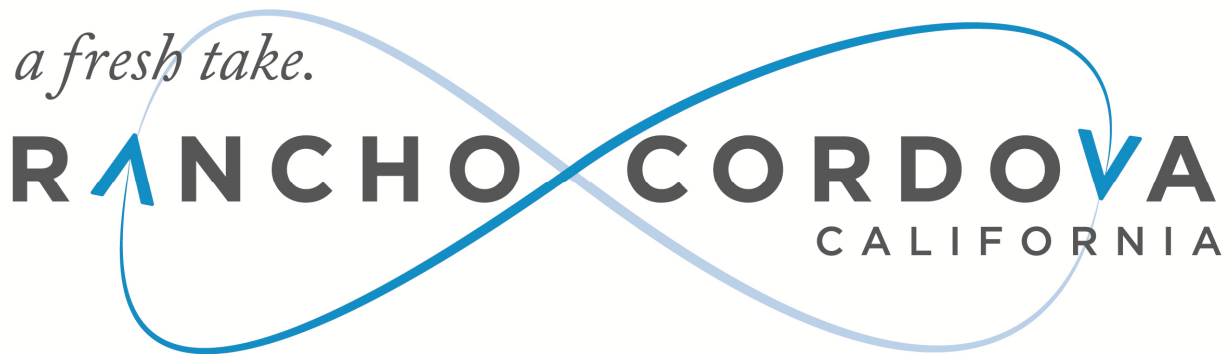


CITY OF RANCHO CORDOVA



CONCURRENT MEETING CITY COUNCIL/SUCCESSOR AGENCY TO THE CRA/RCFC

Monday, September 15, 2014

5:30 PM – Regular Meeting

AGENDA

Dan Skoglund, Mayor

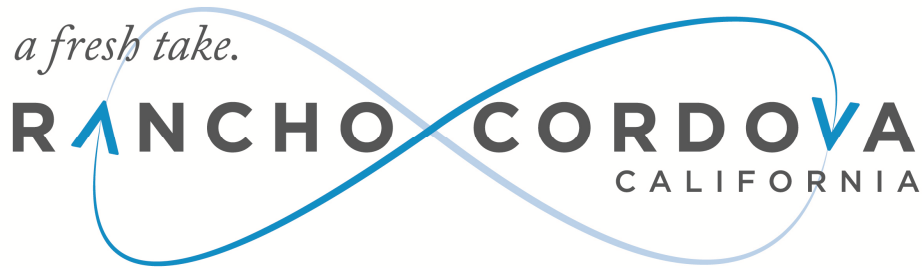
Robert J. McGarvey, Vice Mayor

David Sander, Council Member

Donald Terry, Council Member

Linda Budge, Council Member

CITY OF RANCHO CORDOVA



CONCURRENT MEETING CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)

City Hall
2729 Prospect Park Drive, Rancho Cordova

Monday, September 15, 2014

5:30 PM – Regular Meeting
David B. Roberts Council Chambers

AGENDA

1. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Council Members Budge, McGarvey, Sander, Terry and Mayor Skoglund.

2. CLOSED SESSION

Council will meet in Closed Session to discuss the following item(s):

- 2.1 CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (Number of potential cases: 1).

3. ADJOURNMENT

Mayor Skoglund will adjourn the Closed Session to the Regular Meeting in the David B. Roberts Council Chambers.

4. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Council Members Budge, McGarvey, Sander, Terry and Mayor Skoglund.

5. METRO CABLE TV TELEVISION ANNOUNCEMENT

The Clerk will announce the meetings video recording and playback schedules.

6. PLEDGE OF ALLEGIANCE

The Mayor will call on someone in attendance to lead the Pledge.

7. INVOCATION

8. OPEN SESSION - REPORT FROM CLOSED SESSION

The City Attorney will report on action taken in Closed Session.

9. PRESENTATIONS

- 9.1 Presentation of Proclamation Presented to Daughters of the American Revolution in Honor of Constitution Week.
- 9.2 Drug Free Public Service Announcement Contest Presentation Given by Jamie Gomez.
- 9.3 Presentation of Proclamation Presented to Rivkah K. Sass of the Sacramento Public Library Authority Proclaiming September 2014 as Adult Literacy Awareness Month in Honor of the 30th Anniversary of the California Library Literacy Services Program.
- 9.4 Introduction of New City Employee, Tony Ebster, Building Permit Technician Given by Cyrus Abhar, Public Works Director.
- 9.5 Recognition of Mayor Skoglund's Birthday on September 16, 2014.

