft	\$ -	\$133

2. Fund Information during Reporting Period

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 1,598,649
b.	Fees Collected	\$ 244,605
c.	Interest Earned	\$ 18,925
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 1,862,179

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 5610 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 5610 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 5610 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2017-18: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Water Capital Facility Fee Fund 5610 currently does not have funds appropriated to the Capital Improvement Program (CIP) Project for Fiscal Year 2018-19. Please refer to the City’s Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Surface Water Capital Facility Fee – 5640

1. Fee Information

a. Description and History of Fee: The Surface Water Supply Capital Facility Fee is collected to fund The City of Lathrop’s proportionate share of costs related to the South County Surface Water Supply Project (SCSWSP) with the South San Joaquin Irrigation District (SSJID).

The South County Surface Water Supply Project is a joint project between the Cities of Lathrop, Manteca, Escalon and Tracy that built a water treatment facility (the Nick C. DeGroot Treatment Facility), a pipeline to transport raw water from the Woodward Reservoir to the treatment facility and additional pipelines to transport the treated water to the participating cities.

Prior to the SCSWSP the city obtained all of its water supplies from the underlying groundwater basin using wells. With new development and recognizing the limitations of the groundwater resources the SCSWSP was needed. The City issued COPs in 2000 to help pay for the planning, engineering, and design costs associated with the project. Additionally, revenue bonds were issued in 2003 with a par value of \$32,530,000 to fund construction costs for the city’s capacity.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study “Nexus Study” adopted on March 12, 2018 identified that the SLSP is also subject to the Surface Water Impact fee. The Surface Water Capital Facility Fee was reevaluated May 3, 2018. The studies included adjusting the previous Capital Facility Fee to reflect the effects of inflation.

b. Amount of Fee: The amount of the fee varies by land use type and location.

July 1, 2017 to December 31, 2017			
Meter Size	East Lathrop, North Harlan, & Crossroads	West Central Lathrop	Mossdale Village
5/8	\$ 714	\$ 3,692	\$ 3,476
1” FS	\$ 714	\$ 3,692	\$ 3,476
¾	\$ 1,072	\$ 5,538	\$ 5,213
1	\$ 1,785	\$ 9,230	\$ 8,689
1 ½	\$ 3,571	\$ 18,460	\$ 17,378
2	\$ 5,713	\$ 29,536	\$ 27,805
3	\$ 10,711	\$ 55,380	\$ 52,135
4	\$ 17,853	\$ 92,300	\$ 86,891
6	\$ 35,704	\$ 184,600	\$ 173,783
8	\$ 57,127	\$ 295,360	\$ 278,053
10	\$ 103,542	\$ 535,340	\$ 503,971



January 1, 2018 to June 30, 2018			
Meter Size	East Lathrop, North Harlan, Crossroads, & SLSP	West Central Lathrop	Mossdale Village
5/8	\$ 747	\$ 3,692	\$ 3,639
1" FS	\$ 747	\$ 3,692	\$ 3,639
¾	\$ 1,122	\$ 5,538	\$ 5,458
1	\$ 1,869	\$ 9,230	\$ 9,097
1 ½	\$ 3,739	\$ 18,460	\$ 18,195
2	\$ 5,981	\$ 29,536	\$ 29,112
3	\$ 11,214	\$ 55,380	\$ 54,585
4	\$ 18,692	\$ 92,300	\$ 90,975
6	\$ 37,382	\$ 184,600	\$ 181,949
8	\$ 59,812	\$ 295,360	\$ 291,119
10	\$ 108,408	\$ 535,340	\$ 527,653

2. Fund Information during Reporting Period

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2017	\$ 107,008
b.	Fees Collected	\$ 12,003
c.	Interest Earned	\$ 1,203
d.	Expenditures	-
e.	Transfers Out	(\$ 100,000)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 20,214

2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 5640 expended during the reporting period? No

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 5640 transferred or loaned during the reporting period? Yes

A total of \$100,000 was transferred from Fund 5640 to cover debt service on existing surface water improvements.

2c. Description of refunds made during reporting period.

Were funds from Fund 5640 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2018-2019: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Surface Water Supply Fund Fee 5640 does not currently have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2018-19. The fund pays for the costs related to the South County Surface Water Supply Program Project. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.



Sewer Capital Facility Fee – 6030

1. Fee Information

a. Description and History of Fee: The Sewer Capital Facilities Fees, adopted in 1993, are collected in order to fund new sewer facilities to accommodate new development as well as to provide improvements to the city’s existing facilities. The Crossroads fee is an exception in that it is collected to reimburse the developer for infrastructure that was built with the original project. Lathrop’s existing facilities consist of: 14.7% capacity of the Manteca Water Quality Control Facility to service the Historic Lathrop area, and the Consolidated Treatment Facility (CTF) to service development west of Interstate 5 and for businesses located within the Crossroads development area. The CTF represents a consolidation of the two previous Lathrop treatment facilities, the Membrane Biological Reactor (MBR) Treatment Facility and the Water Recycling Plant (WRP1). An update to the Sewer Capital Facilities Fee was implemented in 2003 and again in 2005 to show the effects of inflation.

The city plans to expand the capacity of the existing CTF plant to accommodate for future growth in the Mossdale Landing and River Islands areas and for Richland Communities development.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study “Nexus Study” adopted on March 12, 2018 identified that the SLSP is also subject to the Sewer Capital Facility Fee. The fee was reevaluated in May 3, 2018 CFF update and was updated to reflect the effects of inflation. In addition, the CLSP Sewer/Recycled Water Facilities CFF was added to the CFF program.

b. Amount of Fee: The amount of the fee varies by land use type and location.

July 1, 2017 to December 31, 2017					
Meter Size	East Lathrop & North Harlan	Crossroads	Central Lathrop and Stewart Tract (recycled Water Outfall)	Mossdale Sewer Collect/ Recycle Dist.	Mossdale, and Mossdale Village (Recycled Water Outfall)
5/8	\$ 5,289		\$ 43	\$ 1,034	\$ 43
1” FS	\$ 5,289		\$ 43	\$ 1,034	\$ 43
3/4	\$ 7,934		\$ 66	\$ 1,550	\$ 66
1	\$ 13,223		\$ 109	\$ 2,584	\$ 109
1 ½	\$ 26,445		\$ 217	\$ 5,167	\$ 217
2	\$ 42,312		\$ 347	\$ 8,268	\$ 347
3	\$ 79,336		\$ 652	\$ 15,503	\$ 652
4	\$ 132,226		\$ 1,087	\$ 25,838	\$ 1,087
6	\$ 264,452		\$ 2,173	\$ 51,676	\$ 2,173
8	\$ 423,124		\$ 3,477	\$ 82,681	\$ 3,477
10	\$ 766,912		\$ 6,302	\$149,861	\$ 6,302
ISU	\$ 8,086				
GPD		\$39.11			



January 1, 2018 to June 30, 2018					
Meter Size	East Lathrop & North Harlan	Crossroads	Central Lathrop and Stewart Tract (Recycled Water Outfall)	Mossdale Sewer Collect/ Recycle Dist.	Mossdale, Mossdale Village, and SLSP (Recycled Water Outfall)
5/8	\$ 5,538		\$ 45	\$ 1,083	\$ 45
1" FS	\$ 5,538		\$ 45	\$ 1,083	\$ 45
3/4	\$ 8,306		\$ 69	\$ 1,623	\$ 69
1	\$ 13,844		\$ 114	\$ 2,706	\$ 114
1 ½	\$ 27,688		\$ 227	\$ 5,410	\$ 227
2	\$ 44,301		\$ 363	\$ 8,657	\$ 363
3	\$ 83,064		\$ 683	\$ 16,232	\$ 683
4	\$ 138,440		\$ 1,138	\$ 27,052	\$ 1,138
6	\$ 276,879		\$ 2,275	\$ 54,104	\$ 2,275
8	\$ 443,007		\$ 3,640	\$ 86,566	\$ 3,640
10	\$ 802,950		\$ 6,598	\$156,903	\$ 6,598
ISU	\$ 8,466				
GPD		\$40.95			

<u>Central Lathrop Land Use Type</u>	<u>Unit</u>	<u>July 1, 2017 to Dec. 31, 2017</u>	<u>Jan. 1, 2018 to June 30, 2018</u>
Single Family - Residential	DU	\$ -	\$1,915
Multi-Family - Residential	DU	\$ -	\$1,329
Commercial		\$ -	\$ 353
Industrial		\$ -	\$ 212

3. Fund Information during Reporting Period

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2017	\$ 1,331,091
b.	Fees Collected	\$ 229,202
c.	Interest Earned	\$ 16,009
d.	Expenditures	(\$ 2,557)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2018	\$ 1,573,745



2a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 6030 expended during the reporting period? Yes

A total of \$2,557 was expensed from Fund 6030 to reimburse developers for constructing public improvements.

2b. Description of Transfers and Loans made from fund.

Were funds from Fund 6030 transferred or loaned during the reporting period? No

2c. Description of refunds made during reporting period.

Were funds from Fund 6030 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2018-19: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Sewer Capital Facility Fee Fund 6030 currently has no funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2018-19. Please refer to the City's Capital Improvement Program for fiscal year 2017/18 and 2018/19 budget adopted by City Council June 17, 2017, Resolution 17-4249.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Transportation Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund street improvements on the east side of Interstate 5. The projects to be funded are listed in the report titled "City of Lathrop Capital Facility Fees, as amended September 2, 2003. A portion of this fee is set aside for use on regional street improvements.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

**CFF Fund 2230 - Reg Traff
 Impact Fee, 2250 Traffic
 Mitigation & 2340 SJ RTIF ***

Improvements	Cost of Improvement	Funding Anticipated to Complete Financing						2230	2250	2340
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other					
		%	Funding	Date Available [1]	%	Funding	Date Available			
Lathrop/Stratford Intersection Widening	176,106	100%	176,106	2030	0%	\$ -		X	X	
Lathrop/Avon Intersection Widening	176,106	100%	176,106	2030	0%	\$ -		X	X	
Lathrop/5th Street Intersection Widening	88,054	100%	88,054	2030	0%	\$ -		X	X	
Lathrop/McKinley Intersection Widening	88,054	100%	88,054	2030	0%	\$ -		X	X	
Louise/McKinley Intersection Widening	176,106	100%	176,106	2011	0%	\$ -			X	
McKinley/Yosemite/Vierra Intersection Widening	176,106	100%	176,106	2030	0%	\$ -			X	
Traffic Signal - Louise Avenue and McKinley	244,593	50%	122,296	2011	0%	\$ -			X	
Traffic Signal - Lathrop and Stratford	244,593	100%	244,593	2030	0%	\$ -		X	X	
Traffic Signal - Lathrop and McKinley	244,593	100%	244,593	2030	0%	\$ -		X	X	
Traffic Signal - Lathrop and Avon	244,593	100%	244,593	2030	0%	\$ -		X	X	
Traffic Signal - McKinley & Yosemite/ Vierra	244,593	100%	244,593	2030	0%	\$ -			X	
Grade Separation - Lathrop @ UPRR	14,414,630	18%	2,594,633	2008	65%	\$ 9,434,818	2008	X	X	
Grade Separation - Lathrop @ SPRR	14,414,630	70%	10,090,241	2015	24%	\$ 3,432,000	2015	X	X	
Harlan Road (Roth to Louise) Widening	509,567	22%	112,105	2009	63%	\$ 318,887	2009		X	
Lathrop Road (UPRR to SPRR) Widening	275,167	0%	0	2030	100%	\$ 275,167		X	X	
Roth Road (UPRR to SPRR) Widening	397,462	100%	397,462	2030	0%	\$ -			X	
Roth Road /I-5 Interchange	4,484,189	100%	4,464,023	2015	0.35859%	\$ 16,080			X	
Lathrop Road /I-5 Interchange	14,301,505	90%	12,871,354	2015	8%	\$ 1,090,538	2011	X	X	
Louise Avenue/I-5 Interchange	11,651,758	91%	10,603,099	2015	7%	\$ 824,230	2011	X	X	

*Note: Fund 223 was closed as of Feb. 20,2006. Revenues for these projects will now come from Funds 234 and 236 as a result of the change from Regional Transportation Fee to San Joaquin Regional Transportation Impact Fee (RTIF).

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

ATTACHMENT B

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Culture and Leisure Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to funds parks, a library facility, senior center and cultural center needed to accommodate new development. The projects to be funded are listed in the report titled " City of Lathrop, Capital Facilities Fees, as amended September 2, 2003."

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**
 If yes, describe the reasonable relationship between the fee and its purpose.
 New development creates additional need for recreational facilities such parks, libraries, cultural and senior centers. This fee will pay for those improvement needed to provide these facilities.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2260 - Culture and Leisure		Funding Anticipated to Complete Financing					
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
Improvements	Cost of Improvement	%	Funding	Date Available [1]	%	Funding	Date Available
Neighborhood Parks	\$ 48,722,331	100%	\$ 48,722,331	2030			
Community Parks	\$ 63,488,807	95%	\$ 60,314,367	2020	4%	\$ 2,681,990	
Linear Parks and Bikeways	\$ 19,734,566	100%	\$ 19,734,566	2030			
Specialized Community Park Facilities	\$ 21,970,000	100%	\$ 21,970,000	2030			
Library	\$ 18,361,000	100%	\$ 18,361,000	2020			
Senior Center	\$ 11,452,000	100%	\$ 11,452,000	2030			
Cultural Center	\$ 7,825,495	97%	\$ 7,590,730	2020			
Community Center Expansion	\$ 4,069,000	60%	\$ 2,441,400	2020	40%	\$ 128,845	

*Note: A portion of the Culture and Leisure Improvements have been completed. Ten percent (10%) of the Mossdale CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Municipal Services Capital Facilities Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund a city hall, police station, corporation yard and animal control shelter needed to accommodate for new development. The projects to be funded are listed in the report titled "City of Lathrop, Capital Facilities Fees, as amended September 2, 2003."

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional need for city services including a larger city hall, police station, corporation yard and animal shelter. This fee will pay for those improvement needed to provide these facilities.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2270 - City Services		Funding Anticipated to Complete Financing					
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
Improvements	Cost of Improvement	%	Funding	Date Available [1]	%	Funding	Date Available
Police Facility	\$ 38,503,073	100%	\$ 38,503,073	2030			
Animal Control Shelter	\$ 8,393,481	100%	\$ 8,393,481	2030			
City Hall	\$ 28,508,480	99%	\$ 28,223,395	2030	1%	\$ 225,325	
Corporation Yard	\$ 18,485,429	100%	\$ 18,485,429	2013			
Performing Arts Center	\$ 7,825,828	82%	\$ 6,417,179	2020	18%	\$ 1,408,649	
Wireless Network	\$ 1,872,208	100%	\$ 1,872,208	2020			

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Storm Drainage Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund storm drain improvements needed to accommodate new development. The projects to be funded are listed in the report titled "City of Lathrop, Capital Facilities Fees, as amended September 2, 2003."

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development will create additional storm drainage run-off, which varies by the type of use (coverage of ground with impervious surfaces varies greatly depending on land use). This fee is calculated to spread the cost of needed storm drainage facilities based on the amount of water run-off is likely to occur from each type of land use.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

<u>CFF Fund 2280 - Storm Drain</u>		Funding Anticipated to Complete Financing					
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
Improvements	Cost of Improvement	%	Funding	Date Available [1]	%	Funding	Date Available
Mossdale Village Outfall *	\$ 1,760,558	100%	\$ 1,760,558	2030			
Trunkline "A-1" Improvements	\$ 3,292,786	100%	\$ 3,292,786	2030			
Trunkline "C" Improvements	\$ 5,337,008	100%	\$ 5,337,008	2030			

*Note: Project was completed and accepted by the City on December 6, 2005. All Mossdale CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Administration Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to defer the administrative costs of collecting and accounting for the funds collected for Transportation, City Services, and Culture and Leisure as identified in the report titled "City of Lathrop, Capital Facility Fee, as amended September 2, 2003."

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

Costs are incurred in collection of and accounting for the fees described above. These cost are reimbursed through this 2% fee.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2290 - Administration		Funding Anticipated to Complete Financing					
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
Improvements	Cost of Improvement	%	Funding	Date Available [1]	%	Funding	Date Available
CFF Report Update (Bi Annually)	\$ 74,888	100%	\$ 74,888	2019			

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Environmental Mitigation Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected from development on the west side of Interstate 5 in order to preserve the habitat of the Riparian Brush Rabbit as required by the environmental mitigation measures. This fee will be used to acquire the land and construct a fence needed to protect the rabbit.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**
 If yes, describe the reasonable relationship between the fee and its purpose.
 New development on the west side of Interstate 5 will endanger the Riparian Brush Rabbit thus creating the need to protect it. This fee was created solely for that reason.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2310 - Environmental Mitigation		Funding Anticipated to Complete Financing					
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
Improvements	Cost of Improvement	%	Funding	Date Available [1]	%	Funding	Date Available
Rabbit Habitat Mitigation	\$ 718,624	100%	\$ 718,624	2030			

*Note: Project was completed. All Mossdale CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Transportation Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund street improvements on the west side of Interstate 5. The projects to be funded are listed in the report titled "City of Lathrop Capital Facility Fees, as amended September 2, 2003. A portion of this fee is set aside for use on regional street improvements.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2320 Reg Trans
Impact Fee, 2330 WLSP Reg
Trans & 2360 SJ RTIF

Improvements	Cost of Improvement	Funding Anticipated to Complete Financing						1997 RTIF	2003 CFF	2003 CFF
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other					
		%	Funding	Date Available [1]	%	Funding	Date Available			
Arbor Ave from Macarthur to Paradise Ave	\$ 13,387,000	100%	\$ 13,387,000	2030					X	
GVP Paradise Ave to Paradise Cut	\$ 44,246,000	100%	\$ 44,246,000	2030			X	X	X	
GVP Paradise Cut to SJ River	\$ 30,391,000	100%	\$ 30,391,000	2030			X	X	X	
GVP SJ River to River Edge Ave	\$ 4,035,000	100%	\$ 4,035,000	2030			X	X	X	
GVP River Edge Ave to River Island Pkwy	\$ 8,243,000	93%	\$ 7,665,990	2030	5%	\$ 452,957	X	X	X	
GVP RIP to Lathrop Road	\$ 8,857,000	86%	\$ 7,617,020	2030	11%	\$ 1,000,000	X	X		
GVP Lathrop Road and CLSP no. boundary	\$ 6,944,000	100%	\$ 6,944,000	2030			X	X		
GVP CLSP no. boundary to Roth Road	\$ 2,095,000	100%	\$ 2,095,000	2030			X	X		
Roth Road Interchange Improvements	\$ 1,102,000	78%	\$ 859,560	2030	18%	\$ 200,000		X		
Lathrop Road Interchange Improvements	\$ 37,166,000	94%	\$ 34,936,040	2030	5%	\$ 1,882,833	X	X	X	
Lathrop Road from GVP to I-5	\$ 1,403,000	100%	\$ 1,403,000	2030				X		
Louise Ave Interchange Improvements	\$ 39,200,000	87%	\$ 34,104,000	2030	5%	\$ 1,832,683		X		
RIP from I-5 to GVP	\$ 1,110,000	30%	\$ 333,000	2030	57%	\$ 638,000		X		
RIP from GVP to McKee Ave	\$ 2,222,000	100%	\$ 2,222,000	2030				X		
RIP from McKee Ave to SJ River	\$ 14,588,000	100%	\$ 14,588,000	2030				X		
RIP from SJ River to Broad Street	\$ 2,329,000	100%	\$ 2,329,000	2030				X		
Broad St. from RIP to So. RIP	\$ 3,567,000	100%	\$ 3,567,000	2030				X		

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Transportation Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund street improvements on the west side of Interstate 5. The projects to be funded are listed in the report titled "City of Lathrop Capital Facility Fees, as amended September 2, 2003. A portion of this fee is set aside for use on regional street improvements.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

**CFF Fund 2320 Reg Trans
 Impact Fee, 2330 WLSP Reg
 Trans & 2360 SJ RTIF**

Improvements	Cost of Improvement	Funding Anticipated to Complete Financing						1997 RTIF	2003 CFF	2003 CFF
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other					
		%	Funding	Date Available [1]	%	Funding	Date Available			
So. RIP from GVP to Broad St.	\$ 3,453,000	100%	\$ 3,453,000	2030					X	
Broad St. from So. RIP to GVP	\$ 2,682,000	100%	\$ 2,682,000	2030						
Paradise Ave interchange Improvements	\$ 30,471,000	100%	\$ 30,471,000	2030			X	X		
Paradise Ave from GVP to Paradise Cut	\$ 1,443,000	100%	\$ 1,443,000	2030					X	
Macarthur Dr. interchange Improvements	\$ 16,162,000	100%	\$ 16,162,000	2030					X	
Macarthur Dr. from 1-205 to Arbor Ave	\$ 2,006,000	100%	\$ 2,006,000	2030					X	
Traffic Signal at Macarthur Dr. & Arbor Ave.	\$ 691,000	100%	\$ 691,000	2030					X	
Traffic Signal at GVP and Paradise Ave.	\$ 691,000	100%	\$ 691,000	2030					X	
Traffic Signal at GVP and RIP	\$ 691,000	100%	\$ 691,000	2030					X	
Traffic Signal at GVP and Lathrop Road	\$ 691,000	100%	\$ 691,000	2030					X	
Traffic Signal at RIP and Broad St.	\$ 406,000	100%	\$ 406,000	2030					X	
Traffic Signal at Broad St. and So. RIP	\$ 406,000	100%	\$ 406,000	2030					X	
Traffic Signal at GVP and Broad St.	\$ 406,000	100%	\$ 406,000	2030					X	
Traffic Signal at GVP and So. RIP	\$ 406,000	100%	\$ 406,000	2030					X	

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Transportation Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund offsite roadway improvements for the Land Park, Central Lathrop Project Area. The projects to be funded are listed in the report titled "City of Lathrop Capital Facility Fees, as amended May 29, 2007.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2380 - CLSP Offsite Roadway Improvements

Improvements	Cost of Improvement	Funding Anticipated to Complete Financing							2380		
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other						
		%	Funding	Date Available [1]	%	Funding	Date Available				
Roth Road/McKinley Ave	275,167	16%	44,027	2030	84%	\$ 231,140					
Lathrop Road/5th Street	1,397,417	21%	293,458	2030	79%	\$ 1,103,960					
Lathrop Road/Airport Road	1,239,764	17%	210,760	2030	83%	\$ 1,029,004					
Louise Avenue/McKinley Avenue	2,224,693	9%	200,222	2030	91%	\$ 2,024,471					
Louise Avenue/Airport Road	2,449,282	8%	195,943	2030	92%	\$ 2,253,340					
Yosemite Avenue/McKinley Avenue	2,743,970	10%	274,397	2030	90%	\$ 2,469,573					

[1] Dates shown were based on the 2007 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)

Name of Fund: Transportation Capital Facility Fee

Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund needed improvements to the Roth Road Interchange and frontage roads. The project to be funded is listed in the report titled "City of Lathrop Capital Facility Fees, as amended January 3, 2011.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2420 - North Lathrop

Transportation

Improvements		Funding Anticipated to Complete Financing								
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other					
Cost of Improvement		%	Funding	Date Available [1]	%	Funding	Date Available	2420		
Roth Road/I-5 Interchange Improvements		35,849,895	48%	17,207,950	2036	52%	\$ 18,641,945			

[1] Dates shown were based on the 2011 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Park in Lieu
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund acquisition of parkland needed to support new residential development. The fee is only charged in the event that adequate parkland is not dedicated by the developer as part of the subdivision in accordance with the Quimby Act. The location of the projects to be funded are generally described in the "comprehensive General Plan and Environmental Impact Report for the City of Lathrop, December, 1991."

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

According to the General Plan, the standard for park development is 2 acres of Neighborhood Parks per 1,000 residents and 3 acres of Community Parks per 1,000 residents. According to State Law, the City can require up to 5 acres of park land to be dedicated per every 1,000 people provided that the City already has that much park land within its planning area. In 1991, when the General Plan was adopted, the City had more than 5 acres per 1,000 people and, with additional parks developed since that time, has maintained that ratio. The dedication (or in-lieu) requirement is still valid.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 3410 - Park in Lieu

Improvements		Funding Anticipated to Complete Financing					
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
Cost of Improvement		%	Funding	Date Available [1]	%	Funding	Date Available

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Water Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund improvements for existing water facilities as well as create new facilities needed in order to accommodate new development. The projects to be funded are listed in the report titled "City of Lathrop, Capital Facility Fee, as amended September 2, 2003.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

The fee is based on the total amount of improvements to the water system including the creation of new water sources needed to serve the anticipated growth of the City. These costs were then transferred into per-gallon-per-day costs and allocated to the different land uses based on the average daily consumption rates. For non-residential uses, individual calculations will be made based on the estimated water usage.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 5610 - Water Connection Fees		Funding Anticipated to Complete Financing					
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
Improvements	Cost of Improvement	%	Funding	Date Available [1]	%	Funding	Date Available
Existing Water System Buy In	\$ 16,879,648	87%	\$ 14,685,294	2030	9%	\$ 1,467,293	
Well Improvements for W/C Lathrop	\$ 40,596,950	100%	\$ 40,596,950	2030			
Water Storage for ML * and LS	\$ 2,794,832	100%	\$ 2,794,832	2030			

*Note: The Mossdale Water Tank was completed. All Mossdale CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Sewer Capital Facility Fee
 Report Period: July 1, 2017 to June 30, 2018

1. Purpose of Fee: This fee is collected in order to fund improvements for existing sewer facilities as well as create new facilities needed in order to accommodate new development. The projects to be funded are listed in the report titled "City of Lathrop, Capital Facility Fee, as amended September 2, 2003.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

The current fee is based on the total amount of improvements needed to serve the projected level of development divided by the number of gallons of sewage to be treated. The fees are then based on the average number of gallons for single family and multiple family with individual calculations made for each non-residential use based on estimated usage.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 6030 - Sewer Connection Fees		Funding Anticipated to Complete Financing					
		Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
Improvements	Cost of Improvement	%	Funding	Date Available [1]	%	Funding	Date Available
Existing Sewer Collection System Buy In	\$ 18,968,291	41%	\$ 7,776,999	2030	47%	\$ 8,930,986	
Recycled Water Outfall W/C Lathrop	\$ 1,244,644	100%	\$ 1,244,644	2030			
Sewer/Recycled Water System MV	\$ 11,613,000	41%	\$ 4,761,330	2030	16%	\$ 1,911,136	

*Note: A portion of the Sewer Capital Improvements have been completed. Ten percent (10%) of the Mossdale CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections, however, the current economic slowdown will require these dates to be reanalyzed once a CFF Update is approved by Council.