10. PUBLIC COMMENT

Citizens wishing to address the Council for any matter on the Consent Calendar or not on the agenda may do so at this time by completing and submitting a Speaker Card to the City Clerk. For items on the agenda, speakers will be called up to the podium by the Mayor at the point on the agenda when the item will be heard. Speakers are encouraged to keep comments to three minutes or less and to state name and community of residence.

Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking immediate action on any unagendized item unless it can be demonstrated to be of an emergency nature or the need to take immediate action arose after the posting of the agenda.

11. COUNCIL REPORTS

12. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

- 12.1 **Subject:** Meeting Minutes of September 2, 2014 Regular Meeting and September 9, 2014 Special Meeting.
Recommendation: Adopt Minutes.

- 12.2 **Subject:** Second Reading of Ordinance No. 24-2014, Approving a Rezone and Development Agreement Amendment for Arista Del Sol - Project No. DD8436.
Recommendation: Waive the second reading and adopt Ordinance No. 24-2014.
Result of Recommended Action: Approval of the project would allow reconfiguration of the residential subdivision and overall reduction in units from 905 single family lots to 740 single family lots. Additionally, approval of the project would allow for amendments to the previously adopted Development Agreement to clarify the project's parks and infrastructure requirements. These modifications reflect the recent updates to the City's open space/park standards and Public Works improvement timing and standards.
Staff Report: Jessica Jordan, Senior Planner.
Advances Goals: 1, 2, 6.

13. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

NONE.

14. PUBLIC HEARING ITEMS

- 14.1 **Subject:** An Ordinance adding Section 23.325.090, Sunridge General Commercial Overlay Zoning District, to Chapter 23.325 of Title 23 of the Municipal Code.
Recommendation: Staff recommends this item be continued to the October 6, 2014 City Council Meeting.
Result of Recommended Action: Continuance of this item responds to a request by one of the affected property owners, thereby allowing their representative to be present at the hearing.
Staff Report: Paul Junker, Planning Director.
Advances Goals: 1, 2, 5, 6.
- 14.2 **Subject:** A Resolution Approving the 2013-2014 Community Development Block Grant (CDBG) Consolidated Annual Performance Evaluation Report (CAPER) for submittal to US. Department of Housing and Urban Development (HUD).
Recommendation: Approve Resolution No. 111-2014.
Result of Recommended Action: Approves 2013-2014 CDBG CAPER for submittal to HUD and allows City Manager to sign necessary HUD documentation for CAPER submittal.
Staff Report: Jessica Hayes, Housing and Neighborhood Development Analyst and Peter Ibrahim, Housing Services Assistant.
Advances Goals: 1,2,5, 6.
- 14.3 **Subject:** A public hearing to consider on an economic development subsidy for off-site public infrastructure for a hotel and event space project to be located at 11212 Point East Drive, Rancho Cordova, CA 95670; and consideration of a Resolution approving a financing agreement for the subsidy and fee deferrals of up to \$580,000 for the project.
Recommendation: Adopt Resolution No. 112-2014.
Result of Recommended Action: Adoption of this resolution will authorize the City to defer building, planning and development fees for 20 years with interest accrual, repayments will begin six-months after receipt of Certificate of Occupancy and up to \$420,000 for the installation of off-site public infrastructure.
Staff Report: Amanda Norton, Economic Development Manager.
Advances Goals: 5, 6.

15. REGULAR CALENDAR ITEMS

- 15.1 **Subject:** A Fresh Take for the Historic Mather Mills Building.

16. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

17. CITY MANAGER'S REPORT

Annual Update: Neighborhood Services: Code Enforcement and Animal Services.

18. ADJOURNMENT

ADDITIONAL INFORMATION

UNLESS THE COUNCIL ADOPTS A MOTION TO EXTEND THE MEETING, ANY ITEM THAT IS NOT INITIATED BEFORE 11:00 PM WILL BE CONTINUED TO THE NEXT DAY AT 5:30 PM OR SCHEDULED ON THE NEXT REGULAR MEETING AGENDA OF THE COUNCIL.

Public documents related to items on the open session portion of this agenda, which are distributed to the City Council less than 72 hours prior to the meeting, shall be available for public inspection at the time the documents are distributed to the Council. Documents are available for inspection at the City Clerk's office located in Rancho Cordova City Hall.

The agenda items are accessible on the City's website at www.cityofranchocordova.org on Thursdays or Fridays prior to the Regular City Council Meeting.