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: AGREEMENT WITH ROBERTSON-BRYAN, INC. TO PREPARE REPORTS TO SUPPORT LATHROP CONSOLIDATED TREATMENT FACILITY SURFACE WATER DISCHARGE

RECOMMENDATION: Adopt Resolution Approving an Agreement with Robertson-Bryan, Inc. to Prepare Reports to Support Environmental Review and NPDES Permitting of a Lathrop Consolidated Treatment Facility Surface Water Discharge and Authorizing Related Budget Amendment

SUMMARY:

Approval of an agreement with Robertson-Bryan, Inc. (RBI), is requested to prepare reports to support environmental review and NPDES permitting for a surface water discharge of effluent from the Lathrop Consolidated Treatment Facility (LCTF). The cost of this agreement is \$74,939 funded by River Islands with the understanding that the costs will eventually be split and reimbursed by the future benefitting parties.

BACKGROUND:

The City has held several meetings with RBI and the Central Valley Regional Water Quality Control Board (RWQCB) to discuss the City's desire to obtain a National Point Discharge Elimination System (NPDES) permit that will allow for discharge of effluent from LCTF to surface water (e.g. the San Joaquin River). The City currently disposes of LCTF effluent by storing it in basins during the winter rains and applying to designated urban and agricultural areas during the growing season. The City has stated that ability to dispose of LCTF effluent to surface water is necessary as the City's wastewater flows increase and land becomes unavailable for disposal.

RBI has provided a proposal to conduct technical studies and prepare reports that are necessary to support completion of a California Environmental Quality Act (CEQA) environmental review process and to include in a Report of Waste Discharge to the RWQCB to support development of an NPDES permit.

REASON FOR RECOMMENDATION:

Ability to dispose of LCTF effluent to surface water is necessary as the City's wastewater flows increase and land becomes unavailable for disposal. Approval of an agreement with RBI, is requested to prepare reports to support environmental review and NPDES permitting for a surface water discharge of effluent from the LCTF.

CITY MANAGER'S REPORT **Page 2**
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
AGREEMENT WITH RBI TO PREPARE REPORTS TO SUPPORT LCTF SURFACE
WATER DISCHARGE

FISCAL IMPACT:

The cost of the agreement with RBI is \$74,939 funded by River Islands with the understanding that the costs will eventually be split and reimbursed by the future benefitting parties. Staff is requesting a budget amendment to recognize revenue as follows:

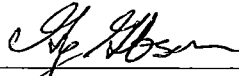
Increase Revenue		
4150-8999-371-91-00	190112	\$74,939
Increase Appropriation		
4150-8999-420-01-00	190112	\$74,939

ATTACHMENTS:

- A. Resolution Approving an Agreement with Robertson-Bryan, Inc. to Prepare Reports to Support Environmental Review and NPDES Permitting of a Lathrop Consolidated Treatment Facility Surface Water Discharge
- B. Agreement with Robertson-Bryan, Inc. to Prepare Reports to Support Environmental Review and NPDES Permitting of a Lathrop Consolidated Treatment Facility Surface Water Discharge

CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
AGREEMENT WITH RBI TO PREPARE REPORTS TO SUPPORT LCTF SURFACE
WATER DISCHARGE

APPROVALS:



Greg Gibson
Senior Civil Engineer

12/20/18


Date



Michael King
Assistant Public Works Director

12-20-18

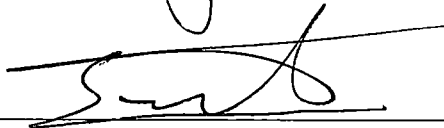
Date



Cari James
Director of Finance

1/2/19

Date



Salvador V. Navarrete
City Attorney

12-20-18

Date



Stephen J. Salvatore
City Manager

1-2-19

Date

RESOLUTION NO. 19 - _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING AN AGREEMENT WITH ROBERTSON-BRYAN, INC. TO PREPARE
REPORTS TO SUPPORT ENVIRONMENTAL REVIEW AND NPDES PERMITTING
OF A LATHROP CONSOLIDATED TREATMENT FACILITY SURFACE WATER
DISCHARGE AND AUTHORIZE RELATED BUDGET AMENDMENT**

WHEREAS, the ability to dispose of effluent generated by the Lathrop Consolidated Treatment Facility (LCTF) to surface water is necessary as the City's wastewater flows increase and land becomes unavailable for disposal; and

WHEREAS, the City has held several meetings with Robertson-Bryan, Inc. (RBI) and the Central Valley Regional Water Quality Control Board (RWQCB) to discuss the City's desire to obtain a National Point Discharge Elimination System (NPDES) permit that will allow for discharge of effluent from the LCTF to surface water (e.g. the San Joaquin River); and

WHEREAS, RBI has provided a proposal to conduct technical studies and prepare reports necessary to support completion of a California Environmental Quality Act (CEQA) environmental review process and to include in a Report of Waste Discharge to the RWQCB to support development of an NPDES permit; and

WHEREAS, the cost of the agreement with RBI is \$74,939 funded by River Islands with the understanding that the costs will eventually be split and reimbursed by the future benefitting parties; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop approves of an agreement with Robertson-Bryan, Inc. (RBI), to prepare reports to support environmental review and NPDES permitting for a surface water discharge of effluent from the LCTF for a cost of \$74,939 and authorize related budget amendment as follows:

Increase Revenue		
4150-8999-371-91-00	190112	\$74,939
Increase Appropriation		
4150-8999-420-01-00	190112	\$74,939

BE IT FURTHER RESOLVED, that the cost of the agreement with RBI funded by River Islands with the understanding that the costs will eventually split and reimbursed by the future benefitting parties.

The foregoing resolution was passed and adopted this 14th day of January, 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

**AGREEMENT FOR CONSULTING SERVICES
BETWEEN THE CITY OF LATHROP
AND ROBERTSON – BRYAN, INC.
TO PROVIDE TECHNICAL SUPPORT AND REPORTS TO SUPPORT
ENVIRONMENTAL REVIEW AND NPDES PERMITTING**

THIS AGREEMENT, dated for convenience this 14th day of January, 2019, is by and between Robertson – Bryan, Inc. (“CONSULTANT”) and the CITY OF LATHROP, a California municipal corporation (“CITY”);

RECITALS:

WHEREAS, CONSULTANT is specially trained, experienced, and competent to conduct technical studies and prepare reports to support environmental review and NPDES Permitting of a Lathrop Consolidated Treatment Facility surface water discharge; and

WHEREAS, CONSULTANT provided a scope of work at the City’s request not to exceed \$74,939 to conduct technical studies and prepare reports to support environmental review and NPDES Permitting of a Lathrop Consolidated Treatment Facility surface water discharge;

NOW, THEREFORE, CONSULTANT and the CITY agree as follows:

AGREEMENT

(1) Scope of Service.

CONSULTANT agrees to perform services in conformance with the scope of work submitted by the CONSULTANT, hereafter referred to as Exhibit “A” and incorporated herein by reference. CONSULTANT agrees to diligently perform these services in accordance with the standards of its profession, as stated in Article 11, and CITY’S satisfaction.

(2) Compensation.

CITY hereby agrees to pay CONSULTANT on a time and expense reimbursement basis in accordance with Exhibit “A” up to a sum not to exceed **\$74,939** to conduct technical studies and prepare reports to support environmental review and NPDES Permitting of a Lathrop Consolidated Treatment Facility surface water discharge as set forth in Exhibit “A” and incorporated herein by reference, notwithstanding any contrary indications which may be contained in CONSULTANT’S proposal. CONSULTANT shall be paid within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below.

Compensation for any task must be equal or less than the percentage complete. In no event shall CONSULTANT be entitled to compensation for work not included in Attachment “A”, Scope of Work, unless a written change order or authorization describing the extra work and payment terms has been executed by CITY’s authorized representative prior to the commencement of the work.

Payment is made based on a time and material basis.

(3) Effective Date and Term.

The effective date of this Agreement is January 14, 2019 and it shall terminate no later than June 30, 2019.

(4) Independent Contractor Status.

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Attachment “A” to City’s satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

(5) Billings.

CONSULTANT’S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for the entire Agreement, unless modified by a properly executed change order.

(6) Advice and Status Reporting.

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

(7) Assignment of Personnel.

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, regardless of the reason, or the lack of a reason, according to the CITY’S request.

The services shall be performed by, or under the direct supervision, CONSULTANT's Authorized Representative: Michael D. Bryan, Ph.D., CONSULTANT shall not replace its Authorized Representatives without the prior written approval by the CITY.

(8) Assignment and Subcontracting.

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY'S Public Works Director. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY'S Public Works Director.

(9) Insurance.

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor, unless otherwise authorized by City. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Workers Compensation Insurance shall be provided as required by law, and Employer's Liability Insurance shall be provided with limits of not less than one million dollars. In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.

- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement.

If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, agents, and volunteers are to be additional insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
- (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
- (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
- (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ROBERTSON – BRYAN, INC.

- (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A:VII.
- (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.
- (c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than One Million Dollars (\$1,000,000) per claim made and per policy aggregate covering the licensed professionals' errors and omissions, as follows:
 - (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
 - (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
 - (iii) The policy must contain a cross liability or severability of interest clause.
 - (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
 1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
 2. 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.
 3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage, so long as commercially available at reasonable rates.

4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.
- (d) Deductibles and Self-Insured Retentions. CONSULTANT's policies shall have self-insured retentions not exceeding \$100,000 except with concurrence of the CITY.
 - (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
 - (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
 - (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement, so long as commercially available at reasonable rates.
 - (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
 - (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

(10) Indemnification - CONSULTANT'S Responsibility.

As to the CONSULTANT'S work hereunder, it is understood and agreed that (a) CONSULTANT has the professional skills necessary to perform the work, that (b) CITY relies upon the professional skills of CONSULTANT to perform the work in a skillful and professional manner, and (c) CONSULTANT thus agrees to so perform in accordance with the Standard of Care in Article 11.

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed. It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession in accordance with Article 11.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, or agents, or on account of the performance or character of this work, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

(11) Standard of Care.

CONSULTANT agrees that, in connection with its services to be performed under this Agreement, such services are performed with the care and skill ordinarily exercised by members of the profession practicing under similar conditions at the same time and in the same or a similar locality. CITY recognizes that the state of practice, particularly with respect to hazardous waste conditions, is changing and evolving.

While CONSULTANT will perform in reasonable accordance with standards in effect at the time its services are performed, it is recognized that such standards may subsequently change because of improvements in the state of practice. When the findings and recommendations of CONSULTANT are based on information supplied by CITY and others, CONSULTANT shall have the right to rely on the accuracy and completeness of such information. No warranty or guarantee, express or implied, is made or intended by providing of consulting services or by furnishing oral or written reports of the findings made.

(12) Licenses.

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, by signing this agreement CONSULTANT states that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

(13) Business Licenses.

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until all Agreement services are rendered and accepted by the CITY.

(14) Termination.

Either CITY or CONSULTANT may cancel this Agreement at any time for convenience upon thirty (30) days written notification to other party. In the event of termination, the CONSULTANT shall be entitled to compensation for services performed to the effective date of termination; provided, however, that the CITY may condition payment of such compensation upon CONSULTANT'S delivery to the CITY of any or all documents, photographs, computer software, video and audio tapes, and other materials provided to CONSULTANT or prepared by or for CONSULTANT or the CITY in connection with this Agreement.

(15) Funding.

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years. CONSULTANT shall not be required to provide services beyond available funding.

(16) Notices.

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ROBERTSON – BRYAN, INC.

To City: City of Lathrop
City Clerk
390 Towne Centre Drive
Lathrop, CA 95330

Copy to: City of Lathrop
Department of Public Works
390 Towne Centre Drive
Lathrop, CA 95330

MAIN (209) 941-7430
FAX: (209) 941-7449

To Consultant: Robertson – Bryan, Inc.
9888 Kent Street
Elk Gove, CA 95621
Phone: (916) 714-1801
Fax: (916) 714-1804

(17) Miscellaneous.

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) 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.
- (c) Definitions. The definitions and terms are as defined in these specifications:
- (d) 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.
- (e) 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.

- (f) **Incorporation of Documents.** All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (g) **Integration.** This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (h) **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.
- (i) **Provision.** Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (j) **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.
- (k) **Status of CONSULTANT.** In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (l) **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (m) **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.

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.

- (n) Venue. In the event that suit is brought by either party 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 or in the United States District Court for the Eastern District of California.
- (o) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

(18) General Contractor Responsibilities.

Neither the professional activities of CONSULTANT, nor the presence of CONSULTANT or CONSULTANT'S sub-consultants shall relieve the any General Contractor retained by the CITY of its obligations, duties and responsibilities.

CITY agrees that the CITY, CONSULTANT and its sub-consultants shall be indemnified by the General Contractor and shall be made additional insured under the General Contractor' general liability insurance policy and that a Waiver of Subrogation in favor of CONSULTANT will be provided under the General Contractor's Workers Compensation policy. CITY will require General Contractor to provide evidence of such insurance to CITY and CONSULTANT prior to General Contractor beginning work on the project.

(19) Notice to Proceed.

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

(20) Cost Estimates.

Any statements of estimated construction costs or future operation and maintenance costs furnished by CONSULTANT are predicted costs and are based on professional opinions and judgment. CONSULTANT is not responsible for fluctuations in construction costs due to bidding conditions and other factors which could not be anticipated at the time of preparation of the particular estimate.

(21) CADD Documents.

Any Computer Aided Design and Drafting (CADD) documents, drawings and data files provided by CONSULTANT in an electronic format, on tape, computer disk or other electronic media, in accordance with the services covered by this Agreement or as a courtesy to CITY do not constitute the delivery of CONSULTANT's professional work product. Only the original paper prints constitute CONSULTANT'S professional work product. Because the electronic media may be damaged during transfer or altered, the paper prints shall control where there are any differences between the paper prints and the electronic media. CONSULTANT makes no warranties, either express or implied, of the merchantability, applicability, compatibility with CITY'S computer equipment or software, or fitness for any particular purpose for the electronic media or that the electronic media contain no defects or are virus free.

Modification or use by CITY of any documents or electronic media prepared by CONSULTANT for any purpose or project other than the project subject to this Agreement shall be at CITY'S sole risk. CITY agrees to indemnify and hold CONSULTANT harmless from any claims, damages, liabilities or costs, including attorneys' fees and costs of defense, arising from any reuse or modification of any documents or electronic media prepared by CONSULTANT without the prior written consent of CONSULTANT.

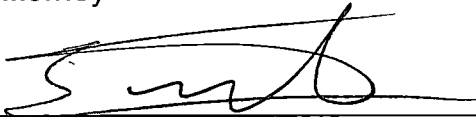
(22) Signatures.

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ROBERTSON – BRYAN, INC.

Approved as to Form:

City of Lathrop
City Attorney



Salvador Navarrete

12-20-18

Date

Recommended for Approval:

City of Lathrop
Assistant Public Works Director

Michael King

Date

Accepted By:

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore
City Manager

Date

CONSULTANT:

Robertson – Bryan, Inc.
9888 Kent Street
Elk Grove, CA 95624

Fed ID #
Lathrop Bus License #

Date



December 17, 2018

DELIVERED BY EMAIL

Mr. Stephen Salvatore
 City Manager
 City of Lathrop
 390 Towne Centre Drive
 Lathrop, CA 95330

Subject: Proposal to Conduct Technical Studies and Prepare Reports to Support Environmental Review and NPDES Permitting of a Lathrop Consolidated Treatment Facility Surface Water Discharge

Dear Stephen:

Robertson-Bryan, Inc. (RBI) has prepared this proposal to conduct technical studies and prepare technical reports to support future environmental review and NPDES permitting for a surface water discharge of effluent from the City of Lathrop (City) Consolidated Treatment Facility (CTF).

I. BACKGROUND

The City and RBI have held several meetings with Central Valley Regional Water Quality Control Board (Central Valley Water Board) staff to discuss the City's desire to obtain a NPDES permit that will allow for discharge of effluent from the CTF to surface water. Currently the CTF is permitted only to discharge recycled water to storage ponds and agricultural land application areas. The City has stated that ability to dispose of CTF effluent to surface water will become necessary as the City wastewater flows increase and land becomes unavailable for disposal due to development.

II. SCOPE OF WORK

The scope of work below is for development of technical studies and reports that will be necessary to support completion of a California Environmental Quality Act (CEQA) environmental review process and to include in a Report of Waste Discharge (RWD) to the Central Valley Water Board to support development of an NPDES permit. The scope of work represents an initial set of information that will be needed to further discussions with Central Valley Water Board staff and to initiate CEQA review.

TASK 1: CTF EFFLUENT QUALITY MONITORING

Characterization of effluent monitoring is necessary to support the water quality impact analyses that will be conducted for CEQA environmental review and for the RWD that will be needed by the Central Valley Water Board to issue an NPDES permit. Under separate contract with River Islands Development LLC, RBI completed a monitoring study of the CTF

9888 Kent Street
 Elk Grove CA 95624

Phone 916.714.1801
 Fax 916.714.1804

www.robertson-bryan.com

effluent from February 2017 through March 2018. Based on the results of that monitoring and due to changes that have occurred at the CTF since the monitoring was completed (e.g., low dose chlorine disinfection, treatment modifications), additional monitoring is warranted as follows:

- Selenium: monitor once per month for up to twelve (12) months if concentrations are below 5 ug/L, which is the California Toxics Rule (CTR) criterion. The purpose of this additional selenium monitoring is to determine if concentrations post-new plant are below the CTR criterion. If so, then this new 12-month data set would replace the data set from monitoring conducted in 2017/2018, which showed elevated concentrations of selenium above the CTR criterion. If selenium concentrations continue to be elevated above 5 ug/L, then monitoring would be discontinued and RBI would coordinate with the City to pursue other investigations (e.g., collection system monitoring, industrial user monitoring) to determine the cause, and to control elevated selenium levels, should they occur.
- Trihalomethanes (THMs): monitor for bromoform, chloroform, dibromochloromethane, and dichlorobromomethane once per quarter for a total of four (4) samples to establish a dataset for these compounds with the current low dose chlorine disinfection process.
- Electrical conductivity (EC)/Total dissolved solids (TDS): A lower dose chlorine disinfection process may result in lower EC/TDS levels in the effluent. Thus, monitoring of once per quarter for a total of four (4) samples will be conducted to characterize EC/TDS with low dose chlorine disinfection.
- Metals, mercury, salinity parameters (chloride, sulfate, etc.), nitrogen compounds, phosphorus, organic carbon, hardness, cyanide: While it is expected that current plant treatment performance is the same or better with the recent modifications, one round of monitoring for these constituents will be conducted to demonstrate plant performance and effluent quality is the same (or better).

RBI will contract with FGL Environmental to conduct effluent sampling and analysis. RBI will coordinate sample collection with FGL and CTF staff and review lab reports and QA/QC data. RBI will prepare a technical memorandum that presents the results from the above described monitoring with the 2017/2018 monitoring results. The technical memorandum will identify constituents exceeding applicable water quality criteria and strategies for addressing those constituents in the environmental review document and RWD.

TASK 2: CTF EFFLUENT TEMPERATURE MONITORING

RBI will monitor CTF effluent temperatures on an hourly frequency over a 12-month period. This monitoring was initiated in April 2017 under contract with River Islands Development LLC and is ongoing. Under this scope of work, RBI will continue to the monitoring program in which effluent temperature is monitored post-disinfection and in Pond 5. This scope of

work is for RBI to travel once per month to the CTF to download data from the Onset Loggers using a HOBO waterproof shuttle. RBI will download data from the shuttle into an MS Excel spreadsheet and review the data for abnormalities (e.g., outliers, air temperature readings). This scope of work is to continue monitoring through December 2019.

TASK 3: REGIONALIZATION AND RECLAMATION REPORT

A key report required by the Central Valley Water Board before they will consider issuing an NPDES permit for a new surface water discharge is a Regionalization and Reclamation Report that addresses the Board's Resolution No. R5-2009-0028 in support of regionalization, reclamation, recycling and conservation for wastewater treatment plants. RBI initiated preparation of this report under contract with River Islands Development LLC and work remains ongoing. This task is for RBI to complete the Regionalization and Reclamation Report for submittal to the Central Valley Water Board. The report will provide background regarding planned development with Lathrop and projected buildout wastewater flows, the current capacity of the CTF and permitted discharge locations, regionalization opportunities and constraints, reclamation opportunities and constraints, and water conservation activities promoted by the City. RBI will prepare a draft report for City review, then prepare a final report that incorporates City input for submittal to the Central Valley Water Board.

TASK 4: INITIATE WORK ON CEQA PROJECT DESCRIPTION

As part of initiating CEQA environmental review and development of other technical documents required for NPDES permitting of a surface water discharge project (e.g., mixing zone studies, antidegradation analyses), the City will need to prepare a written "Proposed Project" that defines all project components, including proposed outfall location and configuration (e.g., diffuser or side-bank outfall), proposed pipeline alignment(s) between the CTF and outfall, likely construction methods, and anticipated duration of construction activities. RBI will work with City staff to assist in developing a detailed Project Description for the Proposed Project, including the narrative description of all project components and graphics showing project location and details regarding pipeline alignments and outfall location. This task includes two (2) meetings between RBI and City staff to develop the project description. Additional funding beyond that allocated for this task may be required to assist City staff in development of a final Project Description that contains enough detail to support CEQA and the RWD and its supporting studies.

TASK 5: AGENCY MEETINGS/COORDINATION

RBI will hold meetings with Central Valley Water Board and other agency staff, such as National Marine Fisheries Services (NMFS) and U.S. Fish and Wildlife Service (USFWS), as needed to further represent the City's need for an NPDES permit for a CTF discharge and define the project, and to identify a preferred option for a surface water discharge location. Budget for this task allows for up to three (3) meetings with agency staff, and includes meeting preparation, travel, and attendance. In addition, this task is for RBI to have telephone conversations with agency staff to obtain agency perspective on the proposed project.

TASK 6: PROJECT MANAGEMENT

This task provides hours for the Managing Partner and Project Manager to oversee and direct RBI staff efforts on each task. In addition, this task provides time for project coordination by phone, email, and fax with project team members, budget and schedule tracking, and other duties to coordinate/administer the project.

III. SCHEDULE

RBI can begin providing professional services upon receipt of a signed contract, Purchase Order, or written authorization to proceed.

IV. CONTRACT AND BILLING ARRANGEMENT

RBI recommends a time and materials contract not to exceed \$74,939 without written authorization to provide the professional services defined in the scope of work outlined herein (see Attachment 1 for a detailed project budget). RBI will invoice monthly according to RBI's current rates (Attachment 2) for all work activities completed in the prior month.

If you have any questions regarding this scope of work and budget, please do not hesitate to contact me at (916) 714-1802. We look forward to working with you on this project.

Sincerely,



Michael D. Bryan, Ph.D.
Managing Partner

Attachment 1: RBI Budget
Attachment 2: 2019 Fee Schedule

ATTACHMENT 1

RBI Budget

	Managing Partner	Associate Engineer	Project Scientist III	Project Engineer II	RBI Subtotal
PROFESSIONAL SERVICES					
Task 1: CTF Effluent Quality Monitoring	2	16		16	\$ 8,028
Task 2: CTF Effluent Temperature Monitoring		4	48		\$ 11,008
Task 3: Regionalization and Reclamation Report	8	24		24	\$ 13,512
Task 4: Project Description	32	30		16	\$ 20,600
Task 5: Agency Meetings / Coordination	24	6		6	\$ 9,846
Task 6: Project Management	8	16			\$ 6,640
Total Hours:	74	96	48	62	
Rate:	\$ 294	\$ 268	\$ 207	\$ 197	
Labor Subtotal:	\$ 21,756	\$ 25,728	\$ 9,936	\$ 12,214	\$ 69,634
DIRECT EXPENSES					
FGL Sampling and Analytical Services	\$ 4,100				
5% Admin Fee: FGL Sampling and Analytical Services	\$ 205				
Temperature Logger and Shuttle Rental (\$25/month x 12 months)	\$ 300				
Mileage	\$ 700				
Direct Expenses Subtotal	\$ 5,305				
TOTAL BUDGET	\$ 74,939				

ATTACHMENT 2

2019 FEE SCHEDULE

Charges for project work performed by Robertson-Bryan, Inc. (RBI) will be calculated and billed at the hourly rates shown below.

PROFESSIONAL SERVICES	RATE/HOUR
◆ Managing Partner	\$294.00
◆ Partner	\$285.00
◆ Principal Engineer/Scientist	\$276.00
◆ Resource Director	\$249.00
◆ Associate	\$239.00
◆ Senior Engineer/Scientist II	\$233.00
◆ Senior Engineer/Scientist I	\$224.00
◆ Project Engineer/Scientist III	\$207.00
◆ Project Engineer/Scientist II	\$197.00
◆ Project Engineer/Scientist I	\$179.00
◆ Staff Engineer/Scientist II	\$167.00
◆ Staff Engineer/Scientist I	\$152.00
◆ Technical Analyst	\$146.00
◆ Graphics/GIS	\$134.00
◆ Laboratory Compliance Specialist	\$130.00
◆ Administrative Assistant	\$96.00
◆ Intern	\$62.00

Up to ten percent (10%) of subcontractor charges will be added to cover administrative costs. Hourly rates will be increased by a minimum of fifty percent (50%) for depositions, trials, and hearings. Rates will be adjusted annually. Rates are adjusted annually, effective December 16th.