CITYWIDE GOALS - (Adopted March 27, 2012)	
1.	Promote the Positive Image of Rancho Cordova
2.	Ensure a Safe, Inviting and Livable Community
3.	Empower Responsible Citizenship
4.	Establish Logical City Boundaries that Provide Regional Leadership and Address Financial Challenges
5.	Ensure the Availability of the Best Public Services in the Region while Practicing Sound Fiscal Management
6.	Drive Diverse Economic Opportunities

UPCOMING MEETINGS	
<i>Tuesday, September 23, 2014</i>	<i>City Council Special Meeting (5:30 PM)</i>
<i>Monday, October 6, 2014</i>	<i>City Council Special Meeting (4:00 PM)/Regular Meeting (5:30 PM)</i>
<i>Tuesday, October 14, 2014</i>	<i>City Council Special Meeting (5:30 PM)</i>
<i>Monday, October 20, 2014</i>	<i>City Council Regular Meeting (5:30 PM)</i>
<i>Tuesday, October 28, 2014</i>	<i>City Council Special Meeting/Work Session (5:30 PM)</i>
<i>Monday, November 3, 2014</i>	<i>City Council Special Meeting (4:00 PM)/Regular Meeting (5:30 PM)</i>

If you have any technical questions related to the agenda items, please contact the appropriate department as follows:

DEPARTMENTAL GENERAL TELEPHONE NUMBERS	
Building and Safety Division	(916) 851-8760
City Attorney's Office	(916) 556-1531
City Clerk's Department	(916) 851-8720
City Manager's Office	(916) 851-8800
Communications Department	(916) 851-8791
Economic Development Department	(916) 851-8780
Finance Department	(916) 851-8730
Housing Division	(916) 851-8784
Human Resources Department	(916) 851-8740
IT Department	(916) 851-8700
Neighborhood Services – Animal Services	(916) 851-8770
Parks & Recreation (Cordova Recreation & Park District)	(916) 362-1841
Planning Department	(916) 851-8750
Public Works Department	(916) 851-8710
Rancho Cordova Police Department	(916) 875-9600
Redevelopment Department	(916) 851-8780
Sac Metro Fire District	(916) 859-4300

The Rancho Cordova City Council/Successor Agency to the CRA/RCFC will be videotaped in its entirety and will be cablecast without interruption on Metro Cable 14, the Government Affairs Channel on the Comcast and SureWest Cable Systems. Closed Captioning will be available on the playback cablecast. Tune to Metro Cable Channel 14, for playback times. A VHS copy is available for check out from any library branch, a DVD copy is available from the City Clerk's Department, and a webcast of this meeting will be available for viewing via video streaming from the City's website within 48 hours of adjournment of this meeting. The City does not control scheduling of this telecast and persons interested in watching the televised meeting should confirm this schedule with Metro Cable TV, Channel 14.

In compliance with the Americans with Disabilities Act, if you need a disability-related modification or accommodation, including auxiliary aids or services, to participate in this meeting, please contact the City Clerk's Office at (916) 851-8720 at least 48 hours prior to the meeting.

CERTIFICATION OF POSTING OF AGENDA

I, Mindy Cuppy, MMC, City Clerk for the City of Rancho Cordova, declare that the foregoing agenda for the Monday, September 15, 2014 Regular Meeting of the Rancho Cordova City Council/Successor Agency to the CRA/RCFC was posted and available for review on Thursday, September 11, 2014 at City Hall of the City of Rancho Cordova, 2729 Prospect Park Drive, Rancho Cordova, California, 95670. The agenda is also available on the city website at www.cityofranchocordova.org.

Signed Thursday, September 11, 2014 at Rancho Cordova, California.


Mindy Cuppy, MMC, City Clerk



DRUG FREE PSA CONTEST FOR RANCHO YOUTH!



DID YOU KNOW?

- Less than 10 % of 7th-9th graders in the FCUSD have used alcohol 1-2 days
- Less than 5% of 7th-9th graders have used marijuana daily