INVOICING AND PAYMENTS

Invoices will be issued on a monthly basis for all work performed on a project. Payment is due upon receipt of the invoice.

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: APPROVE PROFESSIONAL SERVICES AGREEMENT FOR DESIGN ENGINEERING SERVICES FOR THE WARREN AVENUE SIDEWALK IMPROVEMENT PROJECT PS 19-05

RECOMMENDATION: Adopt a Resolution Approving a Professional Services Agreement with Associated Engineering Group for Design Engineering Services for the Warren Avenue Sidewalk Improvement Project PS 19-05

SUMMARY

City Council approved the creation of Capital Improvement Project (CIP) PS 19-05 for the installation of sidewalks along both sides of Warren Avenue between Reverend Maurice Cotton Drive and Jasper Street. In December of 2018, staff requested proposals for design engineering services from two (2) firms. After reviewing and evaluating the proposals, Associated Engineering Group (AEG) was selected based on previous work history, qualifications, positive references, and their overall understanding of the project requirements.

Staff requests that City Council authorize a Professional Services Agreement with AEG in the amount of \$23,400. Funds approved in the FY 2018/19 budget for the Warren Avenue Sidewalk Improvement Project PS 19-05 are sufficient to authorize the agreement.

BACKGROUND

On December 10, 2018 City Council approved the creation of CIP PS 19-05 for the installation of sidewalks along both sides of Warren Avenue between Reverend Maurice Cotton Drive and Jasper Street. This project will provide a newly constructed sidewalk to close the approximately 1000-foot sidewalk gap on Warren Avenue between Reverend Maurice Cotton Drive and Jasper Street. The upgrade will include a 7-foot parking lane adjacent to the travel lanes, 2-foot curb and gutter, 5.5-foot sidewalks, and ADA compliance on both sides of the road. Enabling the community, students and parents a direct route through the residential community from Warren Avenue to Jasper Street and Boulder Avenue to Stonebridge Lane, which is directly adjacent to the Joseph Widmer Jr. Elementary School.

Existing conditions require those living south of Warren Avenue and west of Avon Avenue to utilize Harlan Road, an arterial roadway per the City's General Plan, with a posted speed limit of 45 mph. Harlan Road has significantly more vehicular and truck traffic than the local residential neighborhood and collector road of Warren Avenue.

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
PROFESSIONAL SERVICES AGREEMENT FOR DESIGN ENGINEERING
SERVICES FOR THE WARREN AVENUE SIDEWALK IMPROVEMENT PROJECT
PS 19-05**

Connectivity to the Elementary School and adjacent Stonebridge Park through the residential neighborhood reduces the potential for incidents among pedestrians and vehicles on Harlan Road, along with providing a safe route that pedestrians feel comfortable utilizing.

Staff completed the California Environmental Quality Act (CEQA) process by submitting a Notice of Exemption (NOE) with San Joaquin County.

REASON FOR RECOMMENDATION

Design Engineering Services are needed to advance the Warren Avenue Sidewalk Improvement Project PS 19-05. AEG was selected based on previous work history, qualifications, and their overall understanding of the project requirements. Staff recommends City Council approve an Agreement with AEG for Professional Engineering services in the amount of \$23,400.

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM

This agenda item promotes Public Safety by installing a sidewalk for pedestrians along Warren Avenue between Reverend Maurice Cotton Drive and Jasper Street.

FISCAL IMPACT

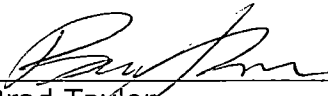
Adequate funds are available in FY 18/19 budget for the Professional Engineering services agreement with AEG in the amount of \$23,400.

ATTACHMENTS

- A. Resolution Approving a Professional Services Agreement for Associated Engineering Group for Design Engineering Services for the Warren Avenue Sidewalk Improvement Project PS 19-05.
- B. Agreement for Professional Engineering Consulting Services with Associated Engineering Group.

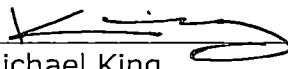
**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
PROFESSIONAL SERVICES AGREEMENT FOR DESIGN ENGINEERING
SERVICES FOR THE WARREN AVENUE SIDEWALK IMPROVEMENT PROJECT
PS 19-05**

APPROVALS



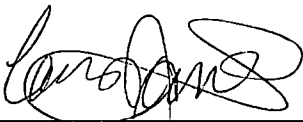
Brad Taylor
Associate Engineer

1/7/18
Date




Michael King
Assistant Public Works Director

12/27/18
Date



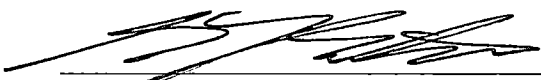
Cari James
Director of Finance

1/8/19
Date



Salvador Navarrete
City Attorney

1-7-19
Date



Stephen J. Salvatore
City Manager

1.8.19
Date

RESOLUTION NO. 19-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH ASSOCIATED
ENGINEERING GROUP FOR DESIGN ENGINEERING SERVICES FOR THE
WARREN AVENUE SIDEWALK IMPROVEMENT PROJECT PS 19-05**

WHEREAS, the Warren Avenue Sidewalk Improvement Project (CIP) PS 19-05 was included in the approved FY 2018/19 budget; and

WHEREAS, the project consists of the installation of sidewalks along both sides of Warren Avenue between Reverend Maurice Cotton Drive and Jasper Street; and

WHEREAS, sidewalk improvements will provide increased pedestrian safety and access to Joseph Widmer Jr. Elementary School; and

WHEREAS, staff applied for and received Measure K funding from San Joaquin Council of Governments (SJCOG) in the amount of \$449,100 to design and construct the improvements; and

WHEREAS, staff completed the California Environmental Quality Act (CEQA) process by submitting a Notice of Exemption (NOE) with San Joaquin County; and

WHEREAS, Design Engineering Services are needed to advance the Warren Avenue Sidewalk Improvement Project PS 19-05; and

WHEREAS, staff received proposals from two (2) firms and Associated Engineering Group (AEG) was selected based on previous work history, qualifications, positive references, and their overall understanding of the project requirements; and

WHEREAS, staff requests that City Council approve a Professional Services Agreement with AEG in the amount of \$23,400 for Design Engineering Services; and

WHEREAS, funds approved in FY 2018/19 budget for the Warren Avenue Sidewalk Improvement Project PS 19-05 are sufficient to authorize the agreement;

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Lathrop does hereby approve an agreement with AEG for Design Engineering Services in the amount of \$23,400 associated with the Warren Avenue Sidewalk Improvement Project PS 19-05.

The foregoing resolution was passed and adopted this 14th day of January, 2019, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

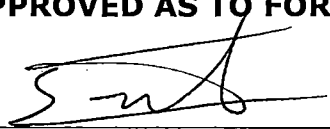
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

**CITY OF LATHROP
AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING
SERVICES WITH ASSOCIATED ENGINEERING GROUP
FOR THE WARREN AVENUE SIDEWALK IMPROVEMENT PROJECT
(PS 19-05)**

THIS AGREEMENT, dated for convenience this 14th day of January 2019, is by and between Associated Engineering Group ("CONSULTANT") and the CITY OF LATHROP, a California municipal corporation ("CITY");

RECITALS:

WHEREAS, CONSULTANT is specially trained, experienced, and competent to perform Professional Engineering Consulting Services, which are required by this agreement; and

WHEREAS, CITY selected the CONSULTANT pursuant to said qualifications; and

WHEREAS, CONSULTANT is willing to render such Professional Engineering Consulting Services, as hereinafter defined, on the following terms and conditions;

NOW, THEREFORE, CONSULTANT and the CITY agree as follows:

AGREEMENT

(1) Scope of Service.

CONSULTANT agrees to perform Professional Engineering Consulting Services in accordance with the scope of work and fee proposal provided by CONSULTANT, attached hereto as Exhibit "A" and incorporated herein by reference. CONSULTANT agrees to diligently perform these services in accordance with the upmost standards of its profession and to CITY'S satisfaction.

(2) Compensation.

CITY hereby agrees to pay CONSULTANT a sum not to exceed \$23,400, for the Professional Engineering Consulting Services set forth in Exhibit "A". CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit "A", unless a written change order or authorization describing the extra work and payment terms has been executed by CITY's authorized representative prior to the commencement of the work.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

Payment is made based on a time and materials basis.

(3) Effective Date and Term.

The effective date of this Agreement is January 14, 2019, and it shall terminate no later than June 30, 2020.

(4) Independent Contractor Status

It is expressly understood and agreed by both parties that CONSULTANT, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent contractor and not an employee of the CITY. As an independent contractor, CONSULTANT is responsible for controlling the means and methods to complete the scope of work described in Exhibit "A" to City's satisfaction. CONSULTANT expressly warrants not to represent, at any time or in any manner, that CONSULTANT is an employee of the CITY.

(5) Billings

CONSULTANT'S bills shall include a list of all tasks, a total amount due, the amounts previously billed, and the net amount due on the invoice. Except as specifically authorized by CITY, CONSULTANT shall not bill CITY for duplicate services performed by more than one person. In no event shall CONSULTANT submit any billing for an amount in excess of the rates or the maximum amount of compensation provided in section (2) for either task or for the entire Agreement, unless modified by a properly executed change order.

(6) Advice and Status Reporting

CONSULTANT shall provide the CITY with timely reports, orally or in writing, of all significant developments arising during performance of its services hereunder, and shall furnish to CITY such information as is necessary to enable CITY to monitor the performance of this Agreement.

(7) Assignment of Personnel

CONSULTANT shall assign only competent personnel to perform services pursuant to this Agreement. If CITY asks CONSULTANT to remove a person assigned to the work called for under this Agreement, CONSULTANT agrees to do so immediately, without requiring the City to process a reason or explanation for its request.

The services shall be performed by, or under the direct supervision, of CONSULTANT's Authorized Representative: **Ryan Carrel**, CONSULTANT shall not replace its Authorized Representative without the prior written approval by the CITY.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

(8) Assignment and Subcontracting

It is recognized by the parties hereto that a substantial inducement to CITY for entering into this Agreement was, and is, the professional reputation and competence of CONSULTANT. Neither this Agreement nor any interest therein may be assigned by CONSULTANT without the prior written approval of CITY'S authorized representative. CONSULTANT shall not subcontract any portion of the performance contemplated and provided for herein, other than the subcontractors noted in the proposal, without prior written approval of the CITY'S authorized representative.

(9) Insurance

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY. CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars. In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.

- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider's general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
 - (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
 - (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
 - (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
 - (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
 - (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.
- (c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than One

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

Million Dollars (\$1,000,000) per claim made and per policy aggregate covering the licensed professionals' errors and omissions, as follows:

- (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
- (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
- (iii) The policy must contain a cross liability or severability of interest clause.
- (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
 - 1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
 - 2. 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.
 - 3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
 - 4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.
- (d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
 - (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
 - (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
 - (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

(10) Indemnification - CONSULTANT'S Responsibility

As to the CONSULTANT'S work hereunder, it is understood and agreed that (a) CONSULTANT has the professional skills necessary to perform the work, (b) CITY relies upon the professional skills of CONSULTANT to perform the work in a skillful and professional manner, and (c) CONSULTANT thus agrees to so perform.

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

CONSULTANT shall indemnify, defend, and hold CITY, its officers, employees, agents, and volunteers harmless from and against any and all liability, claims, suits, actions, damages, and causes of action arising out of any personal injury, bodily injury, loss of life, or damage to property, or any violation of any federal, state, or municipal law or ordinance, to the extent caused by the willful misconduct or negligent acts or omissions of CONSULTANT, its employees, subcontractors, or agents, or on account of the performance or character of this work, except for any such claim arising out of the negligence or willful misconduct of the CITY, its officers, employees, agents, or volunteers. It is understood that the duty of CONSULTANT to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance of insurance certificates and endorsements required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

(11) Licenses

If a license of any kind, which term is intended to include evidence of registration, is required of CONSULTANT, its employees, agents, or subcontractors by federal or state law, CONSULTANT warrants that such license has been obtained, is valid and in good standing, and CONSULTANT shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

(12) Business Licenses

CONSULTANT shall obtain and maintain a CITY of Lathrop Business License until all Agreement services are rendered and accepted by the CITY.

(13) Termination

Either CITY or CONSULTANT may cancel this Agreement upon 30 days written notification to the other party. In the event of termination, the CONSULTANT shall be entitled to compensation for services performed to the effective date of termination; provided, however, that the CITY may condition payment of such compensation upon CONSULTANT'S delivery to the CITY of any or all documents, photographs, computer software, video and audio tapes, and other materials provided to CONSULTANT or prepared by or for CONSULTANT or the CITY in connection with this Agreement.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

(14) Funding

CONSULTANT agrees and understands that renewal of this agreement in subsequent years is contingent upon action by the City Council consistent with the appropriations limits of Article XIII (B) of the California Constitution and that the Council may determine not to fund this agreement in subsequent years.

(15) Notices

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

To City: City of Lathrop
City Clerk
390 Towne Centre
Lathrop, CA 95330

Copy to: City of Lathrop
Department of Public Works
390 Towne Centre
Lathrop, CA 95330

MAIN: (209) 941-7430
FAX: (209) 941-7449

To Consultant: Associated Engineering Group
4206 Technology Dr., Ste. 4
Modesto, CA 95356

Phone: (209) 545-3390

(16) Miscellaneous

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

- (b) 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.
- (c) Definitions. The definitions and terms are as defined in these specifications.
- (d) 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.
- (e) 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.
- (f) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (g) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (h) 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.
- (i) Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (j) 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.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

- (k) Status of CONSULTANT. In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (l) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (m) 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. 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.
- (n) Venue. In the event that suit is brought by either party 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 or in the United States District Court for the Eastern District of California.
- (o) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

(17) Notice to Proceed

Prior to commencing work under this agreement, CONSULTANT shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONSULTANT for any services prior to issuance of the Notice to Proceed.

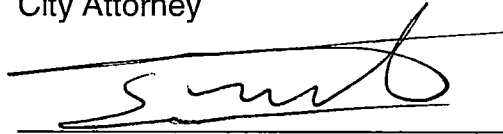
(18) Signatures

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

Approved as to Form:

City of Lathrop
City Attorney



1-7-19

Salvador Navarrete

Date

Recommended for Approval:

City of Lathrop
Assistant Public Works Director

Michael King

Date

Accepted By:

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore
City Manager

Date

Consultant:

Associated Engineering Group
4206 Technology Drive, Ste. 4
Modesto, CA 95356

Fed ID # _____

Business License # _____

Date

(Print Name and Title)



4206 Technology Dr., STE 4
Modesto, CA 95356
Ph: (209) 545-3390

Fee Proposal
City of Lathrop
Warren Avenue Sidewalk Improvement Project (PS 19-05)
January 4, 2019



Task	Task Description	HOURS																			TOTAL	
		Civil Engineer	Qualified SWPPP Developer	Project Manager	Associate Civil Engineer	Senior Designer	Designer	SWPPP Technician	CADD Technician	Land Surveyor	Assistant Surveyor	Survey Technician	Field Technician (Robot-GPS)	Two-Person Field Crew	Field Tech (Robot-GPS) (PW)	Two-Person Field Crew (PW)	Land Planner	Project Planner	Assistant Planner	Graphic Designer		Technical Assistant
Hourly Billing Rate		\$160.00	\$160.00	\$140.00	\$135.00	\$135.00	\$110.00	\$110.00	\$85.00	\$160.00	\$130.00	\$110.00	\$145.00	\$180.00	\$175.00	\$235.00	\$160.00	\$140.00	\$110.00	\$85.00	\$65.00	
TASK 1 - RECONNAISSANCE AND FIELD SURVEYS																						
A.	Field Reconnaissance and prepare a topographic record									2	6										\$ 1,100	
B.	Obtain and Review Available Record Information			0.5						1	1										\$ 360	
C.	Field Data Collection															14					\$ 3,290	
D.	Prepare Topographic Plan and Base Mapping in AutoCAD			0.5							8										\$ 1,110	
E.	Coordinate with property owners etc.			1																	\$ 140	
F.	Coordinate with Utility Companies			1																	\$ 140	
Subtotal (Task)		0	0	3	0	0	0	0	0	5	26	0	0	0	0	24	0	0	0	0	\$ 6,140	
TASK 2 - PRELIMINARY ENGINEERING & FINAL DESIGN																						
A.	Sidewalk Design Evaluation	4		2	24				8												1	\$ 4,905
B.	Finalize Design per City Comments	2		1	8																	\$ 1,540
C.	Coordination with City and Utility Provider	2		4																	1	\$ 945
Subtotal (Task)		8	0	7	32	0	0	0	8	0	0	0	0	0	0	0	0	0	0	0	2	\$ 7,390
TASK 3 - CONSTRUCTION DOCUMENTS																						
A.	Prepare construction documents	1		2	2				60												2	\$ 5,940
B.	Coordinate "Boiler Plate" with local agency and incorporate into CD	0.5		1	1																	\$ 355
C.	Review plans and specifications for local agency conformance	1		1	2																	\$ 570
D.	Sign and stamp all plans prepare submittal package for local agency	1		1																	1	\$ 365
Subtotal (Task)		3.5	0	5	5	0	0	0	60	0	0	0	0	0	0	0	0	0	0	0	3	\$ 7,230
TASK 4 - BID PERIOD SERVICES																						
A.	Attend meetings and bid support services	4		4	4																	\$ 1,740
Subtotal (Task)		4	0	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ 1,740
Total		15.5	0	19	34	0	0	0	108	5	26	0	0	0	0	24	0	0	0	0	10	\$ 22,500

Additional Cost	
Direct cost (repro, travel, etc.)	\$ 900
TOTAL COST	\$ 23,400

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**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: 2019 ONE VOICE TRIP PROJECT NOMINATIONS

RECOMMENDATION: Adopt a Resolution Approving Staff Recommended Project Nominations for the 2019 San Joaquin One Voice Trip

SUMMARY:

The City received a request from the San Joaquin Council of Governments (SJCOG) to provide them with the City's top two priority projects to be included in the list of projects to be used for the annual One Voice trip to Washington, D.C. in April 2019. Each jurisdiction in the County is allowed to submit two projects, one regional transportation priority project and one local priority project that may be either transportation or non-transportation.

The project submittal forms are due by February 28, 2019; staff will prepare and submit the required forms based on City Council's direction.

Tonight's requested action is for Council to approve staff's recommended choice in projects for nomination, which includes the following two projects:

1. Louise Avenue/I-5 Interchange
2. Lathrop Road/I-5 Interchange

Staff is recommending that the Louise Avenue/I-5 Interchange and the Lathrop Road/I-5 Interchange projects be submitted as the City's two priority projects for federal funding, and requests that Council approve the submittal that will be made to SJCOG on or before February 28, 2019. These are the same projects that Council chose to nominate last year.

BACKGROUND:

The City received a request from SJCOG to provide them with the City's top two priority projects to be included in the list of projects used for the annual One Voice trip to Washington, D.C. in April each year.

Past priority projects for the City included the Lathrop Road Westerly Grade Separation, the Louise Avenue/I-5 Interchange, and the Lathrop Road/I-5 Interchange.

Projects may request a maximum of \$5 million each. The requested amounts for the two interchanges are as follows:

- | | |
|----------------------------------|--|
| 1. Louise Avenue/I-5 Interchange | \$5.0 million (completes design and a portion of property acquisition) |
| 2. Lathrop Road/I-5 Interchange | \$5.0 million (completes environmental and design phases) |

Staff is recommending that the Louise Avenue/I-5 Interchange and Lathrop Road/I-5 Interchange projects be submitted as the City's two priority projects for federal funding, and requests that Council approve the submittal that will be made to SJCOG on or before February 28, 2019. These are the same projects that Council chose to nominate last year.

REASON FOR RECOMMENDATION:

Staff recommends that the Louise Avenue/I-5 Interchange improvements be chosen as the regional priority to be submitted, since it is the earliest project in the Capital Facility Fee (CFF) Program that needs to be constructed to accommodate development on the west side. In addition, staff recommends that Lathrop Road/I-5 interchange be chosen as a priority for submittal due to its key role in future development, as well as its inclusion in the CFF Program.

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM

This agenda item furthers Public Safety and Economic Development by promoting projects that provide a safe means of travel and goods transportation in Lathrop.

FISCAL IMPACT:

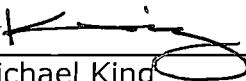
The fiscal impact of submitting these projects is negligible. However, a future item will be brought to Council for the travel expenses related to staff and/or Council One Voice trip attendance.

ATTACHMENTS:

- A. Resolution Approving Staff Recommended Project Nominations for the 2019 San Joaquin One Voice Trip


**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
2019 ONE VOICE TRIP PROJECT NOMINATIONS**

APPROVALS:



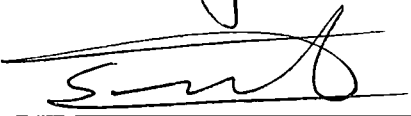
Michael King
Assistant Public Works Director

1/7/19
Date



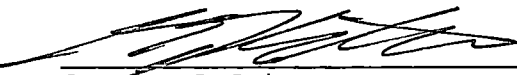
Cari James
Director of Finance

1/8/19
Date



Salvador Navarrete
City Attorney

4-8-19
Date



Stephen J. Salvatore
City Manager

1-8-19
Date

RESOLUTION NO. 19-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING STAFF RECOMMENDED PROJECT NOMINATIONS FOR THE 2019
SAN JOAQUIN ONE VOICE TRIP**

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, each jurisdiction in San Joaquin County is allowed to nominate two (2) projects for inclusion in the annual One Voice trip; and

WHEREAS, the project nomination forms are due to SJCOG by February 28, 2019, to be included in the 2019 One Voice trip; and

WHEREAS, the projects nominated for the 2019 One Voice trip included the Louise Avenue/I-5 Interchange and Lathrop Road/I-5 Interchange projects; and

WHEREAS, staff is recommending that the Louise Avenue/I-5 Interchange and Lathrop Road/I-5 Interchange projects be submitted again as the City's two priority projects for federal funding and requests that Council approve the submittal that will be made to SJCOG by February 28, 2019;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop approves these two (2) projects for nomination to SJCOG for the 2019 One Voice trip.

The foregoing resolution was passed and adopted this 14th day of January 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
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: **PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED CHANGES TO COMMUNITY FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

RECOMMENDATION: **City Council to Consider the Following:**

- 1. Hold a Public Hearing; and**
- 2. Consider Approval of Resolution to Reduce the Maximum Special Tax Listed in the Rate and Method of Apportionment of Special Taxes for Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).**

SUMMARY:

With the assistance of a rate consultant, the City determined that the interest to be paid on the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) ("CFD 2018-1") bonds is lower than originally estimated. Lathrop Land Acquisition, LLC (together with its affiliates, the "Landowner") requests Council consider amendments to the five special tax formulas applicable to land within CFD 2018-1 to lower the maximum special taxes that could be levied on such parcels. In order to effectuate this change, the City Council must hold a public hearing on the matter and adopt the proposed resolution.

BACKGROUND:

The City Council adopted a Resolution of Formation to form CFD 2018-1 on November 19, 2018 and approved the Rate and Method of Apportionment of Special Tax ("RMA") attached to the Resolution of Formation as Exhibits B, C, D, E, and F for Improvement Areas Nos. 1, 2, 3, 4 and 5 within the Central Lathrop Specific Plan ("CLSP").

By delivery to the City of a "Petition, Consent and Waiver" (the "Petition"), Jeff Wilson of Saybrook Fund Advisors, LLC, as the authorized representative of the Landowner, has requested that the RMA for each Improvement Area be revised. The proposed revised RMA for each respective Improvement Area (collectively, the "Revised RMAs") are attached to said request and attached to the Resolution Ordering Change to Rate and Method of Apportionment of Special Taxes (the "Resolution Ordering Change") as Exhibits A, B, C, D and E, and would, if approved, lower the maximum special tax authorized to be levied within each Improvement Area.

By his Certificate of Landowner (the "Certificate"), which is to be delivered to the City Clerk at the City Council meeting of January 14, 2019, Jeff Wilson has certified that,

based upon his own personal knowledge and familiarity with the land within each Improvement Area and therefore the entirety of CFD 2018-1, there are no registered voters residing on any of the land within any Improvement Area and the Landowner is the record owner of all of the land within each Improvement Area.

On the basis of the Petition, the Certificate, official ballots delivered by the Landowner, and related documents, the Landowner, the sole owner of property within each Improvement Area (and therefore within the entirety of CFD 2018-1) which would be affected by the adoption and approval of the Revised RMAs has requested and consented to such adoption and approval in order to more effectively accomplish the authorized purposes of CFD 2018-1.

The resolution before the Council would approve and adopt the Revised RMAs in furtherance of the accomplishment of the authorized purposes of CFD 2018-1 as requested and approved by the Landowner, as the sole owner of land within each Improvement Area in CFD 2018-1.

Approval of the Resolution attached to this report, following the holding of a public hearing on the matter, orders the changes to the RMA for each Improvement Area within CFD 2018-1, as requested and consented to by the sole affected landowner. The Revised RMAs for the five Improvement Areas are attached to the Resolution as Exhibits A, B, C, D and E, respectively, and would, if approved, lower the maximum special tax authorized to be levied within each Improvement Area.

REASON FOR RECOMMENDATION:

Taking the above action will continue the City's and Landowner's steps to implement the restructuring of the debt incurred for the City's CFD 2006-1, by lowering the special tax rates for each Improvement Area of CFD 2018-1. The restructuring transaction is anticipated to close on or about February 16, 2019, provided all of the conditions of the Restructuring Agreement between the City and the Landowner and its affiliates are met. The effectiveness of CFD 2018-1 and the issuance of new bonds for CFD 2018-1 as part of the restructuring transaction are contingent on the actual closing and conditions of the Restructuring Agreement. Upon closing, the City's CFD 2006-1 bonds will be deemed paid and the special tax obligation related to them extinguished.