***Let's change Rancho Cordova's
Perspective on our youth! Let's focus
on the positive!***

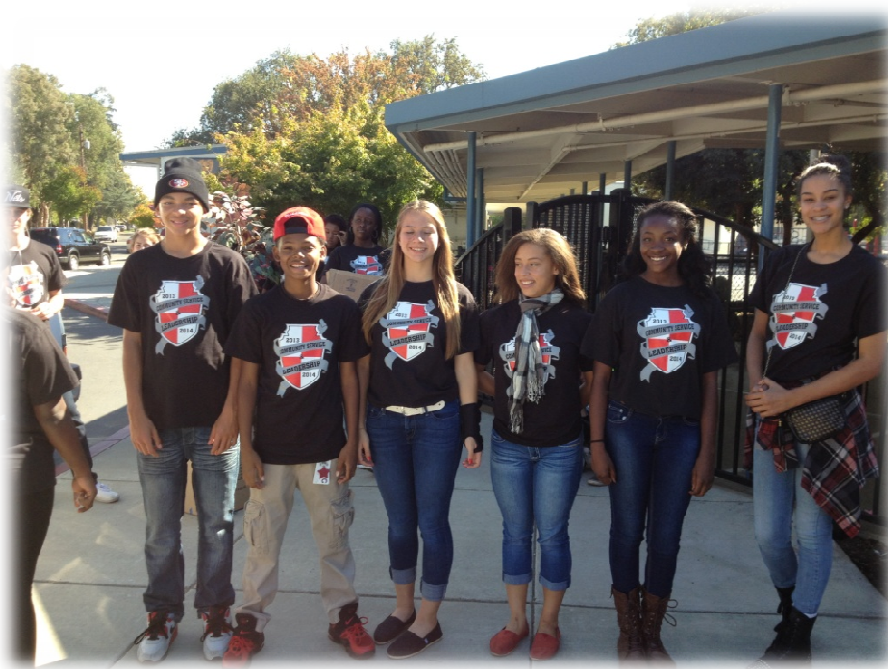


HOW?



- The Rancho Cordova Children, Youth, and Families Collaborative in Partnership with CBS is hosting a PSA contest for our youth to participate in 9/15-12/12.
- All secondary students in Rancho Cordova are eligible to compete
- Individual and group entries are accepted in the following categories:
 - Video PSA
 - Audio PSA
 - Creative Writing
 - Print Graphics

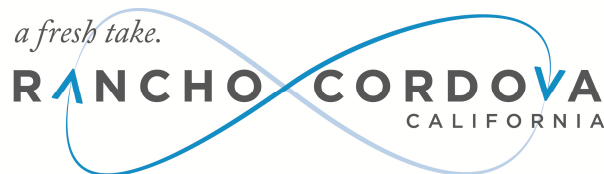
PRIZES



- The entry chosen by CBS will get a chance to work with CBS staff in refining their entry into a campaign that our collaborative will use for the next year to promote teen drug free living in our community
- Our collaborative is currently looking for donations from our community to assist us in supporting 1st, 2nd, and 3rd place winners at both the High School and Middle School levels.
- We will also be sharing entries with our Federal funder ONDCP for their Faces of Prevention Project

UPCOMING EVENTS

- September 26th 11:30 am- Press conference at RCPD re: Rancho Cordova's first permanent Rx disposal bin
- September 27th National Rx Drug Take Back Day RCPD
- October is national prevention month!
 - Red Ribbon Week 10/27-10/31
 - RCCYFC Prevention Matters Conference 10/24



**CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT
AGENCY (CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

**City Hall
2729 Prospect Park Drive, Rancho Cordova**

Tuesday, September 02, 2014

**5:30 PM – Regular Meeting
David B. Roberts Council Chambers**

DRAFT MINUTES

1. REGULAR MEETING - CALL TO ORDER / ROLL CALL

Mayor Skoglund called the regular meeting to order in the David B. Roberts Council Chambers at 5:37 PM.

Council Members Present: Terry, McGarvey, Skoglund, Budge, Sander

Council Members Absent: None

Staff Members Present: Chinn, Cuppy, Abhar, Cook, Junker, Downton, Garcia, Haven, Holt, Simpson, Sparkman, Snyder, Thomas, Hayden, Samuelson, Goold, George

2. METRO CABLE TV TELEVISION ANNOUNCEMENT

The City Clerk read the meetings recordings and playback schedules.

3. PLEDGE OF ALLEGIANCE

Allegra Alessandri led the pledge.

4. INVOCATION

Dustin Larsen from First Covenant Church gave the invocation.

5. PRESENTATIONS

- 5.1 Presentation of Proclamation for Prostate Cancer Awareness Month Presented to Richard Montgomery.

- 5.2 Introduction of New City Employee, Karin Hayden, Administrative Assistant Given by Cyrus Abhar, Public Works Director.

6. PUBLIC COMMENT

Mayor Skoglund opened the public comment period. The following individuals addressed the Council:

- Morjana Coffman, in opposition of the gun club.
- Derald Langwell, in support of the gun club.
- Joyce Rosenberg, regarding Golden State Water Company's letter.
- Walt Myers, regarding Golden State Water Company's letter.
- Allegra Alessandri, expressed her concerns regarding the gun club.
- Rucha Powers, expressed her concern regarding the gun club.
- Justine Belson, in opposition of the gun club.
- Brian Lenz, in opposition of the gun club.
- Paul Junker, Planning Director, addressed the gun club concerns heard from the community.

Mayor Skoglund closed the public comment period.

7. COUNCIL REPORTS

Mayor Skoglund honored Bill Campbell, a city employee who passed recently.

Council reported on events since the last meeting.

8. CONSENT CALENDAR ITEMS - ROLL CALL VOTE

The City Clerk reported that the ballots for item 8.3, special tax area zone 17, were tabulated and there were 1-yes and 0-no votes. Therefore the property owner approves the special tax for this area.

Item 8.4 was pulled for discussion.

ACTION: Motion to approve items 8.1 through 8.3 and 8.5 through 8.6 by Budge second by Terry; Carried by a 5:0 roll call vote.

ACTION: Motion to approve item 8.4 by Budge second by Sander; Carried by a 5:0 roll call vote.

- 8.1 **Subject:** Meeting Minutes of August 13, 2014 Special Meeting, August 18, 2014 Regular Meeting, August 21, 2014 Special Meeting, and August 26, 2014 Special Meeting.

Recommendation: Adopt Minutes.

- 8.2 **Subject:** Second Reading of Ordinance No. 22-2014, adding Article 16, "Repeat Nuisance Service Calls," to Chapter 16.18 of the Municipal Code to prevent and abate repeat service calls to the same property by charging a repeat nuisance service call fee to property owners if the number of service calls exceeds a set amount.

Recommendation: Waive the second reading and adopt Ordinance No. 22-2014.

Result of Recommended Action: If adopted, this Ordinance will allow the City to recoup its costs for excessive nuisance service calls to properties, which drain City resources and prevent service to other areas of the City.

Staff Report: Kate Cook, City Attorney's Office and Kerry Simpson, Neighborhood Services Manager.

Advances Goals: 1, 2, 3, 5.

- 8.3 **Subject:** Resolution Declaring the Results of Mail Ballot Election for Transit Related Services Special Tax Area Zone 17 (3500 Fitzgerald Road Industrial Building Project).

Recommendation: Adopt Resolution No. 106-2014.

Result of Recommended Action: Adoption of this resolution will declare the result of the transit-related services mail ballot election concerning Transit Related Services Special Tax Area Zone 17, which will assist the city in meeting the costs of providing City transit-related services by establishing a special tax for transit services for the 3500 Fitzgerald Road Industrial Building Project.

Staff Report: Elizabeth Sparkman, Senior Engineer.

Advances Goal: 5.

- 8.4 **Subject:** Resolution Authorizing the City Manager to Execute an Amended Operating Protocols Agreement with the Sacramento Transportation Authority.

Recommendation: Adopt Resolution No. 107-2014.

Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute an Amended Operating Protocols Agreement with the Sacramento Transportation Authority for the Measure A Fee. The Amended Agreement reflects a fee reduction for the general commercial rate and updates the fee schedule to add more fee categories for ease of implementation. No fees are increasing as a result of this action.

Staff Report: Cyrus Abhar, Public Works Director and Elizabeth Sparkman, Senior Engineer.

Advances Goal: 5.

- 8.5 **Subject:** Resolution of the Rancho Cordova Successor Agency Approving the Recognized Obligation Payment Schedule (ROPS 14-15B) and Administrative Budget for January through June 2015.

Recommendation: Adopt Resolution No. SA-3-2014.

Result of Recommended Action: Approval of this resolution will allow the Rancho Cordova Successor Agency to make payments on obligations listed on ROPS 14-15B and establishes the administrative budget for the six month period.

Staff Report: Michelle Mingay, Sr. Finance Analyst.

Advances Goal: 5.

- 8.6 **Subject:** Resolution Authorizing the City Manager to Execute a Second Contract Amendment with Mark Thomas & Company, Inc. for On-Call Civil Design and Land Surveying Services in the Amount \$400,000.

Recommendation: Adopt Resolution No. 109-2014.

Result of Recommended Action: Adoption of this resolution will authorize the City Manager to execute contract amendment 29-2013-2 with Mark Thomas & Company, Inc. This amendment will increase the three year contract amount from \$100,000 to \$500,000 for engineering design services for the Folsom Boulevard Streetscape Enhancement Project Phase IV.