FISCAL IMPACT:

There is no negative Fiscal Impact to the City or its general fund. Pursuant to the Deposit Agreement, by and between the City and the Landowner and its affiliates, all costs of the transactions contemplated under the Restructuring Agreement, including these change proceedings related to CFD 2018-1, are paid by the Landowner or its affiliates.

**CITY MANAGER'S REPORT
JANUARY 14, 2019, CITY COUNCIL REGULAR MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED CHANGES
TO COMMUNITY FACILITIES DISTRICT NO. 2018-1**


APPROVALS:



Cari James
Director of Finance

1/10/19

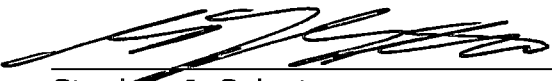
Date



Salvador Navarrete
City Attorney

1-9-19

Date



Stephen J. Salvatore
City Manager

1.10.19

Date

RESOLUTION NO.**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ORDERING CHANGE TO RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES FOR COMMUNITY FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

WHEREAS, in connection with the formation of (i) "City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) (the "CFD"), (ii) "Improvement Area No. 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 1"), (iii) "Improvement Area No. 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 2"), (iv) "Improvement Area No. 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 3"), (v) "Improvement Area No. 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 4"), and (vi) "Improvement Area No. 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities)" ("Improvement Area 5" and together, the "Improvement Areas," which Improvement Areas comprise the entire CFD), this City Council (this "Council") of the City of Lathrop (the "City") adopted its Resolution of Formation, Resolution No. 18-4480 (the "Resolution of Formation"), on November 19, 2018, and approved the Rate and Method of Apportionment of Special Tax attached to the Resolution of Formation as Exhibits B, C, D, E, and F respectively for Improvement Areas 1-5 (collectively, the "RMAs"); and

WHEREAS, by separate actions taken that same date, this Council conducted a special, landowner-voter election with respect to each Improvement Area and obtained the unanimous approval of the sole qualified elector of each Improvement Area to the RMA for each respective Improvement Area, among other things; and

WHEREAS, by delivery to the City of a "Petition, Consent and Waiver" (the "Petition"), Jeff Wilson of Saybrook Fund Advisors, LLC, as the authorized representative of Lathrop Land Acquisition, LLC, a Delaware limited liability company, the owner of all parcels of land within each Improvement Area, has requested that the RMA for each Improvement Area be revised. The proposed, revised RMA for each respective Improvement Area (the "Revised RMAs") are attached to said request and attached hereto as Exhibits A, B, C, D and E, and would, if approved, lower the maximum special tax authorized to be levied within each Improvement Area; and

WHEREAS, by his Certificate re Registered Voters and Landowners (the "Certificate"), which certificate is on file with the Clerk of this Council (the "Clerk"), Jeff Wilson has certified that, based upon his own personal knowledge and familiarity with the land within each Improvement Area and therefore the entirety of CFD No. 2018-1, (a) there are no registered voters residing on any of the land within CFD No. 2018-1 and each Improvement Area and (b) the entity which is the record owner of land within each Improvement Area of CFD No. 2018-1 (the "Affected Owner") is Lathrop Land Acquisition, LLC, a Delaware limited liability company; and

WHEREAS, on the basis of the Petition and the Certificate, Jones Hall, a Professional Law Corporation, as special counsel to the City for CFD No. 2018-1 ("Special Counsel"), has prepared a Special Election Ballot – RMA Change for each Improvement Area (the "Special

Election Ballots”) for the Affected Owner, specifying 94 votes for Improvement Area No. 1, 62 votes for Improvement Area No. 2, 115 votes for Improvement Area No. 3, 98 votes for Improvement Area No. 4, and 134 votes for Improvement Area No. 5, together with Consent and Waiver – 2019 RMA Change (the “Consent/Waiver”) for each of the Affected Owner and with respect to each Improvement Area, to which Consent/Waiver a copy of the Revised RMAs is attached; and

WHEREAS, the five completed and executed Special Election Ballots, each marked “Yes” to indicate support for the ballot measure, and the appropriately dated and executed Consent/Waiver have been submitted to and are on file with the Clerk, and Special Counsel has advised this Council that it may proceed with conduct of the public hearing, the special election and the adoption of this resolution, which approves and adopts the Revised RMAs, without further legal proceedings; and

WHEREAS, on the basis of the Petition, the Certificate, the five “Yes” ballots and the appropriately dated and executed Consent/Waiver, this Council believes that the owners of one hundred percent (100%) of the property within each Improvement Area (and therefore within the entirety of CFD No. 2018-1) which would be affected by the adoption and approval of the Revised RMAs have requested and consented to such adoption and approval in order to more effectively accomplish the authorized purposes of CFD No. 2018-1; and

WHEREAS, this Council wishes to approve and adopt the Revised RMAs in furtherance of the accomplishment of the authorized purposes of CFD No. 2018-1 as requested and approved by the Affected Owner of all of the land within each Improvement Area;

NOW THEREFORE BE IT RESOLVED, as follows:

1. **Recitals Correct.** The foregoing recitals are all true and correct.
2. **Approval of Revised RMAs.** Each Revised RMA is hereby approved and adopted and for all future purposes of CFD No. 2018-1 and each respective Improvement Area thereof and shall constitute the Rate and Method of Apportionment of Special Tax of each respective Improvement Area, unless changed by future action of this Council in accordance with the Mello-Roos Community Facilities Act of 1982.
3. **Canvass and Issues Approved.** This Council hereby finds and declares that each Revised RMA affects all of the land within each respective Improvement Area, and the ballot measure submitted to the landowner of all the territory within each respective Improvement Area, being the sole qualified elector entitled to vote in the election, has been passed and approved by unanimous “Yes” vote of said landowner, as the sole qualified voter.
4. **Recording of Lien.** The Council acknowledges that due to the anticipation of revision of the original RMAs a Notice of Special Tax Lien was not recorded with the County Recorder of the County of San Joaquin within 15 days after the adoption of its Resolution Declaring Results of Special Elections (Resolution No. 18-4486), which resolution directed such recording. The Clerk, in coordination with Special Counsel, is now hereby directed to cause the preparation and recordation of an Notice of Special Tax Lien with the County Recorder of the County of San Joaquin within 15 days after the adoption of this resolution.
5. **Effective Date.** This Resolution shall take effect upon its adoption.

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 14th day of January, 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

EXHIBIT A

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 1**

EXHIBIT A

**IMPROVEMENT AREA NO. 1 OF THE
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 1, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 1 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 1 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 1 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Change.

“Base Special Tax” means, in Fiscal Year 2018-19, \$8,900 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$3,650 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 1 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Change” means the date on which the Resolution Ordering Change to the Rate and Method of Apportionment of Special Taxes for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 1. The Expected Land Uses at the time of CFD Change are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Improvement Area No. 1” means Improvement Area No. 1 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 1 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 1 at the time of CFD Change is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Change is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 1 at the time of CFD Change, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 1 after CFD Change, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 1 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 1, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 1, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 1.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Amended and Restated Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax

Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 1 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 1 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 1.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 1, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 1 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 1, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 1 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 1 at CFD Change

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 1 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Change. After recordation of each Large Lot Map for property in Improvement Area No. 1, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 1 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 1.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 1, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 1 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 1 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

Step 9: If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 10: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

- Step 1.** Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.
- Step 2.** Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.
- Step 3.** Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.
- Step 4.** Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

ATTACHMENT 1

**Improvement Area No. 1 of the
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

Expected Land Uses and Maximum Special Tax per Parcel

Attachment 1
Improvement Area #1 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-210-38	22.9	Residential	\$8,900	\$203,810
191-210-39	22.7	Residential	\$8,900	\$202,030
191-210-40	15.2	Residential	\$8,900	\$135,280
191-210-41	12.3	Residential	\$8,900	\$109,470
191-210-42	16.3	Residential	\$8,900	\$145,070
191-210-43	4.1	Public (Park)	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$795,660

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

12/21/2018

EXHIBIT B

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 2**

EXHIBIT B

**IMPROVEMENT AREA NO. 2 OF THE
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 2, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 2 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Accessory Unit**” means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

“**Acre**” or “**Acreage**” means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“**Administrative Expenses**” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 2 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 2 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Change.

“Base Special Tax” means, in Fiscal Year 2018-19, \$8,900 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$3,650 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 2 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Change” means the date on which the Resolution Ordering Change to the Rate and Method of Apportionment of Special Taxes for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 2. The Expected Land Uses at the time of CFD Change are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Improvement Area No. 2” means Improvement Area No. 2 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 2 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 2 at the time of CFD Change is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Change is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 2 at the time of CFD Change, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 2 after CFD Change, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 2 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 2, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 2, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 2.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Amended and Restated Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax

Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 2 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 2 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 2.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 2, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 2 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 2, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 2 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 2 at CFD Change

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 2 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Change. After recordation of each Large Lot Map for property in Improvement Area No. 2, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 2 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 2.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 2, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 2 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 2 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

Step 9: If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 10: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

Step 1. Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.

Step 2. Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.

Step 3. Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.

Step 4. Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

ATTACHMENT 1

**Improvement Area No. 2 of the
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

Expected Land Uses and Maximum Special Tax per Parcel

Attachment 1
Improvement Area #2 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-200-21	17.0	Residential	\$8,900	\$151,300
191-200-23	10.8	Residential	\$8,900	\$96,120
191-200-24	15.3	Residential	\$8,900	\$136,170
191-210-17	13.7	Residential	\$8,900	\$121,930
191-200-25	4.5	Public (Park)	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$505,520

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

12/21/2018

EXHIBIT C

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 3**

EXHIBIT C

IMPROVEMENT AREA NO. 3 OF THE CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 3, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 3 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“**Accessory Unit**” means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

“**Acre**” or “**Acreage**” means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

“**Act**” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“**Administrative Expenses**” means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 3 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 3 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Change.

“Base Special Tax” means, in Fiscal Year 2018-19, \$8,900 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$3,650 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 3 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Change” means the date on which the Resolution Ordering Change to the Rate and Method of Apportionment of Special Taxes for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“**City Council**” means the City Council of the City of Lathrop.

“**County**” means the County of San Joaquin.

“**Debt Service Reserve Funding Amount**” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“**Developed Property**” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“**EDU**” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“**EDU Factor**” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“**Expected Land Use**” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 3. The Expected Land Uses at the time of CFD Change are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“**Final Map**” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

“**Fiscal Year**” means the period starting July 1 and ending on the following June 30.

“**Improvement Area No. 3**” means Improvement Area No. 3 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“**Indenture**” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“**Land Use**” means Residential Property or Non-Residential Property.

“**Land Use Change**” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“**Large Lot Map**” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 3 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 3 at the time of CFD Change is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Change is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 3 at the time of CFD Change, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 3 after CFD Change, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 3 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 3, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 3, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 3.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Amended and Restated Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax

Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 3 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 3 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 3.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 3, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 3 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 3, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 3 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 3 at CFD Change

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 3 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Change. After recordation of each Large Lot Map for property in Improvement Area No. 3, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 3 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 3.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 3, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 3 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 3 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

Step 9: If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 10: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

Step 1. Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.

Step 2. Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.

Step 3. Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.

Step 4. Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

ATTACHMENT 1

**Improvement Area No. 3 of the
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

Expected Land Uses and Maximum Special Tax per Parcel

Attachment 1
Improvement Area #3 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-200-26	12.2	Residential	\$8,900	\$108,580
191-210-18	16.8	Residential	\$8,900	\$149,520
191-210-19	18.0	Residential	\$8,900	\$160,200
191-210-21	22.5	Residential	\$8,900	\$200,250
191-210-22	20.9	Residential	\$8,900	\$186,010
191-210-23	19.5	Residential	\$8,900	\$173,550
191-210-20	5.1	Public (Park)	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$978,110

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

12/21/2018

EXHIBIT D

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 4**

EXHIBIT D

IMPROVEMENT AREA NO. 4 OF THE CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 4, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 4 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 4 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 4 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Change.

“Base Special Tax” means, in Fiscal Year 2018-19, \$8,900 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$3,650 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 4 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Change” means the date on which the Resolution Ordering Change to the Rate and Method of Apportionment of Special Taxes for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 4. The Expected Land Uses at the time of CFD Change are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Improvement Area No. 4” means Improvement Area No. 4 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 4 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 4 at the time of CFD Change is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Change is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 4 at the time of CFD Change, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 4 after CFD Change, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 4 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 4, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 4, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 4.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Amended and Restated Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax

Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 4 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 4 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 4.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 4, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 4 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 4, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 4 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 4 at CFD Change

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 4 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Change. After recordation of each Large Lot Map for property in Improvement Area No. 4, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 4 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 4.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 4, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 4 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 4 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

Step 9: If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).

Step 10: The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

Step 1. Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.

Step 2. Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.

Step 3. Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.

Step 4. Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

ATTACHMENT 1

**Improvement Area No. 4 of the
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

Expected Land Uses and Maximum Special Tax per Parcel

Attachment 1
Improvement Area #4 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-210-33	19.5	Residential	\$8,900	\$173,550
191-210-35	20.6	Residential	\$8,900	\$183,340
191-210-30	7.8	Pond/Sprayfield	\$0	\$0
191-210-31	28.5	Public (Park)	\$0	\$0
191-210-32	16.4	Public	\$0	\$0
191-210-34	5.0	Public (Park)	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$356,890

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

12/21/2018

EXHIBIT E

**RATE AND METHOD OF
APPORTIONMENT**

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)
IMPROVEMENT AREA 5**

EXHIBIT E

**IMPROVEMENT AREA NO. 5 OF THE
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2018-1
(CENTRAL LATHROP SPECIFIC PLAN FACILITIES)**

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in Improvement Area No. 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities) shall be levied and collected according to the tax liability determined by the City or its designee through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in Improvement Area No. 5, unless exempted by law or by the provisions of Section G below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to Improvement Area No. 5 unless a separate Rate and Method of Apportionment of Special Tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Accessory Unit" means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map or other parcel map recorded at the County Recorder's Office.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, and the expenses of the City in carrying out its duties with respect to Improvement Area No. 5 and the Bonds related thereto, including, but not limited to, the levy and collection of the Special Tax, the fees and expenses of its counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the City and County in any way related to administration of the CFD including costs related to any dispute, litigation, settlement, or defense of any matter related to the CFD.

“Administrative Expense Cap” means \$15,000 for Fiscal Year 2018-19 and \$15,000 for Fiscal Year 2019-20. No Administrative Expense Cap shall apply after Fiscal Year 2019-20.

“Administrative Expense Reimbursement Amount” means a total of \$40,000.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Airspace Parcel” means a parcel with an assigned Assessor’s Parcel number that constitutes vertical space of an underlying land Parcel.

“Assessor’s Parcel” or “Parcel” means a lot or parcel, including an Airspace Parcel, shown on a County Assessor’s Parcel Map with an assigned County Assessor’s Parcel number.

“Assessor’s Parcel Map” means an official map of the County Assessor designating Parcels by Assessor’s Parcel number.

“Association Property” means any property within Improvement Area No. 5 that is owned by a homeowners’ association or property owners’ association, excluding such property that is under the pad or footprint of a residential unit or building.

“Authorized Facilities” means the public facilities authorized to be financed, in whole or in part, by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Change.

“Base Special Tax” means, in Fiscal Year 2018-19, \$8,900 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Residential Property and \$3,650 per Net Acre for any Parcel or portion of a Parcel developed or expected to be developed as Non-Residential Property, which amounts shall increase on July 1, 2019 and each July 1 thereafter by two percent (2%) of the amount in effect in the prior Fiscal Year. The determination of Expected Land Use shall be made by the Administrator based on review of land use and development plans, and in coordination with the City Planning Department.

“Bonds” means bonds or other debt (as defined in the Act), whether in one or more series, which are secured by Special Tax revenues and were issued, insured or assumed by Improvement Area No. 5 to fund Authorized Facilities.

“CFD” or “CFD No. 2018-1” means the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“CFD Change” means the date on which the Resolution Ordering Change to the Rate and Method of Apportionment of Special Taxes for CFD No. 2018-1 was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Debt Service Reserve Funding Amount” means an amount equal to 50% of the greatest interest payment due in any single bond year, as defined in the Indenture.

“Developed Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit for new construction (which shall not include a permit issued solely for construction of the foundation if another permit remains to be issued for vertical construction of the building) was issued prior to June 1 of the preceding Fiscal Year.

“EDU” means an equivalent dwelling unit, as used in Section C.3 to determine the relative relationship among SFD Lots.

“EDU Factor” means the equivalent dwelling unit factor assigned to SFD Lots in Section C.3 below.

“Expected Land Use” means the Land Use(s) and/or Public Property anticipated on a Parcel in Improvement Area No. 5. The Expected Land Uses at the time of CFD Change are identified in Attachment 1 of this RMA, and such Expected Land Uses may be updated pursuant to Sections C and D below.

“Final Map” means a final map, or portion thereof, recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) that creates SFD Lots. The term “Final Map” shall not include any Assessor’s Parcel Map or subdivision map, or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Improvement Area No. 5” means Improvement Area No. 5 of the City of Lathrop Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

“Indenture” means the bond indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended, and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Land Use” means Residential Property or Non-Residential Property.

“Land Use Change” means a proposed or approved change to the Expected Land Use(s) on a Parcel of Taxable Property.

“Large Lot Map” means a subdivision map recorded at the County Recorder’s Office that subdivides all or a portion of the property in Improvement Area No. 5 into large Parcels, most of which will be subject to future subdivision.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel of Taxable Property in any Fiscal Year, as determined in accordance with Sections C and D below. The Maximum Special Tax based on Expected Land Uses for each Parcel in Improvement Area No. 5 at the time of CFD Change is set forth in Attachment 1.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Net Acreage” means the estimated acreage of Residential Property and Non-Residential Property on an Original Parcel after taking out expected Public Property, not including internal streets. The Net Acreage within each Original Parcel at the time of CFD Change is shown in Attachment 1, and such Net Acreage shall be updated each time an Original Parcel subdivides or a Land Use Change is approved. **“Net Acre”** means one acre of the Net Acreage calculated for a Parcel.

“Non-Residential Property” means all Assessor’s Parcels of Developed Property that are not Taxable Public Property for which a building permit was issued for a use other than Residential Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Non-Residential Property shall be calculated by dividing the net leasable and net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“Original Parcel” means: (i) an Assessor’s Parcel included in Improvement Area No. 5 at the time of CFD Change, (ii) an Assessor’s Parcel that annexes into Improvement Area No. 5 after CFD Change, or (iii) a Successor Parcel that was created after subdivision of an Original Parcel and is being further subdivided.

“Proportionately” means, for Developed Property, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, **“Proportionately”** means that the ratio of the actual Special Tax levied to the Maximum Special Tax authorized to be levied is equal for all Assessor’s Parcels of Undeveloped Property.

“Public Property” means any property within the boundaries of Improvement Area No. 5 that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies. For purposes of this RMA, all Association Property shall also be categorized as Public Property.

“Required Coverage” means that the Total Maximum Special Tax Revenue must be at least 110% of the debt service on the Bonds in every bond year, as defined in the Indenture.

“Required Revenue” means, after one or more series of Bonds have been issued for Improvement Area No. 5, the Total Maximum Special Tax Revenue that must be available in order to maintain Required Coverage. Upon prepayment of all or a portion of the Maximum Special Tax obligation assigned to any Parcel in Improvement Area No. 5, the Required Revenue shall be reduced by the Special Tax that will no longer be levied on the Parcel for which a prepayment was received, as determined by the Administrator. For purposes of Section C below, Required Revenue shall be \$0.00 prior to issuance of the first series of Bonds for Improvement Area No. 5.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a Parcel includes or is expected to include both Units and non-residential land uses, the Net Acreage to be taxed as Residential Property shall be calculated by dividing the net leasable and net saleable square footage of residential uses on the Parcel (as determined by the Administrator) by the aggregate net leasable and net saleable square footage built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the Net Acreage of the underlying land Parcel for purposes of calculating the Maximum Special Tax and levying the Special Tax in any Fiscal Year.

“RMA” means this Amended and Restated Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit has been or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit or use permit was issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share a Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the Unit), including such residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Developed Property for which a building permit was issued for construction of a Unit that does not share a common wall with another Unit.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds that is due in the calendar year that begins in such Fiscal Year; (ii) create and/or replenish debt service reserve funds as required by the Indenture for the Bonds to the extent such replenishment has not been included in the computation of the Special Tax

Requirement in a previous Fiscal Year; (iii) cure any delinquencies in the payment of principal or interest on Bonds which have occurred in the prior Fiscal Year; (iv) pay Administrative Expenses, subject to the Administrative Expense Cap if applicable for the Fiscal Year; (v) create and/or replenish reserve funds for Administrative Expenses; and (vi) pay for extraordinary administrative expense reserve reimbursement, as described in the Indenture. The amounts referred to in clauses (i) and (ii) of the preceding sentence may be reduced in any Fiscal Year by: (i) interest earnings on or surplus balances in funds and accounts for the Bonds to the extent that such earnings or balances are available to apply against debt service pursuant to the Indenture; (ii) proceeds received from the collection of penalties associated with delinquent Special Taxes; and (iii) any other revenues available to reduce the Special Tax Requirement as determined by the Administrator.

“Successor Parcel” means a Parcel of Taxable Property created from subdivision or reconfiguration of an Original Parcel.

“Taxable Property” means all Parcels within the boundaries of Improvement Area No. 5 that (i) are not exempt from the Special Tax pursuant to law or Section G below, and (ii) which upon subdivision of an Original Parcel, are assigned Expected Land Uses and are not expected to be Public Property.

“Taxable Public Property” means, in any Fiscal Year, any Parcel of Public Property within Improvement Area No. 5 that had been assigned a Maximum Special Tax obligation based on Expected Land Uses being assigned to the Parcel. Notwithstanding the foregoing, if (i) a prepayment is received in an amount sufficient to pay off the full Maximum Special Tax obligation assigned to the Parcel, or (ii) the City determines that, in the Fiscal Year in which the Parcel would first be categorized as Taxable Public Property, an equal amount of Acreage within the CFD that had been Public Property became Taxable Property, then the Parcel of Public Property can be deemed exempt from the Special Tax if the Administrator determines that the Total Maximum Special Tax Revenue after granting such exemption is greater than or equal to the Required Revenue.

“Total Maximum Special Tax Revenue” means the aggregate amount of revenue that can be generated in any Fiscal Year by levying the Maximum Special Tax on all Parcels of Taxable Property within Improvement Area No. 5.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

B. DATA FOR ADMINISTRATION OF SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel numbers for all Parcels of Developed Property and Undeveloped Property within Improvement Area No. 5, (ii) the number of Units expected within each building on each Parcel of Single Family Attached Property, (iii) the square footage of all SFD Lots that were created in the prior Fiscal Year, (iv) whether the Administrative Expense Reimbursement Amount and the Debt Service Reserve Funding Amount have been fully funded by special tax revenues from prior fiscal years, and (v) the Special Tax Requirement for the Fiscal Year. In addition, on an ongoing basis, the Administrator shall monitor Land Use Changes and the subdivision of Parcels in Improvement Area No. 5 and (i) allocate the Maximum Special Tax assigned to the Original Parcel(s) to the Successor Parcels created by the subdivision pursuant to Section C below, and (ii) ensure that such Land Use Changes do not result in Total Maximum Special Tax Revenue that is less than the Required Revenue. After the recordation of each Large Lot Map within Improvement Area No. 5, the Administrator shall also review and revise, as needed, the Expected Land Uses, Net Acreage, and Maximum Special Taxes for each Successor Parcel created by recordation of the Large Lot Map, and update Attachment 1 accordingly, as set forth in Section C below.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in Improvement Area No. 5 was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued prior to June 1 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for each Land Use within the subdivided area and levy such Special Tax on the Original Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Original Parcels in Improvement Area No. 5 at CFD Change

Attachment 1 to this RMA identifies the Maximum Special Tax assigned to each Original Parcel in Improvement Area No. 5 for Fiscal Year 2018-19 based on the Expected Land Use(s) for each Parcel as of CFD Change. After recordation of each Large Lot Map for property in Improvement Area No. 5, the Administrator shall review current maps and land use plans for the property within the Large Lot Map and, in consultation with the City Planning Department, reevaluate the Expected Land Uses for each of the Successor Parcels created by recordation of the Large Lot Map. Attachment 1 shall be updated to reflect the Assessor's Parcel numbers, Expected Land Uses, Net Acreage, and corresponding Maximum Special Tax assigned to each Parcel after applying the Base Special Tax to each Land Use on each Successor Parcel. If, based on changes to the Expected Land Uses within the Large Lot Map area, the Total Maximum Special Tax Revenue that could be generated in Improvement Area No. 5 is less than the Required Revenue, the Maximum Special Tax on each Successor Parcel created by the Large Lot

Map shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue based on Expected Land Uses within the Large Lot Map, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in the updated Attachment 1.

If, before or after the comprehensive review after recordation of a Large Lot Map, there are any other Land Use Changes proposed for any Parcel prior to final subdivision of the Parcel, the Administrator shall determine the Maximum Special Tax that would be assigned to the Parcel if the Base Special Tax was applied to the Net Acreage of Residential Property and/or Non-Residential Property on the Parcel after the proposed Land Use Change. If, based on this Maximum Special Tax calculation, the Total Maximum Special Tax Revenue would be less than the Required Revenue, the Maximum Special Tax for such Parcel shall be increased proportionately until the Total Maximum Special Tax Revenue is equal to the Required Revenue. If there is an increase in the Total Maximum Special Tax Revenue after the Land Use Change, the Administrator shall reflect such increased Total Maximum Special Tax Revenue in an updated Attachment 1.

2. Successor Parcels that are not SFD Lots

The Maximum Special Tax for each Original Parcel for Fiscal Year 2018-19 is identified in Attachment 1, which may be updated as set forth above. After such update, if an Original Parcel is subdivided or reconfigured and none of the Successor Parcels are SFD Lots, the Administrator shall assign the Maximum Special Tax to the Successor Parcels by applying the following steps:

- Step 1:** Based on reference to Land Use plans and, if needed, coordination with the City Planning Department, determine the Net Acreage of each Land Use on each Successor Parcel created from subdivision or reconfiguration of the Original Parcel.
- Step 2:** For each Successor Parcel, multiply the Base Special Tax for each Land Use by the Net Acreage of each Land Use determined in Step 1, and calculate the aggregate Maximum Special Tax that could be generated from the Successor Parcels created from subdivision of the Original Parcel.
- Step 3:** If the aggregate Maximum Special Tax for all Successor Parcels is greater than or equal to the Maximum Special Tax that had been assigned to the Original Parcel before it was subdivided, the Maximum Special Tax for each Successor Parcel shall be the amount determined in Step 2, and the Administrator shall recalculate the Total Maximum Special Tax Revenue to include the increased Maximum Special Tax. If the aggregate Maximum Special Tax for all Successor Parcels is less than the Maximum Special Tax assigned to the Original Parcel, and such reduction would reduce the Total Maximum Special Tax Revenue to an amount less than the Required Revenue, then the Administrator shall increase the amount calculated for each Successor Parcel in Step 2 proportionately until the Total Maximum Special Tax Revenue after the subdivision is equal to the Required Revenue.

Step 4: If all or a portion of the Original Parcel was subdivided to create individual Parcels (which may be Airspace Parcels) for Units on Single Family Attached Property, divide the Maximum Special Tax assigned to the Original Parcel (or portion thereof), as may be adjusted pursuant to Step 3 above, by the total number of Units that will be built on the Original Parcel (or portion thereof) to calculate the Maximum Special Tax that will be assigned to each Parcel.

Upon each application of this Section C.2, there shall be no reduction in the Required Revenue unless there has been a prepayment for one or more Parcels within Improvement Area No. 5.

3. Successor Parcels of which All or Some are SFD Lots

Upon subdivision of an Original Parcel into Successor Parcels, of which all or some are SFD Lots, the Administrator shall apply the following steps to determine the Maximum Special Tax for each Parcel:

Step 1: Determine the Net Acreage and Expected Land Use for each Successor Parcel created from subdivision of the Original Parcel. Apply the steps set forth in Section C.2 above to allocate the Maximum Special Tax from the Original Parcel to each Successor Parcel.

Step 2: Apply one of the following EDU Factors to each SFD Lot based on the square footage of each lot, and calculate the aggregate EDUs from all SFD Lots created by subdivision of the Original Parcel:

<u>Lot Size</u>	<u>EDU Factor</u>
Greater than 8,000 square feet	1.25
6,501-8,000 square feet	1.14
5,001-6,500 square feet	1.00
3,501-5,000 square feet	0.87
2,800-3,500 square feet	0.81
Less than 2,800 square feet	0.73

Step 3: *For SFD Lots*, sum the Maximum Special Tax assigned in Step 1 to all Successor Parcels that are SFD Lots, and divide this amount by the total EDUs determined in Step 2 to calculate a Maximum Special Tax per EDU. Multiply the Maximum Special Tax per EDU by the EDU Factor for each SFD Lot to determine the Maximum Special Tax for each Successor Parcel that is a SFD Lot. This Maximum Special Tax shall be the Maximum Special Tax for the Parcel when it is Undeveloped Property and when it becomes Developed Property.

For Successor Parcels that are not SFD Lots, the Maximum Special Tax shall be the amount determined for each Parcel pursuant to Step 1 above.

At no time shall the distribution of the Maximum Special Tax upon subdivision or reconfiguration of a Parcel result in Total Maximum Special Tax Revenue that is lower than the Required Revenue. If an Original Parcel is subdivided, and the Successor Parcels include a combination of Land Uses, the Administrator shall delineate the Maximum Special Tax to the Taxable Property created by the subdivision based on the best information available at the time, and based on application of Sections C.2 and C.3 of this RMA.

4. Parcels of Taxable Public Property

The Maximum Special Tax for a Parcel of Taxable Public Property shall be equal to the Maximum Special Tax that applied prior to the Parcel becoming Public Property.

5. Annexations

If, in any Fiscal Year, a Parcel or Parcels annex into Improvement Area No. 5, the Administrator shall, in coordination with the City Planning Department, identify the Expected Land Uses for the Parcel(s). The Administrator shall then (i) apply the Base Special Tax to each Land Use to calculate the Maximum Special Tax for the Parcel, (ii) add the Maximum Special Tax for the Parcel to the Total Maximum Special Tax Revenue, and (iii) levy the Special Tax on the Parcel(s) pursuant to this RMA in the next Fiscal Year and all future Fiscal Years unless a prepayment is received to fully release the Parcel(s) from the Special Tax obligation.

D. ADJUSTMENTS TO THE MAXIMUM SPECIAL TAX

1. Escalation of Maximum Special Tax

Beginning July 1, 2019 and each July 1 thereafter, the Maximum Special Tax for each Parcel in Improvement Area No. 5 shall be increased by two percent (2%) of the amount in effect in the prior Fiscal Year.

2. Conversion of a Parcel of Public Property to Private Use

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, which shall include a lease to a private entity allowing the property to be taxed pursuant to Section 53340.1 of the Act, such Parcel shall be subject to the levy of the Special Tax. The Maximum Special Tax for each such Parcel shall be determined based on applying the Base Special Tax to the Net Acreage of each Expected Land Use on the Parcel.

E. METHOD OF LEVY OF THE SPECIAL TAX

1. Each Fiscal Year prior to the time at which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture,

the Administrator shall levy the Maximum Special Tax on all Parcels of Taxable Property.

2. Each Fiscal Year beginning with the Fiscal Year in which the Administrative Expense Reimbursement Amount has been repaid pursuant to the terms of the Indenture and the Debt Service Reserve Funding Amount has been fully funded pursuant to the terms of the Indenture, the Administrator shall determine the Special Tax Requirement and levy the Special Tax on all Parcels of Taxable Property as follows:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property, other than Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for each Parcel until the amount levied on Developed Property and Undeveloped Property is equal to the Special Tax Requirement.

Step 3: If additional revenue is needed after Step 2 to pay the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Taxable Public Property, up to 100% of the Maximum Special Tax for each Parcel.

F. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax shall be levied and collected until principal and interest on the Bonds have been repaid, costs of constructing or acquiring Authorized Facilities from Special Tax proceeds have been paid, and all Administrative Expenses have been paid or reimbursed. However, in no event shall a Special Tax be levied after Fiscal Year 2060-61, except that a Special Tax that was lawfully levied in or before the Fiscal Year 2060-61 and remains delinquent may be collected in subsequent Fiscal Years. Under no circumstances may the Special Tax on a Parcel in residential use be increased in any Fiscal Year as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels by more than ten percent (10%) above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults.

G. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Tax shall be levied on the following: (i) Public Property, except Taxable Public Property, (ii) Parcels that are designated as permanent open space or common space on which no structure is permitted to be constructed, (iii) Parcels owned by a public utility for an unmanned facility, or (iv) Parcels subject to an easement that precludes any use on the Parcel other than that permitted by the easement. In addition, no Special Tax shall be levied on any Parcel that has fully prepaid the Special Tax obligation assigned to the Parcel, as determined pursuant to the formula set forth in Section H below. Notwithstanding the foregoing, if a Special Tax has been levied on a Parcel in any Fiscal Year, and the Parcel subsequently meets the criteria for any of the exempted categories above, the Parcel shall remain subject to the Special Tax levy unless and until a prepayment is made to release the Parcel from its Special Tax obligation or, in the case of Public Property, the City determines that the parcel can be exempted from the Special Tax after making the determinations listed in the definition of Taxable Public Property above.

If, in any Fiscal Year, a Parcel of Public Property is converted to private use, such Parcel shall be subject to the levy of Special Taxes pursuant to Section D.2 above.

H. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section H:

“Outstanding Bonds” means all Previously Issued Bonds which remain outstanding, with the following exception: if a Special Tax has been levied against, or already paid by, an Assessor’s Parcel making a prepayment, and a portion of the Special Tax will be used to pay a portion of the next principal payment on the Bonds that remain outstanding (as determined by the Administrator), that next principal payment shall be subtracted from the total Bond principal that remains outstanding, and the difference shall be used as the amount of Outstanding Bonds for purposes of this prepayment formula.

“Previously Issued Bonds” means all Bonds that have been issued prior to the date of prepayment.

1. Full Prepayment

The Special Tax obligation applicable to a Parcel in Improvement Area No. 5 may be fully prepaid and the obligation of the Parcel to pay the Special Tax permanently satisfied as described herein, provided that a prepayment may be made only if there are no delinquent Special Taxes with respect to such Parcel at the time of prepayment. An owner of a Parcel intending to prepay the Special Tax obligation shall provide the City with written notice of intent to prepay. Within 30 days of receipt of such written notice, the City or its designee shall notify such owner of the prepayment amount for such Parcel. Prepayments must be made not less than 50 days prior to any redemption date for the Bonds to be redeemed with the proceeds of such prepaid Special Taxes.

The Prepayment Amount shall be calculated as follows (capitalized terms as defined below):

Bond Redemption Amount
plus Redemption Premium
plus Defeasance Requirement
plus Administrative Fees and Expenses
less Reserve Fund Credit
equals Prepayment Amount

As of the proposed date of prepayment, the Prepayment Amount shall be determined by application of the following steps:

- Step 1:** Determine the total Maximum Special Tax that could be collected from the Parcel prepaying the Special Tax in the Fiscal Year in which prepayment would be received by the City.
- Step 2:** Divide the Maximum Special Tax computed pursuant to Step 1 by the Total Maximum Special Tax Revenue for the Fiscal Year in which prepayment would be received by the City.
- Step 3:** Multiply the quotient computed pursuant to Step 2 by the Outstanding Bonds to compute the amount of Outstanding Bonds to be retired and prepaid (*the "Bond Redemption Amount"*).
- Step 4:** Multiply the Bond Redemption Amount computed pursuant to Step 3 by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed (*the "Redemption Premium"*).
- Step 5:** Compute the amount needed to pay interest on the Bond Redemption Amount starting with the last Outstanding Bond interest payment date on which interest has been or will be paid by Special Taxes already levied until the earliest redemption date for the Outstanding Bonds.
- Step 6:** Compute the amount of interest the City reasonably expects to derive from reinvestment of the Bond Redemption Amount plus the Redemption Premium from the first Outstanding Bond interest payment date after which the prepayment has been received until the redemption date for the Outstanding Bonds.
- Step 7:** Take the amount computed pursuant to Step 5 and subtract the amount computed pursuant to Step 6 (*the "Defeasance Requirement"*).
- Step 8:** Determine the costs of computing the prepayment amount, redeeming Outstanding Bonds, and recording any notices to evidence the prepayment and redemption (*the "Administrative Fees and Expenses"*).

- Step 9:** If and to the extent so provided in the Indenture, a reserve fund credit shall be calculated as a reduction in the applicable reserve fund for the Outstanding Bonds to be redeemed pursuant to the prepayment (the “*Reserve Fund Credit*”).
- Step 10:** The Special Tax prepayment is equal to the sum of the amounts computed pursuant to Steps 3, 4, 7, and 8, less the amount computed pursuant to Step 9 (the “*Prepayment Amount*”).

Once a full prepayment of a Parcel’s Special Tax obligation has been received, a Notice of Cancellation of Special Tax Lien shall be recorded against the Parcel to reflect the discharge of the Parcel’s obligation to pay the Special Tax. However, a Notice of Cancellation of Special Tax Lien shall not be recorded until all Special Taxes levied on the Parcel in the current or prior Fiscal Years have been collected.

2. Partial Prepayment

A partial prepayment may be made in an amount equal to any percentage of full prepayment desired by the party making a partial prepayment, except that the full amount of Administrative Fees and Expenses determined in Step 8 shall be included in the partial prepayment. The Maximum Special Tax that can be levied on a Parcel after a partial prepayment is made shall be determined as follows:

- Step 1.** Calculate the full prepayment (not including the amount collected for Administrative Fees and Expenses) that would be due from the Parcel if the entire Special Tax obligation were being prepaid pursuant to Section H.1 above.
- Step 2.** Divide the partial prepayment amount for the Parcel (not including the amount collected for Administrative Fees and Expenses) by the amount computed in Step 1 to determine a percentage.
- Step 3.** Subtract the percentage computed in Step 2 from 100% to determine the “Remaining Percentage”.
- Step 4.** Multiply the Remaining Percentage from Step 3 by the Maximum Special Tax for the Parcel to determine the new Maximum Special Tax that will be in effect for the Parcel after the partial prepayment is applied.

I. INTERPRETATION OF SPECIAL TAX FORMULA

The City may, by resolution or ordinance, interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness, or ambiguity as it relates to the Special Tax, method of apportionment, classification of properties, or any definition applicable to the CFD, as long as

such correction does not materially affect the levy and collection of Special Taxes and any security for the Bonds. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land and does not reduce the Total Maximum Special Tax Revenue that can be collected from the Parcel.

ATTACHMENT 1

**Improvement Area No. 5 of the
City of Lathrop
Community Facilities District No. 2018-1
(Central Lathrop Specific Plan Facilities)**

Expected Land Uses and Maximum Special Tax per Parcel

Attachment 1
Improvement Area #5 of the
City of Lathrop CFD No. 2018-1
Expected Land Uses and Maximum Annual Special Tax per Parcel
(Fiscal Year 2018-19)

APN	Net Acreage	Expected Land Use	Base Special Tax /1	Total Maximum Annual Special Tax Revenue /1
191-200-16	11.2	Non-Residential	\$3,650	\$40,880
191-200-17	18.3	Non-Residential	\$3,650	\$66,795
191-200-18	24.3	Non-Residential	\$3,650	\$88,695
191-210-10	19.0	Non-Residential	\$3,650	\$69,350
191-200-19	8.4	Pond/Sprayfield	\$0	\$0
191-210-07	14.4	Pond/Sprayfield	\$0	\$0
191-210-08	18.6	Pond/Sprayfield	\$0	\$0
191-210-09	19.5	Pond/Sprayfield	\$0	\$0
Total Maximum Annual Special Tax Revenue /1				\$265,720

/1 Beginning July 1, 2019, and each July 1 thereafter, the Base Special Tax, Maximum Annual Special Tax, and Total Maximum Annual Special Tax Revenue shall increase by 2% of the amount in effect in the prior Fiscal Year.

Goodwin Consulting Group, Inc.

12/21/2018

**CITY MANAGER'S REPORT
JANUARY 14, 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.)**

SUMMARY:

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
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
RIVER ISLANDS 5TH DA AMENDMENT**

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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.

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 5TH DA AMENDMENT**

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Since certification of the SEIR, the City has adopted six addenda 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 Chambers 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.

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:

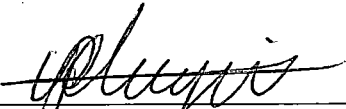
All application processing fees and costs are charged to the applicant. The request has no fiscal impact to the City.

ATTACHMENTS:

1. Ordinance Approving the 5th DA Amendment
2. Fifth Amendment to the River Islands Development Agreement
3. Planning Commission Resolution# 18-32

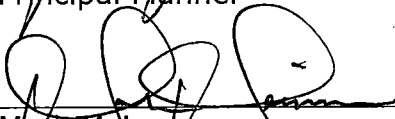
**CITY MANAGERS REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
RIVER ISLANDS 5TH DA AMENDMENT**

APPROVALS:




Rick Caguiat
Principal Planner

12-28-18
Date



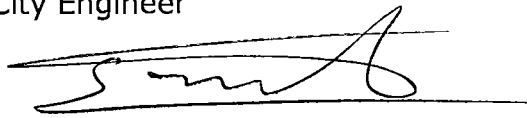
Mark Meissner
Community Development Director

1-3-19
Date



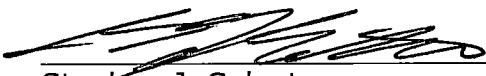
Glenn Gebhardt
City Engineer

1-7-19
Date



Salvador Navarrete
City Attorney

1-7-19
Date



Stephen J. Salvatore
City Manager

1-8-19
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 14th day of January 2019, and was PASSED AND ADOPTED at a regular meeting of the City Council of the City of Lathrop on the 11th day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

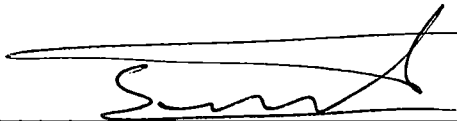
ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



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

(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 14th day of January, 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 Califia 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

By: _____
Sonny Dhaliwal, Mayor

CALIFIA, LLC

a California limited liability company

By: _____
Name: _____
Its: _____

ATTEST:

By: _____
Teresa Vargas, City Clerk

RIVER ISLANDS DEVELOPMENT,
LLC

a California limited liability company

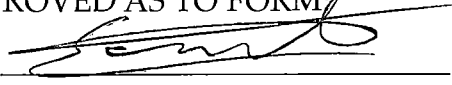
(Municipal Seal)

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

By:  _____

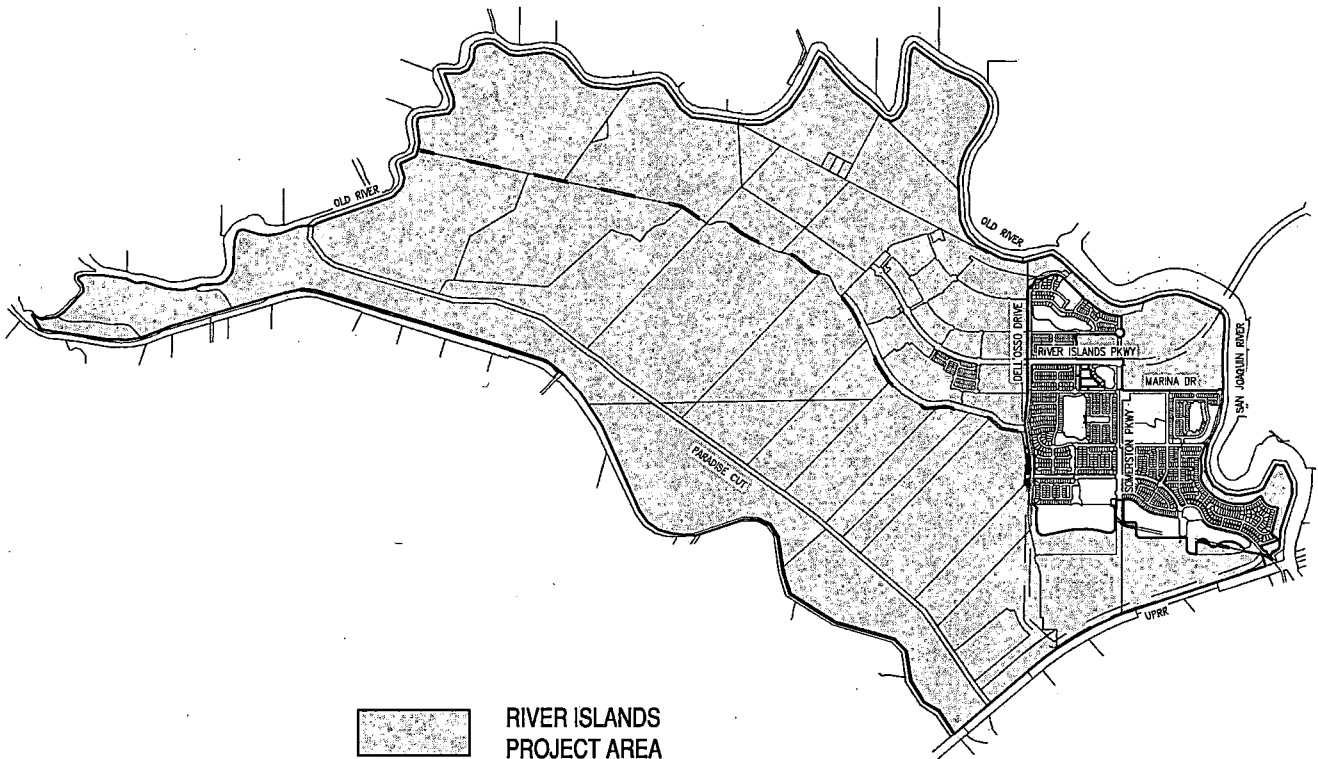
Salvador V. Navarrete, City Attorney

[INSERT NOTARY ACKNOWLEDGMENTS]

EXHIBIT A



0' 2250' 4500'
SCALE: 1" = 4500'



 RIVER ISLANDS
PROJECT AREA

DRAFT

O D ELL
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.

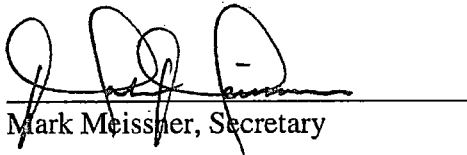
BE IT FURTHER RESOLVED that the Planning Commission of the City of Lathrop based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, hereby adopts Resolution 18-32 finding consistency with the Lathrop General Plan and West Lathrop 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 19th day of December, 2018 by the following vote:

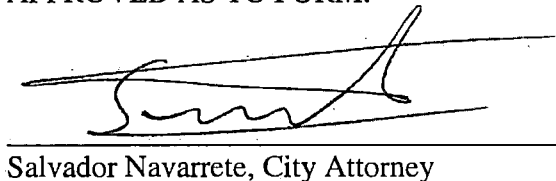
AYES: Ishihara, Gatto, Ralmilay
NOES: None
ABSTAIN: None
ABSENT: None


Tosh Ishihara, Chair

ATTEST:


Mark Meissner, Secretary

APPROVED AS TO FORM:


Salvador Navarrete, City Attorney

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**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: **PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER 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.**

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 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.)**

SUMMARY:

The City of Lathrop, Watt-McKee LLC, Lathrop Associates, Steven R. McKee, Robert E. McKee 1997 Bypass Trust, and Western Pacific Housing Inc. entered into a Development Agreement (DA) on March 9, 2004. The 2004 Agreement has been updated once, on June 6 2016. The successor in interest, Ramona Chace, LLC has requested to amend the original 2004 Agreement for the second time. The purpose of the Second Amendment is to extend the term of the DA from 15 to 25 years for properties controlled by Ramona Chace, LLC and Mossdale Landing Apartments, LLC, which is currently set to expire on March 16, 2019.

In addition, the proposed DA amendment will assign the DA obligations and benefits from the existing agreement holder, Ramona Chace, LLC for Parcel 241-020-66 to Mossdale Landing Apartments, LLC. The project would not result in any change in land use or zoning designations. The amended DA would apply to properties that are owned or controlled by Ramona Chace, LLC and the parcel to be assigned to Mossdale Landing Apartments, LLC.

**CITY MANAGERS REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
Watt-McKee 2nd DA AMENDMENT & ASSIGNMENT**

PAGE 2

Staff recommends the City Council introduce and conduct the First Reading of an Ordinance to adopt 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.

BACKGROUND:

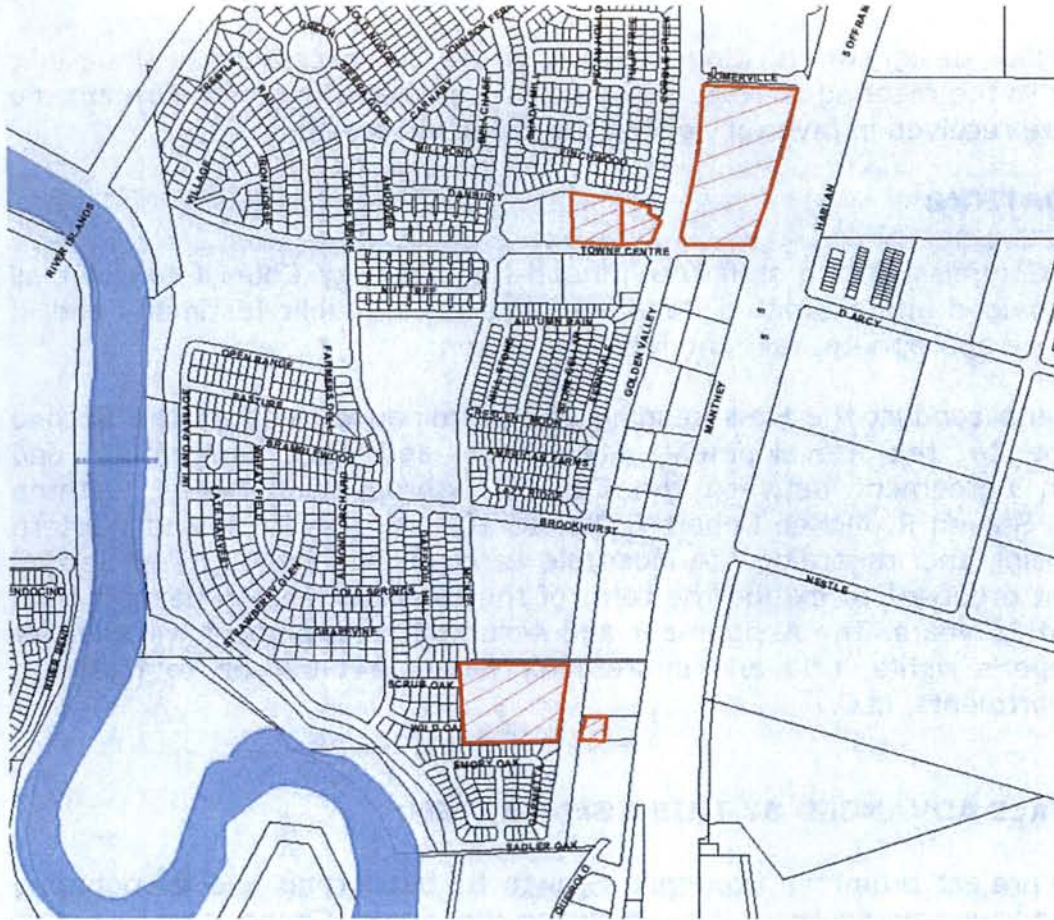
In 2004, the City approved the Mossdale Landing East project which includes the following entitlements: certification of the Supplemental Environmental Impact Report, cancellation of Williamson Act Contracts, approval of the Mossdale Landing East Urban Design Concept (UDC), approval of Vesting Tentative Map Tract 3073 (Unit 1 & 2) and a Development Agreement. The Mossdale Landing East subdivision is a mixed-use master planned community consisting of approximately 500 residential units, commercial, parks and open space with a total site area of approximately 150 acres. The project area is part of Mossdale Village encompassed by the West Lathrop Specific Plan.

On March 16, 2004, the City of Lathrop, Watt-McKee LLC, Lathrop Associates, Steven R. McKee, Robert E. McKee 1997 Bypass Trust, and Western Pacific Housing Inc. entered into a Development Agreement for the Mossdale Landing East Project. The 2004 DA has been updated once, on June 6 2016 for properties controlled by Watt McKee LLC only.

The term of the original agreement is for 15 years. However, only a few years into the DA, the national economy went into a downturn and development practically ceased for many years. The DA is due to expire on March 16, 2019. The proposed amendment to the Development Agreement is to extend its term an additional 10 years (expiring March 16, 2029) and to assign the DA obligations and benefits of Parcel 241-020-66 to Mossdale Landing Apartments, LLC, who are the new owners of the 204-unit Mossdale Landing Apartment Project.

On December 19, 2018, the Planning Commission adopted PC Resolution #18-33 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 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.

Parcels affected by the proposed DA Amendment:



CEQA REVIEW AND PUBLIC NOTICE:

The Development Agreement Amendment and Assignment and Assumption Agreement 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 extending the term and assigning the agreement to a new property owner.

Furthermore, the environmental impacts of the Mossdale Landing East as a whole were addressed in a certified Supplemental Environmental Impact Report (SEIR) (SCH 2002052083). The City has determined that the potential environmental effects of the project have been addressed in the certified SEIR. As a result, the proposed Second Amendment to the Development Agreement does not require additional CEQA review.

**CITY MANAGERS REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
Watt-McKee 2nd DA AMENDMENT & ASSIGNMENT**

PAGE 4

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. The City Council meeting agenda was posted at the Council Chambers 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 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.

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:

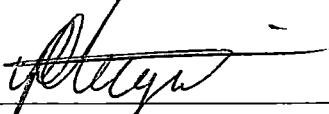
All application processing fees and costs are charged to the applicant. The request has no fiscal impact to the City.

ATTACHMENTS:

1. Ordinance Approving the 2nd DA Amendment & Assignment
2. Second Amendment to the Watt-McKee (Mossdale Landing East) DA
3. Assignment and Assumption Agreement
4. Planning Commission Resolution# 18-33

**CITY MANAGERS REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
Watt-McKee 2nd DA AMENDMENT & ASSIGNMENT**

APPROVALS:



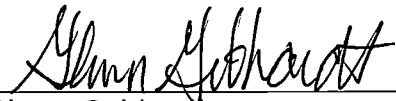
Rick Caguiat
Principal Planner

12-28-18
Date



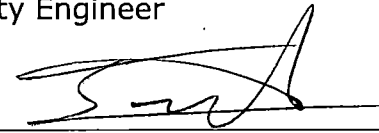
Mark Meissner
Community Development Director

1-3-18
Date



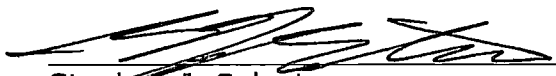
Glenn Gebhardt
City Engineer

1-7-19
Date



Salvador Navarrete
City Attorney

1-7-19
Date



Stephen J. Salvatore
City Manager

1-8-19
Date

ORDINANCE NO. 19-

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 Mossdale Landing East Development Agreement (DA) pursuant to the Lathrop Municipal Code; and

WHEREAS, the proposed site is located within the Mossdale area of the West Lathrop Specific Plan (Mossdale 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 Mossdale 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 Mossdale 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 Mossdale 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, included as Attachment #2 and #3, respectively, 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 14th day of January 2019, and was PASSED AND ADOPTED at a regular meeting of the City Council of the City of Lathrop on the 11th day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

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 (“**Mosssdale**”) and TOWNE CENTRE, LATHROP, INC., a California corporation (“**Towne Center**”). Ramona Chace, Mosssdale and Towne Center collectively are referred to as the “**Party Owners.**” Collectively, City, Ramona Chace, Mosssdale and Towne Center are the “**Parties**” hereto; separately, City, Ramona Chace, Mosssdale 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 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 (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 Mosssdale 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

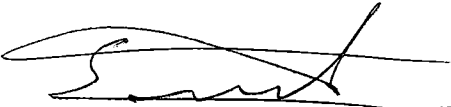
Towne Centre, Lathrop, Inc.
a California corporation

By: _____

Name: _____

Title: _____

Approved as to form:

By:  _____
Salvador Navarrete, City Attorney

Dated: 1-7-19

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 HEREBINAFTER 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

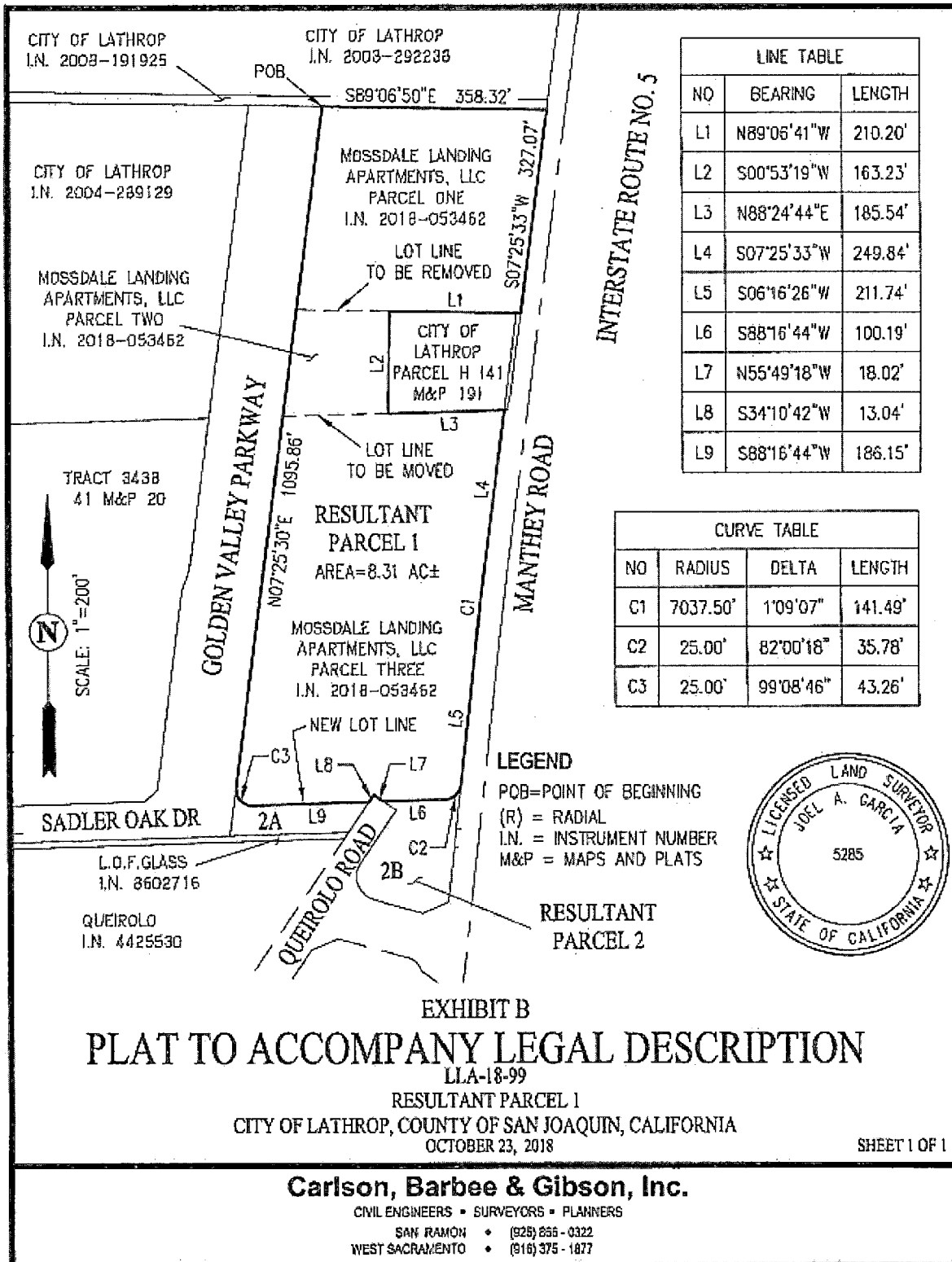


EXHIBIT NO. 2
“201 Towne Centre Drive”

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.

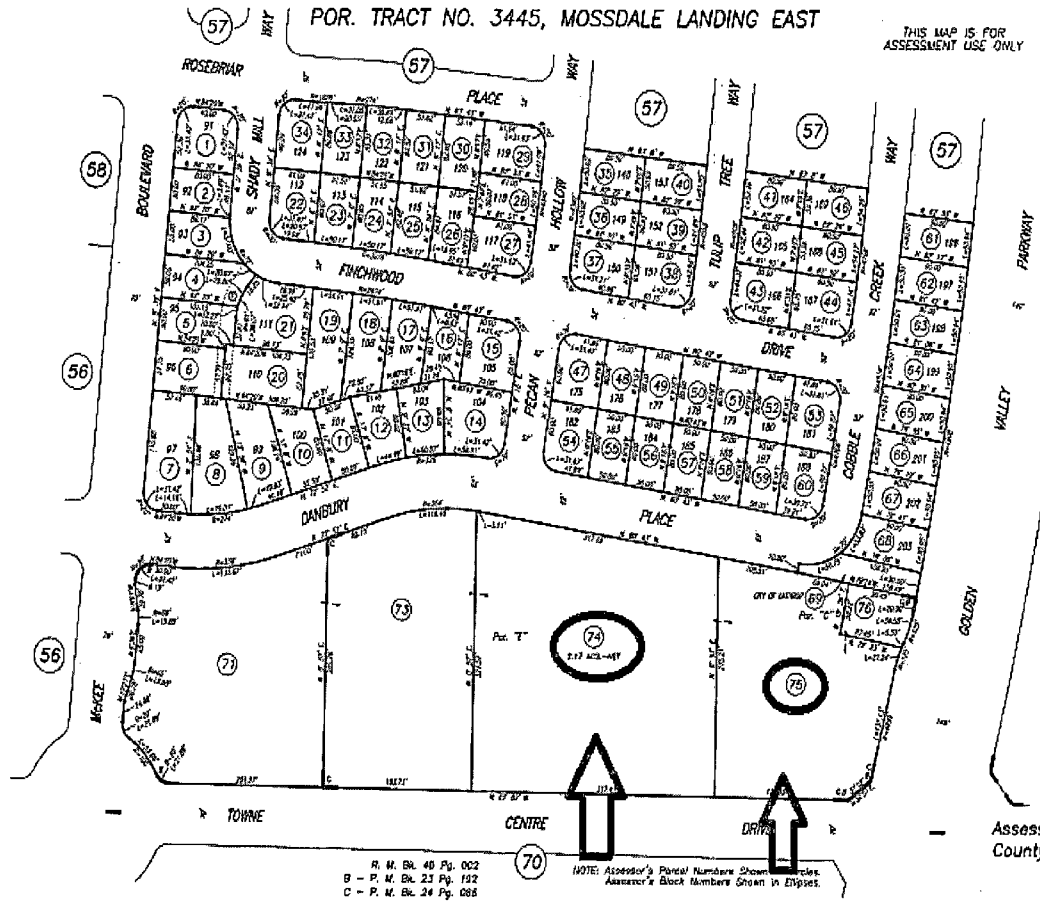
EXCEPTING THEREFROM all mineral rights and oil and gas rights below 500 feet of the surface of said property, as reserved in the Deed from Western Pacific Housing, Inc., a Delaware Corporation, recorded March 30, 2006 under Recorder's Series Number 2006-069357 Official Records.

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

POR. TRACT NO. 3445, MOSSDALE LANDING EAST

THIS MAP IS FOR ASSESSMENT USE ONLY

191-55



R. M. Bk. 40 Pg. 002
 B - P. M. Bk. 23 Pg. 192
 C - P. M. Bk. 24 Pg. 088

NOTE: Assessor's Parcel Numbers Shown in Circles
 Assessor's Block Numbers Shown in Ellipses.

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

05-08

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° 02' 08" West 7.25 feet, thence leaving said Southerly boundary entering said lands of Pulte Home Corporation, North 16° 03' 48" East 51.25 feet, to the point of beginning; thence from said point of beginning, South 53° 30' 50" West 23.82 feet, thence North 89° 02' 08" West 420.94 feet, thence North 37° 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° 49' 03" West, a radius of 5,048.00 feet, a central angle of 11° 07' 36" and an arc length of 980.30 feet, thence North 47° 41' 01" East 42.15 feet, thence South 87° 41' 19" East 562.94 feet, thence South 36° 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° 45' 52" West, a radius of 2,963.19 feet, a central angle of 01° 49' 10" and an arc length of 94.09 feet, thence South 16° 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,

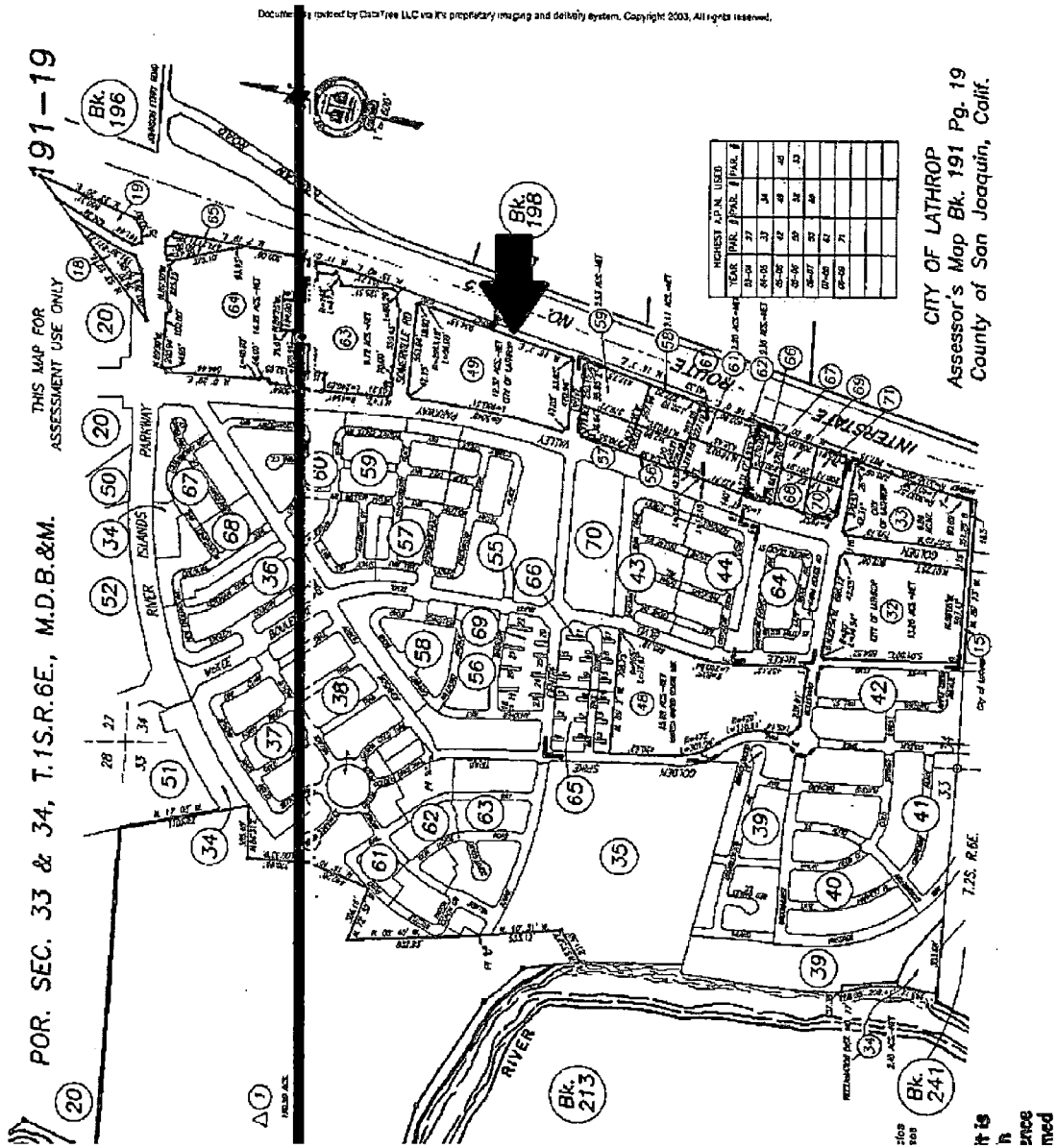


EXHIBIT NO. 4
“17991 South Manthey Road”

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°06'50" East 577.78 feet to the point of beginning.

Thence from said point of beginning, continuing along said Northerly boundary, South 89°06'50" East 703.86 feet,

Thence leaving said Northerly boundary and entering said lands of Western Pacific Housing South 07°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°24'44" West 621.96 feet.

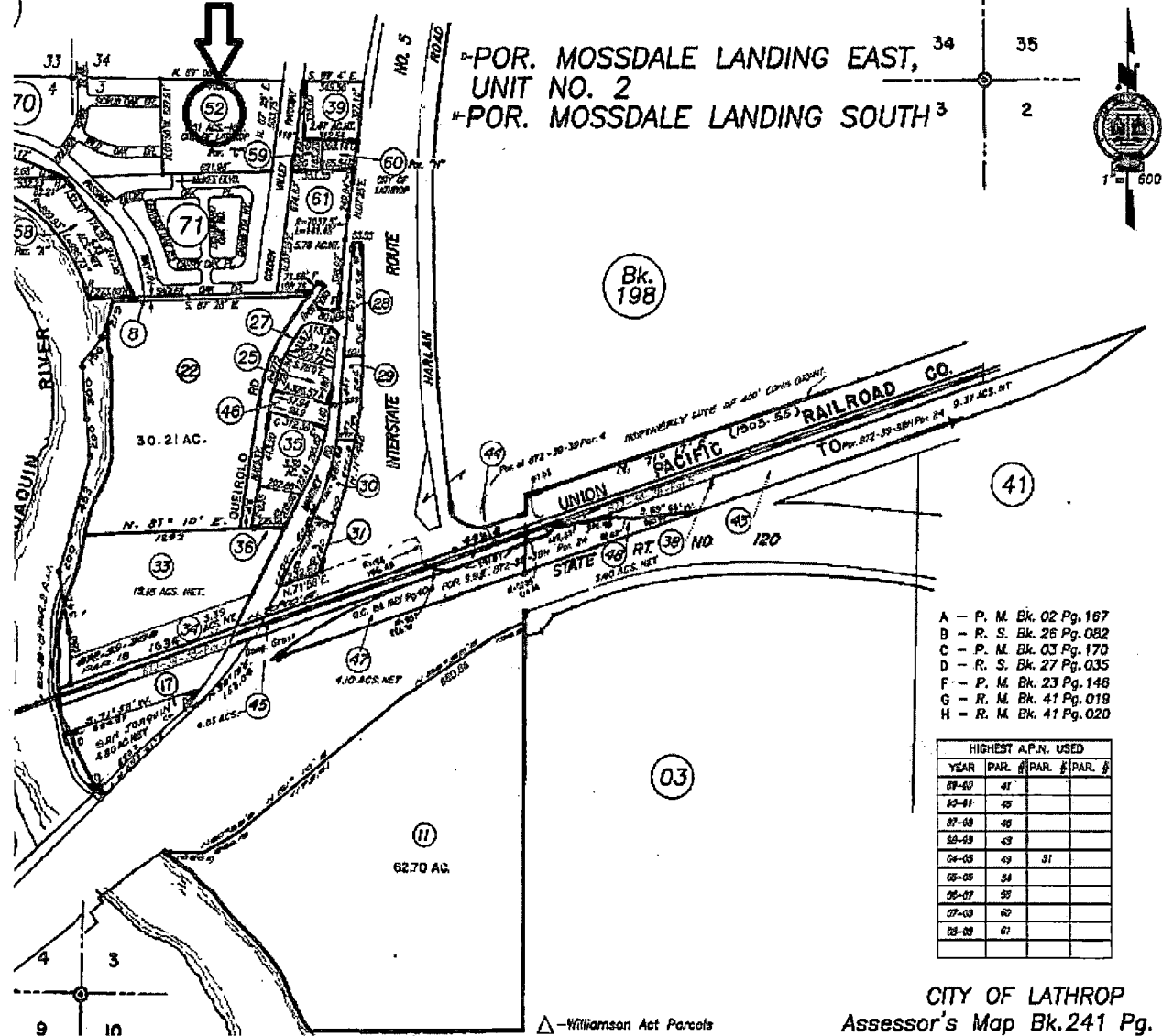
Thence leaving said common boundary and entering said lands of Western Pacific Housing, North 01°50'27" West 527.91 feet to said point of beginning.

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, 34
 UNIT NO. 2
 POR. MOSSDALE LANDING SOUTH 3

- 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. 148
- G - R. M. Bk. 41 Pg. 019
- H - R. M. Bk. 41 Pg. 020

HIGHEST A.P.N. USED			
YEAR	PAR. #	PAR. #	PAR. #
09-02	41		
10-01	45		
07-00	48		
00-09	43		
04-05	49	51	
05-05	54		
06-07	55		
07-03	60		
05-00	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., 2nd 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
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 (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: [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

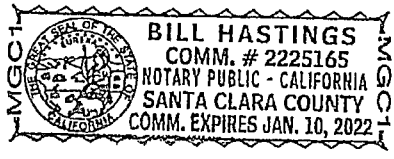
On 5/10/2018 before me, Bill Hastings a Notary Public, personally appeared Ronald M. Tate, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized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

**CITY OF LATHROP
PLANNING COMMISSION RESOLUTION NO. 18-33**

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 SECOND AMENDMENT TO THE MOSSDALE LANDING EAST DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, WATT-MCKEE LLC, LATHROP ASSOCIATES, STEVEN R. MCKEE, ROBERT E. MCKEE 1997 BYPASS TRUST, AND WESTERN PACIFIC HOUSING INC. TO EXTEND THE TERM OF THE DA FROM 15 TO 25 YEARS AND TO ASSIGN THE DA OBLIGATIONS AND BENEFITS FOR PARCEL 241-020-66 TO MOSSDALE LANDING APARTMENTS, LLC.

WHEREAS, the City of Lathrop Planning Commission held a duly noticed public hearing to consider the Second Amendment to the Mossdale Landing East Development Agreement pursuant to the Lathrop Municipal Code; and

WHEREAS, the proposed site is located within the Mossdale area of the West Lathrop Specific Plan (Mossdale 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 Mossdale 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 Mossdale 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 Mossdale 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, who have recommended that the Planning Commission make a favorable recommendation to the City Council; 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), sent to owners of property within 300-foot radius of the affected properties, 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 Second 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 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 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 18-33 finding consistency with the Lathrop General Plan and West Lathrop Specific Plan, and recommending the City Council approve the Second Amendment to the Mossdale Landing East Development Agreement between the City of Lathrop, Watt-McKee LLC, Lathrop Associates, Steven R. McKee, Robert E. McKee 1997 Bypass Trust, and Western Pacific Housing Inc. to extend the term of the DA from 15 to 25 years and to assign the DA obligations and benefits to Mossdale Landing Apartments, LLC.

PASSED AND ADOPTED by the Planning Commission of the City of Lathrop at a regular meeting on the 19th day of December, 2018 by the following vote:

AYES: Ishihara, Gatto, Ralmilay

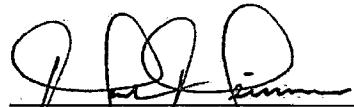
NOES: None

ABSTAIN: None

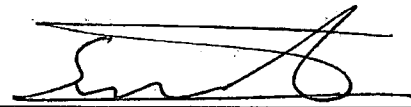
ABSENT: None


Tosh Ishihara, Chair

ATTEST:


Mark Meissner, Secretary

APPROVED AS TO FORM:


Salvador Navarrete, City Attorney

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**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER 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: Council to Consider the Following:

- 1. Hold a Public Hearing; and**
- 2. Introduce and conduct the First Reading of an Ordinance to adopt 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.)**

SUMMARY:

The City of Lathrop, Marie A. Vallentyne, and TCN Properties entered into a Development Agreement (DA) on September 22, 2004. The successor in interest, Ramona Chace, LLC has requested to amend the original 2004 Agreement which would constitute as the First Amendment. The purpose of the First Amendment is to extend the term of the DA from 15 to 25 years for properties controlled by Ramona Chace, LLC and Mossdale Landing Apartments, LLC, which is currently set to expire on November 5, 2019, 15 years after the effective date of Ordinance No. 04-242.

In addition, the proposed DA amendment will assign the DA obligations and benefits from the existing agreement holder, Ramona Chace, LLC, for Parcel 241-020-61 to Mossdale Landing Apartments, LLC. The project would not result in any change in land use or zoning designations. The amended DA would apply to properties that are owned or controlled by Ramona Chace, LLC and the parcel to be assigned to Mossdale Landing Apartments, LLC.

**CITY MANAGERS REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
Vallentyne 1st DA AMENDMENT & ASSIGNMENT**

PAGE 2

Staff recommends the City Council introduce and conduct the First Reading of an Ordinance to adopt 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.

BACKGROUND:

In 2004, the City approved the Mossdale Landing South project which includes the following entitlements: certification of the Supplemental Environmental Impact Report, approval of the Mossdale Landing South Urban Design Concept (UDC), approval of General Plan Amendment and Rezone, approval of Vesting Tentative Map Tract 3437 and Tract 3438, and a Development Agreement. The Mossdale Landing South subdivision is a mixed-use master planned community consisting of residential, commercial, parks and open space with a total site area of approximately 100 acres. The project area is part of Mossdale Village encompassed by the West Lathrop Specific Plan.

On September 22, 2004, City of Lathrop, Marie A. Vallentyne, and TCN Properties entered into a Development Agreement for the Mossdale Landing South Project. This request will constitute as the first amendment to the Development Agreement.

The term of the original agreement is for 15 years. However, only a few years into the DA, the national economy went into a downturn and development practically ceased for many years. The DA is due to expire on November 5, 2019. The proposed amendment to the Development Agreement is to extend its term an additional 10 years (expiring March 16, 2029 so the term of the Vallentyne Agreement is concurrent with the term of the Watt-McKee Development Agreement) and to assign the DA obligations and benefits of Parcel 241-020-61 to Mossdale Landing Apartments, LLC who are the new owners of the 204-unit Mossdale Landing Apartment Project.

On December 19, 2018, the Planning Commission adopted PC Resolution #18-34 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 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.

**CITY MANAGERS REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
Vallentyne 1st DA AMENDMENT & ASSIGNMENT**

Parcel affected by the proposed DA Amendment:



CEQA REVIEW AND PUBLIC NOTICE:

The Development Agreement Amendment and Assignment and Assumption Agreement 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 extending the term and assigning the agreement to a new property owner.

Furthermore, the environmental impacts of the Mossdale Landing South as a whole were addressed in a certified Supplemental Environmental Impact Report (SEIR) (SCH 2004052069). The City has determined that the potential environmental effects of the project have been addressed in the certified SEIR. As a result, the proposed First Amendment to the Development Agreement does not require additional CEQA review.

**CITY MANAGERS REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
Vallentyne 1st DA AMENDMENT & ASSIGNMENT**

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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. The City Council meeting agenda was posted at the Council Chambers 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 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.

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 1st DA Amendment & Assignment
2. First Amendment to the Vallentyne (Mossdale Landing South) DA
3. Assignment and Assumption Agreement
4. Planning Commission Resolution# 18-34

CITY MANAGERS REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
Vallentyne 1st DA AMENDMENT & ASSIGNMENT

APPROVALS:



Rick Caguiat
Principal Planner

12-28-18

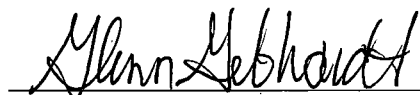
Date



Mark Meissner
Community Development Director

1-2-19

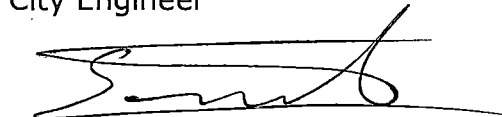
Date



Glenn Gebhardt
City Engineer

1-7-19

Date



Salvador Navarrete
City Attorney

1-7-19

Date



Stephen J. Salvatore
City Manager

1-8-19

Date

ORDINANCE NO. 19-

**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 Mossdale Landing South Development Agreement (DA) pursuant to the Lathrop Municipal Code; and

WHEREAS, the proposed site is located within the Mossdale area of the West Lathrop Specific Plan (Mossdale 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 Mossdale Landing South Development Agreement Amendment is: 241-020-61; and

WHEREAS, in September 2004, the Lathrop City Council approved the Mossdale 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 Mossdale 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, included as Attachment #2 and #3, respectively, 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 14th day of January 2019, and was PASSED AND ADOPTED at a regular meeting of the City Council of the City of Lathrop on the 11th day of February 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

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 “Mossdale 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 Mossdale 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) “**Mossdale Property**”: 18250 S. Manthey Road, APNs 241-020-61; Fee interest owned by Mossdale, 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 Queirola 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 Mossdale (which, with respect to the Mossdale 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 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, as thereafter amended (the “**Watt-McKee Development Agreement**”).

D. The Watt-McKee Development Agreement pertains to the Mossdale Landing East Project and includes a portion of the Mossdale 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 Mossdale 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

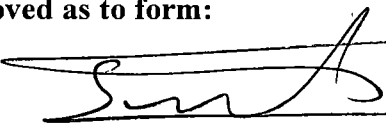
By: _____
Name: _____
Its: Managing Member

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: 1-7-19

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.

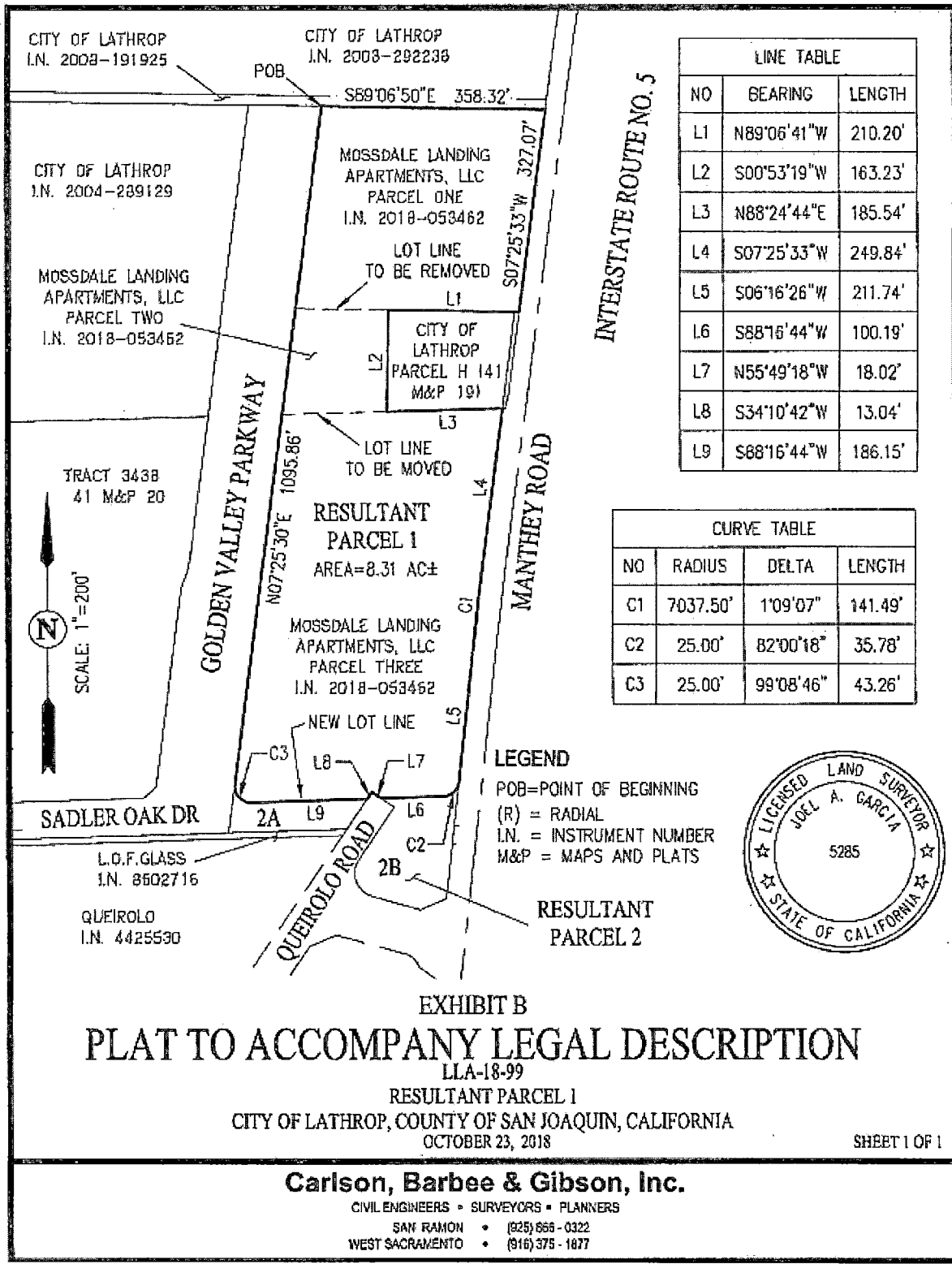
END OF DESCRIPTION

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 HEREINAFTER 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



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
 SAN RAMON • (925) 656 - 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
LLA 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:

BEING 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 $07^{\circ}25'30''$ 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 $82^{\circ}34'30''$ EAST, THROUGH A CENTRAL ANGLE OF $99^{\circ}08'46''$, AN ARC DISTANCE OF 43.26 FEET;

THENCE, NORTH $88^{\circ}16'44''$ EAST 186.15 FEET; TO THE NORTHERLY 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 NORTHERLY LINE, SOUTH $34^{\circ}10'42''$ WEST 58.64 FEET, TO THE SOUTHERLY LINE OF SAID PARCEL THREE (I.N. 2018-053462);

THENCE, ALONG SAID SOUTHERLY LINE, SOUTH $88^{\circ}16'44''$ 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 SOUTHEASTERLY TERMINUS OF THAT CERTAIN COURSE LISTED AS " $N 74^{\circ}26'34'' N 80.01''$ ";

THENCE FROM SAID POINT OF BEGINNING, ALONG THE EXTERIOR BOUNDARY OF SAID PARCEL THREE (D.N. 2018-053462) THE FOLLOWING FOUR (4) COURSES:

LEGAL DESCRIPTION
PAGE 2 OF 2

OCTOBER 23, 2018
JOB NO. 2534-000

- 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;

THENCE, ALONG 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 THE EASTERLY LINE OF SAID PARCEL THREE (D.N. 2018-053462);

THENCE, ALONG SAID EASTERLY LINE, SOUTH 06°16'26" WEST 187.17 FEET;

THENCE, SOUTH 66°16'26" WEST 44.92 FEET TO SAID POINT OF BEGINNING.

CONTAINING 22,144 SQUARE FEET;

FOR A TOTAL AREA OF 31,938 SQUARE FEET OR 0.73 ACRES OF LAND MORE OR LESS.

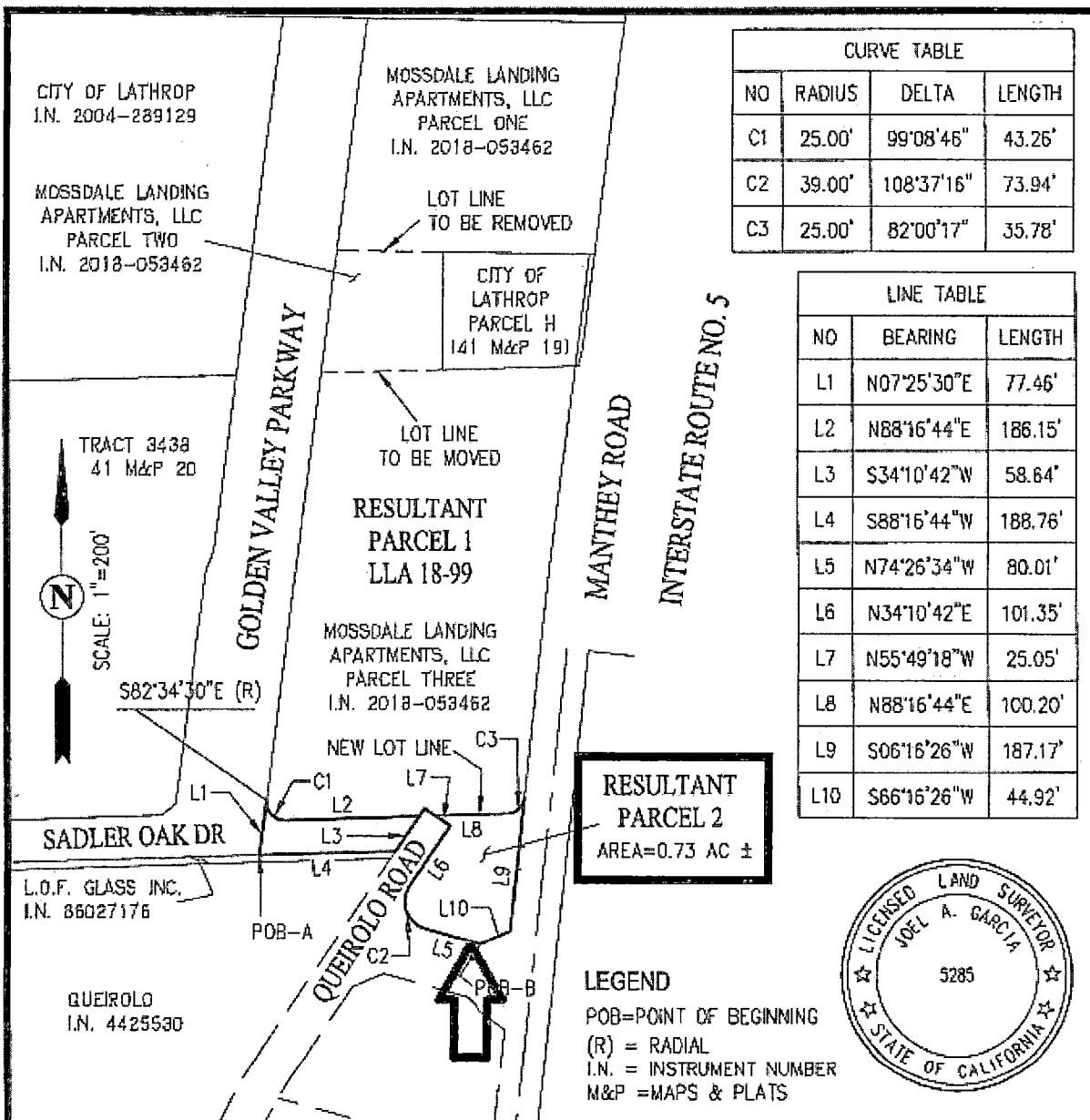
END OF DESCRIPTION

A PORTION OF APN 241-020-61

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.

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



CURVE TABLE			
NO	RADIUS	DELTA	LENGTH
C1	25.00'	99°08'46"	43.26'
C2	39.00'	108°37'16"	73.94'
C3	25.00'	82°00'17"	35.78'

LINE TABLE		
NO	BEARING	LENGTH
L1	N07°25'30"E	77.46'
L2	N88°16'44"E	186.15'
L3	S34°10'42"W	58.64'
L4	S88°16'44"W	188.76'
L5	N74°26'34"W	80.01'
L6	N34°10'42"E	101.35'
L7	N55°49'18"W	25.05'
L8	N88°16'44"E	100.20'
L9	S06°16'26"W	187.17'
L10	S66°16'26"W	44.92'

RESULTANT PARCEL 2
 AREA=0.73 AC ±

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

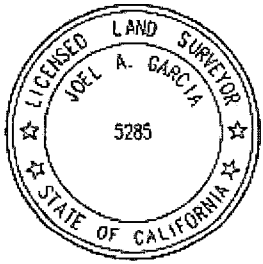


EXHIBIT B
PLAT TO ACCOMPANY LEGAL DESCRIPTION

LLA-18-99
 RESULTANT PARCEL 2
 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) 375-1677

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Ramona Chace, LLC
Attn: Ronald M. Tate
22 South Santa Cruz Ave., 2nd 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. Mantney 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~~

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

[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 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 Northwesterly 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.

**CITY OF LATHROP
PLANNING COMMISSION RESOLUTION NO. 18-34**

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 FIRST AMENDMENT TO THE MOSSDALE LANDING SOUTH DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE, AND TCN PROPERTIES TO EXTEND THE TERM OF THE DA FROM 15 TO 25 YEARS, AND AN ASSIGNMENT AND ASSUMPTION AGREEMENT TO ASSIGN THE DA OBLIGATIONS AND BENEFITS FOR PARCEL 241-020-61 TO MOSSDALE LANDING APARTMENTS, LLC.

WHEREAS, the City of Lathrop Planning Commission held a duly noticed public hearing to consider the First Amendment to the Mosssdale Landing South Development Agreement 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 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, who have recommended that the Planning Commission make a favorable recommendation to the City Council; 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), sent to owners of property within 300-foot radius of the affected properties, 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 First 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 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 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 18-34 finding consistency with the Lathrop General Plan and West Lathrop Specific Plan, and recommending the City Council approve the First Amendment to the Mossdale Landing South Development Agreement between the City of Lathrop, Marie A. Vallentyne, and TCN Properties to extend the term of the DA from 15 to 25 years, and an Assignment and Assumption Agreement to assign the DA obligations and benefits to Mossdale Landing Apartments, LLC.

PASSED AND ADOPTED by the Planning Commission of the City of Lathrop at a regular meeting on the 19th 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

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ITEM: FIVE-YEAR WATER AND SEWER RATE PLAN REVIEW

RECOMMENDATION: Council to Consider a Resolution Postponing the Scheduled Rate Increase for the Water Fund for 2019

SUMMARY:

In January 2016, a water and wastewater rate study proposing a five-year rate increase for years 2016 through 2020 was approved by Council. Rate increases took effect in March 2016 and automatically escalate every January starting in 2017 through 2020. Staff reviews the performance of the Water and Sewer Funds annually to assess the funds' fiscal health. During the 2018 annual review, staff determined the Sewer Fund was performing slightly below the rate study's projection; however, it was within a sustainable range. The Water Fund was outperforming the rate study's projections mainly due to increased development activity and the lifting of drought restrictions.

Water and Sewer rates have increased based on the rate study's recommendation since March 2016. The next scheduled rate increase is programmed for January 2019 as shown on the table below. However, due to the Water fund's positive performance, staff recommends postponing the 2019 rate increase of \$8 for the Water fund. A review will be conducted in the Fall of 2019 to evaluate the Water fund's fiscal performance to determine if the 2020 rate increase is necessary. The sewer fund rates will increase as scheduled.

COUNCIL APPROVED UTILITY RATES

YEAR	East Lathrop Monthly Bill Increase from Previous Year			West of I-5 Monthly Bill Increase from Previous Year		
	Water	Sewer	Total	Water	Sewer	Total
MARCH 2016	\$5	\$3	\$112	\$5	\$6	\$106
JANUARY 2017	\$6	\$4	\$122	\$6	\$6	\$118
JANUARY 2018 (CURRENT)	\$6	\$4	\$132	\$6	\$7	\$131
JANUARY 2019 (APPROVED)	\$8	\$4	\$144	\$8	\$5	\$144
JANUARY 2019 (PROPOSED)	\$0	\$4	\$136	\$0	\$5	\$136

BACKGROUND:

Regulations of Proposition 218, the "Right to Vote on Taxes Act" require Municipalities to increase utility rates through a specific set of guidelines. This includes preparing rate studies, providing notification to customers of the proposed rate increases, allowing for protests, holding a public hearing, and having a majority council approval. In February 2014, the City entered into a contract with Municipal Financial Services (MFS) to perform a water and wastewater rate study for the next five-year period (2016-2020).

In January 2016, MFS prepared a water and wastewater rate study, proposing rate increases for years 2016 through 2020. The rate study showed expenses increase in both the water and sewer funds, yet revenues continue to decrease due to diminishing consumption based on mandated water conservation measures. Council adopted the rate increases for years 2016 through 2020 beginning in March 2016 and escalating every January thereafter.

Staff reviews the performance of the Water and Sewer Funds annually to assess the funds' fiscal health. During the 2018 annual review, staff determined the Sewer Fund was performing slightly below the rate study's projection; however, it was within a sustainable range.

In contrast, the Water Fund was outperforming the rate study's projections mainly due to increased development activity and the lifting of drought restrictions. After further review, it has been determined that the Water fund could sustain operations without a rate increase in 2019. Close monitoring of fiscal trends for the Water fund will be kept to determine the need to implement the 2020 rate increase.

It is important to note that rates are directly impacted by short term and long term outside influences, such as changes in Federal regulations and declining revenues due to mandatory water conservation. In the City's case, both of these factors directly impact the water and wastewater costs. In the short term, revenues could drastically decline if drought conditions appear due to conservation measures. In the long term, State and Federal regulations, such as sustainable groundwater legislation and hazardous materials disposal (arsenic) could increase expenses to the water and sewer funds.

REASON FOR RECOMMENDATION:

Postponing the 2019 water rate increase will have an economic benefit to our residents while still supporting the fund's operations and debt obligations.

FISCAL IMPACT:

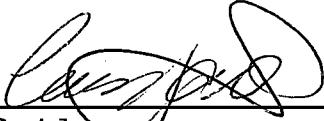
Postponing the scheduled rate increase for the Water fund will be offset by revenue from increased consumption and development activity. A review will be conducted in the Fall of 2019 to evaluate the Water fund's fiscal performance. Sewer fund rates will increase as scheduled.

ATTACHMENTS:

- A. Resolution Postponing the 2019 Rate Increases for the Water Fund Approved by Council on January 11, 2016.

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING
WATER AND SEWER RATE PLAN REVIEW**


APPROVALS:



Cari James
Finance Director

1/3/19

Date



Salvador Navarrete
City Attorney

1-7-19

Date



Stephen Salvatore
City Manager

1-8-19

Date

RESOLUTION NO. 19-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
POSTPONING THE CITY'S WATER RATE INCREASE FOR 2019**

WHEREAS, Chapters 13.04 and 13.16 of Title 13 of the Lathrop Municipal Code permit the City Council of the City of Lathrop to set the City's water and sewer charges; and

WHEREAS, pursuant to Article XIIIID, Section 6 of California Constitution and applicable state law, notice of the public hearing was mailed to each customer and property owner affected by the proposed increases; and

WHEREAS, on January 11, 2016, the City Council held a full and fair public hearing and approved the Five-Year Water and Sewer Rate increases effective March 2016 and escalating every January thereafter through 2020; and

WHEREAS, a full fiscal review of the Water and Sewer Funds was conducted at the end of fiscal year 2017/18 concluding the Sewer fund's fiscal performance was slightly lower than projected and the Water fund's fiscal performance was higher than projected.

WHEREAS, Sewer rates monthly charge will increase by \$4 as scheduled and approved on January 11, 2016.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Lathrop does hereby postpone the scheduled Water Rate increase for 2019.

BE IT FURTHER RESOLVED that January 2018 Water Rates shall remain unchanged through 2019, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the 14th day of January 2019, by the following vote:

AYES:

NOES:

ABSENT:

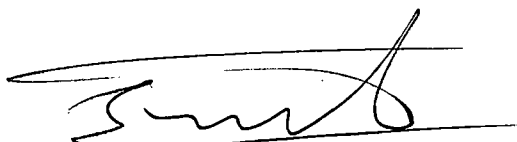
ABSTAIN:

ATTEST:

Teresa Vargas, City Clerk

SONNY DHALIWAL, MAYOR

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

ITEM 6.1

**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: MAYOR'S REFERRAL

RECOMMENDATION: Appointment of One (1) Member to the Measure C Oversight Committee with Term Expiring June 30, 2021, Due to Unexpired Term Vacancy

MEASURE C OVERSIGHT COMMITTEE – LMC CHAPTER 3.13.180

Existing Commissioner(s)	Date of Appointment	Reappointment Date	Term Expiration Date
Ash Ralmilay	8/13/18	-	6/30/21

APPLICANT FOR CONSIDERATION:

1. Charles Garcia, Sr.



COMMISSION/COMMITTEE APPLICATION

RECEIVED

Applying for: MEASURE C COMMITTEE ~~DEC 27 2010~~

Special Requirements:

CITY CLERK

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission

Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.

Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: CHARLES A. GARCIA SR.

Address: [REDACTED] City: LATHROP Zip: 95330

Telephone (home) [REDACTED] Telephone (work) [REDACTED]

Telephone (cell) [REDACTED] Telephone (other) [REDACTED]

Email: [REDACTED] Resident of the City of Lathrop: 25 years

Do you have Transportation to attend the Commission meetings and Functions? Yes No

Background Information:

Are you related to a current City Employee? NO

If yes, give name and relationship N/A

Employment/Volunteer Information:

OAKLAND FIRE DEPARTMENT CURRENT
Organization Date

150 FRANK H. OGDEN PLAZA LIEUTENANT & FIRE
Location Position(s)

Responsibilities/accomplishments: RESPOND & SUPERVISE all EMERGENCY CALLS. TO KEEP THE CREW AND COMMUNITY SAFE.

OAKLAND FIREFIGHTERS LOCAL 55 CURRENT
Organization Date

369-15TH ST. OAKLAND PRESIDENT, ADVISORY BOARD CHAIR, Board
Location Position(s)

Responsibilities/accomplishments: TO LEAD AND OVERSEE THE daily operations of THE UNION THAT includes DENTAL, medical and life INSURANCE programs

Community Activities that you have been involved with (feel free to attach additional pages)

Lathrop High School Head Baseball Coach CURRENT
Name of Organization Position/Responsibilities Dates

Lathrop High Boosters President & Board member 2010-2015
Name of Organization Position/Responsibilities/Accomplishments Dates

Special Awards or Recognitions you have received: FIRE STAFF RECOGNITIONS, BE
Participation and Value.

Educational Information:

Chabot Junior College FIRE FIGHTER I 1985
Educational Institution Degree/Diploma Field Year

Educational Institution Degree/Diploma Field Year

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing you application.)

I have been active with our community since 1973
conclude little league, youth football and now bring active at
our High School.

Please sign and date you application and submit to the Office of the City Clerk at the address below..


Signature

12-27-18
Date

n/a
Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

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**CITY MANAGER'S REPORT
JANUARY 14, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: MAYOR'S REFERRAL

RECOMMENDATION: Appointment of Two (2) Members to the Planning Commission with Terms Expiring June 30, 2022, Due to Unexpired Term Vacancies.

PLANNING COMMISSION – LMC CHAPTER 2.12

Existing Commissioner(s)	Date of Appointment	Reappointment Date	Term Expiration Date
Diane Lazard	3/21/16 (to complete unexpired term)	6/11/18	6/30/22
Jennifer Torres - O'Callaghan	7/1/14	6/11/18	6/30/22

APPLICANTS FOR CONSIDERATION:

1. Minnie Diallo
2. Gloryanna Rhodes
3. Taylor Papallo
4. Stephen Dresser
5. Jennifer Hopping
6. Christopher Mateo
7. Ajit Singh Sandhu



COMMISSION/COMMITTEE APPLICATION

Applying for: PLANNING Commission

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

RECEIVED

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

DEC 07 2018

Name: Minnie Diallo
Address: [redacted] City: Lathrop Zip: 95330

CITY CLERK

Telephone (home) [redacted] Telephone (work) [redacted]
Telephone (cell) [redacted] Telephone (other) [redacted]
Email: [redacted] Resident of the City of Lathrop: 20+ years

Do you have Transportation to attend the Commission meetings and Functions? Yes No

Background Information:

Are you related to a current City Employee? No
If yes, give name and relationship _____

Employment/Volunteer Information:

Organization: Highlight Church Date: 12/13/18
Location: 287 Lathrop Rd. Position(s): Youth Leader

Responsibilities/accomplishments: In charge of Youth Dept.
Many different Awards.

Organization: New Lathrop Neighborhood Watch Summer 2018 Date: _____
Location: Lathrop, CA Position(s): Admin.

Responsibilities/accomplishments: In charge of [redacted] Acres Neighborhood.

Community Activities that you have been involved with (feel free to attach additional pages)

Name of Organization	Position/Responsibilities	Dates
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Name of Organization	Position/Responsibilities/Accomplishments	Dates
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Special Awards or Recognitions you have received: LHS Basketball Award,
Youth Leader Awards, Teacher Awards, etc

Educational Information:

<u>Sierra High School</u>	<u>Diploma</u>	<u>General</u>	<u>2002</u>
<i>Educational Institution</i>	<i>Degree/Diploma</i>	<i>Field</i>	<i>Year</i>

<u>American River College</u>	<u>CNA/HHA</u>	<u>Medical</u>	<u>2009</u>
<i>Educational Institution</i>	<i>Degree/Diploma</i>	<i>Field</i>	<i>Year</i>

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

I love our City & the people who call Lathrop
home. I believe we need some young ideas
& thoughts to represent the younger families
& their needs. I have lived in Lathrop many
years & would be honored to serve our City
officially as a Planning Commissioner.

Please sign and date your application and submit to the Office of the City Clerk at the address below..

Minnie Diallo
 Signature

12/13/18
 Date

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
 City of Lathrop
 390 Towne Centre Drive
 Lathrop, CA 95330



COMMISSION/COMMITTEE APPLICATION

City of Lathrop: Applying for: Planning Commission

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

RECEIVED

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

DEC 10 2018

Name: Gloryanna Rhodes

CITY CLERK

Address: [redacted] City: Lathrop Zip: 95330

Telephone (home) [redacted] Telephone (work) [redacted]

Telephone (cell) [redacted] Telephone (other) [redacted]

Email: [redacted] Resident of the City of Lathrop: 35 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [X] No []

Background Information:

Are you related to a current City Employee? NO

If yes, give name and relationship _____

Employment/Volunteer Information:

Retired in 2014 but I'm still involved in many different committees as a volunteer.
Organization _____ Date _____

Location _____ Position(s) _____

Responsibilities/accomplishments: _____

Organization _____ Date _____

Location _____ Position(s) _____

Responsibilities/accomplishments: _____

Community Activities that you have been involved with (feel free to attach additional pages)

Former Planning Commissioner - Council member - Mayor
Name of Organization Position/Responsibilities Dates

Current Board of Directors LMFD
Name of Organization Position/Responsibilities/Accomplishments Dates

Special Awards or Recognitions you have received: various in the last 35 yrs .
Served on COG, ACE, SJ Regional Rail, SJ Partnership, etc

Educational Information:

CSU Stanislaus yes - BA - 1995
Educational Institution Degree/Diploma Field Year

UOP - Graduate work - did not get diploma
Educational Institution Degree/Diploma Field Year

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

A commitment and desire to continue serving
my City and community.

Please sign and date your application and submit to the Office of the City Clerk at the address below..

Alon Paul 12/17/2018
Signature Date

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330



COMMISSION/COMMITTEE APPLICATION

RECEIVED

Applying for: Planning Commission

DEC 21 2018

Special Requirements:

CITY CLERK

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission

Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.

Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Taylor Papallo

Address: [redacted] City: Lathrop Zip: 95330

Telephone (home) [redacted] Telephone (work) [redacted]

Telephone (cell) [redacted] Telephone (other) [redacted]

Email: [redacted] Resident of the City of Lathrop: 0.5 years

Do you have Transportation to attend the Commission meetings and Functions? Yes No

Background Information:

Are you related to a current City Employee? no

If yes, give name and relationship _____

Employment/Volunteer Information:

Spark Admissions	05/15-Present
<i>Organization</i>	<i>Date</i>
telecommute (company based in Chestnut Hill, MA)	Senior Admissions Consultant
<i>Location</i>	<i>Position(s)</i>

Responsibilities/accomplishments: guide clients through college admissions process; research admissions data; locate internship/volunteering opportunities; manage social media, company newsletter; recruit and train new hires

Freelance Editor/Translator	08/12-Present
<i>Organization</i>	<i>Date</i>
Lathrop, CA	Editor/Translator
<i>Location</i>	<i>Position(s)</i>

Responsibilities/accomplishments: translate documents (primarily academic) from Italian to English or vice versa; review and edit documents

Community Activities that you have been involved with (feel free to attach additional pages)

Latitude Neighborhood Watch	Street Captain	10/18-Present
<i>Name of Organization</i>	<i>Position/Responsibilities</i>	<i>Dates</i>
Latitude Bocce Team	Team Member	07/18-Present
<i>Name of Organization</i>	<i>Position/Responsibilities/Accomplishments</i>	<i>Dates</i>

Special Awards or Recognitions you have received: U.S. Presidential Scholar (2005); Boston University Trustee Scholar (2005-2009)

Educational Information:

Yale University	Ph.D.	Italian	2015
<i>Educational Institution</i>	<i>Degree/Diploma</i>	<i>Field</i>	<i>Year</i>
Boston University	B.A.	Italian Studies & English	2009
<i>Educational Institution</i>	<i>Degree/Diploma</i>	<i>Field</i>	<i>Year</i>

Additional Information *(Please provide any other information which you feel would be useful to the City Council in reviewing your application.)*

I may be relatively new to Lathrop, but I am already actively engaged in the community and eager to play whatever role I can in the city's continued growth and prosperity. I believe my strong research, organizational, and communication skills, honed both in the course of my doctoral degree and in my current position as an admissions consultant, make me an amply qualified candidate for a role that involves examining facts and guidelines, making thoughtful planning determinations based on that data, and sharing those opinions with the City Council. More importantly, I have made friends in Lathrop, I hope to raise children here one day, and I truly consider it my home; as a result, you can trust that I will participate enthusiastically in helping this city reach its fullest potential. Thank you for your consideration.

Please sign and date your application and submit to the Office of the City Clerk at the address below..

Taylor Papallo
Signature

12/18/18
Date

Parent/Guardian Signature *(Required for Youth Advisory Candidates only)*

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330



COMMISSION/COMMITTEE APPLICATION

Applying for: Planning Commission

RECEIVED

DEC 28 2018

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission.
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

CITY CLERK

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: STEPHEN A. DRESSER
Address: [Redacted] City: Lathrop Zip: 95330
Telephone (home) [Redacted] Telephone (work) [Redacted]
Telephone (cell) [Redacted] Telephone (other)
Email: [Redacted] Resident of the City of Lathrop: 24 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [X] No []

Background Information:

Are you related to a current City Employee? NO
If yes, give name and relationship

Employment/Volunteer Information:

Brown Bag & Commodities 2016 - Present
Organization Date
Lathrop Senior Center Volunteer Worker
Location Position(s)

Responsibilities/accomplishments: bag and dispense food to needy

Lathrop Service Rotary 5-2002 - present
Organization Date
Lathrop President (2) Treasurer
Location Position(s)

Responsibilities/accomplishments: Lead meetings, fundraise work and coordinate multiple events benefiting city residents. Coordinate city fireworks booth (5yr)
Volunteer tutor - Give Every Child A Chance; Volunteer Boys & Girls Club

Community Activities that you have been involved with (feel free to attach additional pages)

<i>First Responders Recognition BSA</i>	<i>2017-2018</i>
Name of Organization	Dates

<i>Thrive Church Backpack Give Away</i>	<i>2016-17-18</i>
Name of Organization	Dates

Special Awards or Recognitions you have received: *CLASSIFIED Employee of the Year for ESCALON Unified AND Jefferson School Districts.*

Educational Information:

<i>Plus X H.S.</i>	<i>1968</i>
Educational Institution	Year

<i>U.C. DAVIS EXT. COURSE STUDY COMMUNITATIONS</i>	<i>2007-10</i>
Educational Institution	Year

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

*I HAVE 5 YEARS PREVIOUS PLANNING COMMISSION EXPERIENCE. IVE WORKED ON THE FOLLOWING DEVELOPMENT AND BUSINESS PROJECTS: RIVER ISLANDS, SAYBROOK, TESTA, KRAFT HEINZ AND UPS (PLUS MANY MORE)
I AM AN OPEN MINDED TEAM PLAYER*

Please sign and date your application and submit to the Office of the City Clerk at the address below..

<i>Steph L. C. Quinn</i>	<i>12-24-2018</i>
Signature	Date

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330



COMMISSION/COMMITTEE APPLICATION

Applying for: Planning Commission

RECEIVED
MISSION
DEC 28 2018

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

CITY CLERK

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Jennifer F. Hopping
Address: [REDACTED] City: Lathrop Zip: 98330
Telephone (home) [REDACTED] Telephone (work) [REDACTED]
Telephone (cell) [REDACTED] Telephone (other) _____
Email: [REDACTED] Resident of the City of Lathrop: 4 years

Do you have Transportation to attend the Commission meetings and Functions? Yes No

Background Information:

Are you related to a current City Employee? NO

If yes, give name and relationship _____

Employment/Volunteer Information:

Lawrence Livermore National Lab April 2016 - current
Organization Date
Livermore, CA strategic site planner
Location Position(s)

Responsibilities/accomplishments: Established street sign standards with city of Livermore and Sandia National Labs. Move Management system Manager and Prof working on strategic plans & Master Planning efforts.

Sandia National Labs Aug. 2010 - April 2016
Organization Date
Livermore, CA tactical/strategic planner
Location Position(s)

Responsibilities/accomplishments: Strategic studies. Space management & utilization. Office modernization and workspace strategies Mothering room standards and implementation

Community Activities that you have been involved with (feel free to attach additional pages)

Name of Organization	Position/Responsibilities	Dates
City of Livermore (Chair 2013 → March 2014)	Beautification Committee City Council advisory committee, private property maintenance standards, Park, roadside, media island beautification & graffiti removal	May 2011 - March 2014

Name of Organization	Position/Responsibilities/Accomplishments	Dates
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Special Awards or Recognitions you have received: Main stage speaker at Space Strategies 2018 conference.

Educational Information:

Educational Institution	Degree/Diploma	Field	Year
California State University East Bay	Master's	Public Administration	2013

Educational Institution	Degree/Diploma	Field	Year
California State Polytechnic University Pomona	BS	Urban + Regional Planning	2010

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing you application.)

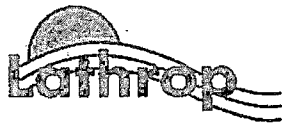
I would like to get more involved in the city of Lathrop. My education is focused around city & regional planning. I want to give back to the community that my family loves so much.

Please sign and date you application and submit to the Office of the City Clerk at the address below..

Signature: Jennifer Hopping Date: 12-28-2018

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330



COMMISSION/COMMITTEE APPLICATION

RECEIVED

Applying for: Commissioner, Planning Commission

JAN 02 2010

Special Requirements:

CITY CLERK

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Christopher Mateo
Address: [redacted] City: Lathrop Zip: 95330
Telephone (home) [redacted] Telephone (work)
Telephone (cell) [redacted] Telephone (other)
Email: [redacted] Resident of the City of Lathrop: 10 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [x] No []

Background Information:

Are you related to a current City Employee? No

If yes, give name and relationship

Employment/Volunteer Information:

City Council, City of Lathrop 2008-2012
Organization Date
City of Lathrop Councilmember/Vice Mayor
Location Position(s)

Responsibilities/accomplishments:

San Joaquin Council of Governments 2010-2012
Organization Date
San Joaquin County Board of Director/Vice Chairman
Location Position(s)

Responsibilities/accomplishments:

Community Activities that you have been involved with (feel free to attach additional pages)

<i>Name of Organization</i>	<i>Position/Responsibilities</i>	<i>Dates</i>
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<i>Name of Organization</i>	<i>Position/Responsibilities/Accomplishments</i>	<i>Dates</i>
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Special Awards or Recognitions you have received: _____

Educational Information:


San Jose State University	B.S.	Economics	1987
<i>Educational Institution</i>	<i>Degree/Diploma</i>	<i>Field</i>	<i>Year</i>

SJSU Professional Studies	Certificate	Building Inspection	2004
<i>Educational Institution</i>	<i>Degree/Diploma</i>	<i>Field</i>	<i>Year</i>

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing you application.)

Veteran- US Navy

Please sign and date you application and submit to the Office of the City Clerk at the address below..



Signature _____ Date 1/2/19

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
 City of Lathrop
 390 Towne Centre Drive
 Lathrop, CA 95330



COMMISSION/COMMITTEE APPLICATION

Applying for: Planning Commission

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

RECEIVED

JAN 03 2019

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

CITY CLERK

Name: AJIT SINGH SANDHU

Address: [redacted] City: LATHROP Zip: 95330

Telephone (home) [redacted] Telephone (work) [redacted]

Telephone (cell) [redacted] Telephone (other) _____

Email: [redacted] Resident of the City of Lathrop: 10 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [checked] No []

Background Information:

Are you related to a current City Employee? NO

If yes, give name and relationship _____

Employment/Volunteer Information:

An Independent representative of Primerica life Ins. Co
Organization Date

4707 Green field Ct. SUIT Modesto. Division Leader,
Location 95356 Position(s)

Responsibilities/accomplishments: Representing Primerica life insurance company.

Organization Date

Location Position(s)

Responsibilities/accomplishments: _____

Community Activities that you have been involved with (feel free to attach additional pages)

- | | Name of Organization | Position/Responsibilities | Dates |
|---|--|---|-------------|
| | Sikh Temple Fairfield | Secretary | 2006 - 2007 |
| ① | Member of Memorial/Veterans Day Committee of Lathrop | | |
| ② | Sports club Solano County | Advisor | 2002 |
| | Name of Organization | Position/Responsibilities/Accomplishments | Dates |
| ③ | Lion club members | Parks & Recreation Commissioner, Lathrop | |

Special Awards or Recognitions you have received:

life time achievement award in the field of water sport. Appreciations letters by city council of Lathrop.

Educational Information:

Educational Institution	Degree/Diploma	Field	Year
INDIA - Punjab	BA.	Public Administration	1971

Educational Institution	Degree/Diploma	Field	Year
NIS - INDIA, Punjab		Field Hockey	1972

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

Civil Defence, Self Defence, Firefighting sports and cultural activity, Blood drive, Food drive, Fund raising for needfull people of community.

Please sign and date your application and submit to the Office of the City Clerk at the address below.

Signature: Abandh Date: 01-03-2019

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

City Clerk
 City of Lathrop
 390 Towne Centre Drive
 Lathrop, CA 95330

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ITEM: MAYOR AND COUNCILMEMBER APPOINTMENTS TO SERVE ON OUTSIDE AGENCY BOARDS, COMMISSION AND COMMITTEES FOR 2019

RECOMMENDATION: Mayor to Assign City Council Appointments for 2019

BACKGROUND:

Councilmembers serve on various outside agency boards, commissions and committees in order to represent the interests of the City of Lathrop. Chapter V, Section B(2) of the City Council Handbook of Rules and Procedures provides: "The Mayor shall, instead of nominating, announce the appointment of the designated Councilmember as a member of a County, regional, multi-public agency, or other outside agency, at the time the matter is considered at the City Council meeting. If no motion is made by a Councilmember, immediately following the Mayor's announcement, to submit the Mayor's intended appointment to formal vote of the City Council, the Mayor's announced appointment is deemed approved."

The Mayor traditionally reviews these appointments each year, following Council reorganization, to examine whether current assignments should remain the same or if they should be changed for the upcoming year. Some assignments are made by jurisdictions that the City of Lathrop does not control. Attached to this report is a list of current appointments, some appointments require filing a Form 700 Statement of Economic Interest at the time of assuming or leaving office and annually. The Form 700 filings must be provided directly to the subject agency.

FISCAL IMPACT

None.


ATTACHMENTS:

- A. Current Mayor and Councilmember Appointments (*Assigned for 2018*)

SUBMITTED BY:



Teresa Vargas
City Clerk



Date

**CITY OF LATHROP
MAYOR AND COUNCILMEMBER APPOINTMENT LIST FOR 2018**



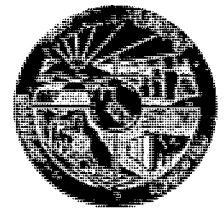
REGIONAL COMMITTEE APPOINTMENTS			
Committee	When and Where	Delegate	Alternate
Central Valley Executive Committee (League of California Cities)	<i>When:</i> As needed <i>Time:</i> As scheduled <i>Where:</i> Various locations League Address: 1400 K St., Suite 400 Sacramento, CA 95814 <i>Contact:</i> Stephen Qualls – (209) 614-0118 squalls@cacities.org (916) 658-8200 Main <i>Website:</i> www.cacities.org	Councilmember Salcedo	Councilmember Akinjo
Council of Governments (COG) Executive Committee Form 700	<i>When:</i> 4 th Thursday of each month <i>Time:</i> 5:00 p.m. <i>Where:</i> 555 East Weber Stockton, CA 95202 <i>Contact:</i> Rosie Gutierrez, Office Administrator San Joaquin Council of Governments (209) 235-0600 <i>Website:</i> www.sjcog.org	VACANT	Mayor Dhaliwal
Integrated Waste Management Task Force (Solid Waste Division)	<i>When:</i> As needed <i>Time:</i> As scheduled <i>Where:</i> Various locations 1810 East Hazelton Avenue Stockton, CA 95202 <i>Contact:</i> Dave Gorton Solid Waste Division dgorton@sjgov.org (209) 468-3066 <i>Website:</i> http://www.sjgov.org/solidwaste/	Councilmember Akinjo	VACANT

**CITY OF LATHROP
MAYOR AND COUNCILMEMBER APPOINTMENT LIST FOR 2018**



REGIONAL COMMITTEE APPOINTMENTS			
Committee	When and Where	Delegate	Alternate
<p>Reclamation District 17 Joint Powers Authority</p> <p align="right">Form 700 <i>(mail to: Mia Brown, Attorney at Law)</i></p>	<p><i>When:</i> As needed <i>Time:</i> As scheduled <i>Where:</i> Various locations 235 E Weber Avenue Stockton, CA 95202 Mailing address: P.O. Box 1461 Stockton, CA 95201-1461 <i>Contact:</i> Dante John Nomellini, Special Counsel ngmplcs@pacbell.net <i>Website:</i> n/a</p>	Stephen Salvatore	N/A
<p>San Joaquin County Commission on Aging</p>	<p><i>When:</i> 1st Monday of each month <i>Time:</i> 1:30 p.m. <i>Where:</i> 102 S. San Joaquin St., Conf. Rm. C Stockton, CA 95202 <i>Contact:</i> Barbara Parrish (209) 468-2202 bparrish@sjgov.org <i>Website:</i> http://www.sjgov.org</p>	Nellie Zavala	N/A
<p>San Joaquin Partnership Board of Directors</p>	<p><i>When:</i> 4th Thursday of each month <i>Time:</i> 8:00 a.m. <i>Where:</i> 2800 W. March Lane, Suite 470 Stockton, CA 95219 <i>Contact:</i> Chris Bamesberger-Youngsma Office Manager cby@sjpnet.org (209) 956-3380 <i>Website:</i> www.sjpnet.org</p>	Stephen Salvatore	N/A

**CITY OF LATHROP
MAYOR AND COUNCILMEMBER APPOINTMENT LIST FOR 2018**



REGIONAL COMMITTEE APPOINTMENTS			
Committee	When and Where	Delegate	Alternate
San Joaquin Valley Air Pollution Control District Special City Selection Committee <i>Form 700</i>	<i>When:</i> As needed <i>Time:</i> As scheduled <i>Where:</i> 4800 Enterprise Way Modesto, CA 95356-8718 <i>Contact:</i> Michelle Franco Deputy Clerk of the Boards Michelle.Franco@valleyair.org (559) 230-6038 <i>Website:</i> www.valleyair.org	Councilmember Akinjo	Mayor Dhaliwal
Water Advisory Board <i>Form 700</i>	<i>When:</i> 3 rd Wednesday of each month <i>Time:</i> 11:30 a.m. to 1:00 p.m. with a Brown Bag from 1:00 p.m. to 3:00 p.m. <i>Where:</i> Public Health Building 1601 E. Hazelton Avenue Stockton, CA 95201 <i>Contact:</i> Kelly Villapando krvillapando@sjgov.org (209)468-3073 <i>Website:</i> www.sjwater.org	Mayor Dhaliwal	VACANT
Tri Valley-San Joaquin Valley Regional Rail Authority Board of Directors <i>Form 700</i>	<i>When:</i> 2 nd Wednesday of each month <i>Time:</i> 2:00 p.m. to 4:00 p.m. <i>Where:</i> Alternating from Tracy/Livermore <i>Tracy Transit Center</i> 50 East 6 th Street, Tracy <i>Robert Livermore Community Center</i> 4444 East Avenue, Livermore <i>Contact:</i> Michael Tree, Executive Director mtree@lavta.org (925) 455-7564 <i>Website:</i> http://www.acetobart.org/	Councilmember Akinjo	N/A <i>(Alternate has no voting rights)</i>

**CITY OF LATHROP
MAYOR AND COUNCILMEMBER APPOINTMENT LIST FOR 2018**



REGIONAL COMMITTEE APPOINTMENTS			
Committee	When and Where	Delegate	Alternate
<p>San Joaquin Area Flood Control Agency (SJAFCA) – <i>Two Board Members Required</i></p> <p align="right">Form 700</p>	<p><i>When:</i> 2nd Thursday of each month <i>Time:</i> 9:00 a.m. <i>Where:</i> San Joaquin Area Flood Control Agency 425 N. El Dorado, City Hall, Council Chamber, 2nd Floor Stockton, CA 95202 <i>Contact:</i> Marlo Duncan, Project Manager <u>marlo.duncan@stocktongov.com</u> Dawn Clement, Office Specialist <u>Dawn.Clement@stocktonca.gov</u> (209)937-8211 <i>Website:</i> <u>https://www.sjafca.com/</u></p>	VACANT – Requires Two (2) Delegates	N/A
<p>Eastern San Joaquin Groundwater Authority</p> <p align="right">Form 700</p>	<p><i>When:</i> 2nd Wednesday of each month <i>Time:</i> 9:30 a.m. <i>Where:</i> 2101 E. Earhart Avenue Stockton, CA (Assembly Room 1) <i>Contact:</i> Kelly Villapando <u>krvillapando@sjgov.org</u> (209)468-3073 <i>Website:</i></p>	Stephen Salvatore	Greg Gibson
<p>San Joaquin Regional Rail Commission</p> <p align="right">Form 700</p>	<p><i>When:</i> 1st Friday of each month <i>Time:</i> 8:00 a.m. <i>Where:</i> 949 East Channel Street Stockton, CA 95202 <i>Contact:</i> Susan Payan - (209) 944-6234 <u>susanp@acerail.com</u> Sarah Rasheed – (209) 944-6265 <u>sarah@acerail.com</u> <i>Website:</i> <u>http://www.acerail.com</u></p>	VACANT	N/A

**CITY OF LATHROP
MAYOR AND COUNCILMEMBER APPOINTMENT LIST FOR 2018**



STANDING COMMITTEES

Committee	When and Where	Delegate	Alternate
City of Manteca & City of Lathrop 2x2 Meetings	<i>When:</i> As needed <i>Time:</i> As scheduled <i>Where:</i> TBD	Mayor Dhaliwal	VACANT
Lathrop Manteca Fire Department & City of Lathrop 2x2 Meetings	<i>When:</i> As needed <i>Time:</i> As scheduled <i>Where:</i> TBD	Mayor Dhaliwal	VACANT
Manteca Unified School District & City of Lathrop 2x2 Meetings	<i>When:</i> As needed <i>Time:</i> As scheduled <i>Where:</i> Manteca Unified School District Administration Office – Louise Avenue <i>Contact:</i> Chelo De Leon Office of Superintendent cdeleon@musd.net (209)858-0729 <i>Website:</i> www.mantecausd.net	Mayor Dhaliwal	VACANT
Lathrop Police Services Review 2-City Councilmember Committee	<i>When:</i> As needed <i>Time:</i> As scheduled <i>Where:</i> TBD	Mayor Dhaliwal	Councilmember Akinjo

JURISDICTIONAL NOMINATIONS

Committee	When and Where	Delegate	Alternate
San Joaquin County Local Agency Formation Commission (LAFCo) <i>Form 700</i>	<i>When:</i> 3 rd Friday of each month <i>Time:</i> 10:00 a.m. <i>Where:</i> 509 W. Weber Avenue, Suite 420 Stockton, California 95203 <i>Contact:</i> Linda Lund - (209) 468-3198 llund@sjgov.org <i>Website:</i> www.co.san-joaquin.ca.us/lafco	Next Lathrop rotation in 2021	N/A