Staff Report: Cyrus Abhar, Public Works Director & Kathy Garcia, Senior Engineer.

Advances Goal: 5.

9. CONSENT PUBLIC HEARING ITEMS - ROLL CALL VOTE

Mayor Skoglund opened the public comment period. There were no speakers. Mayor Skoglund closed the public comment period.

The City Clerk declared the votes of the ballot from item 9.1. There were 6-yes and 0-no votes.

ACTION: Motion to approve items 9.1 through 9.2 by Terry second by Budge;
Carried by a 5:0 roll call vote.

9.1 **Subject:** Resolution Declaring Results of a Mailed Ballot Property Owner Vote relating to the Annual Stormwater Utility Fee for the Maintenance of Storm Drainage and Flood Protection System.

Recommendation: Conduct ballot tabulation and adopt Resolution No. 103-2014 declaring the results of the property owner vote in connection with a proposed annual Stormwater Utility Fee.

Result of Recommended Action: Adoption of the Resolution will declare the results of the tabulation of ballots in connection with the annual Stormwater Utility Fee. If majority approval exists, the Council may impose the annual Stormwater Utility Fee on the Montelena Project pursuant to the Fee Ordinance. If there is no majority approval, the Stormwater Utility Fee shall not be imposed for the project.

Staff Report: Elizabeth Sparkman, Senior Engineer.

Advances Goal: 5.

9.2 **Subject:** Second Reading of Ordinance No. 7-2014 of the City Council Creating the Stormwater Utility Fee for the Maintenance of Storm Drainage and Flood Protection System.

Recommendation: Waive the second reading and adopt Ordinance No. 7-2014.

Result of Recommended Action: The previous item declared a majority approval as a result of the ballot tabulation related to the proposed Stormwater Utility Fee for the Montelena Project. Adoption of Ordinance No. 7-2014 will add Chapter 15.20 to the Rancho Cordova Municipal Code establishing the annual Stormwater Utility Fee and imposing the Fee on the Montelena Project.

Staff Report: Elizabeth Sparkman, Senior Engineer.

Advances Goal: 5.

10. PUBLIC HEARING ITEMS

Mayor Skoglund opened the public comment period.

- Tim Taron addressed council.

Mayor Skoglund closed the public comment period.

ACTION: Motion to approve by Budge second by Terry;
Carried by a 5:0 roll call vote.

10.1 **Subject:** Arista Del Sol Rezone, Large Lot Tentative Subdivision Map, Small Lot Tentative Subdivision Map, Development Agreement Amendment; Project No. DD8436 - Located at the Northwest Corner of Grant Line Road and the Future Extension of Chrysanthy Road.

Recommendation: Introduce and waive the first reading of Ordinance No. 24-2014 and adopt Resolution No. 110-2014.

Result of Recommended Action: Approval of the project would allow reconfiguration of the residential subdivision and overall reduction in units from 905 single family lots to 740 single family lots. Additionally, approval of the project would allow for amendments to the previously adopted Development Agreement to clarify the project's parks and infrastructure requirements. These modifications reflect the recent updates to the City's open space/park standards and Public Works improvement timing and standards.

Staff Report: Jessica Jordan, Senior Planner.

Advances Goals: 1, 2, 6.

11. REGULAR CALENDAR ITEMS

NONE.

12. COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS

Council Member Terry requested exploring changes in how we chose zoning options when it relates to retail firearms and gun ranges. This includes discussing community outreach.

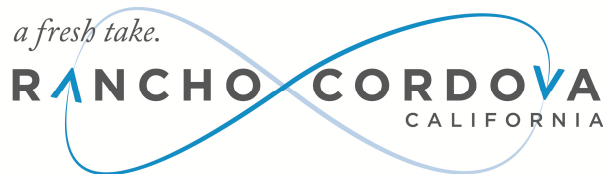
13. CITY MANAGER'S REPORT

Joe Chinn, Acting City Manager, announced the Air Show will be here this weekend. Also, staff and council will be attending the California League of Cities this week.

14. ADJOURNMENT

Mayor Skoglund adjourned the meeting in memory of Bill Campbell at 7:23 PM.

Mindy Cuppy, MMC, City Clerk



**CONCURRENT MEETING
CITY COUNCIL/SUCCESSOR AGENCY COMMUNITY REDEVELOPMENT AGENCY
(CRA)/RANCHO CORDOVA FINANCING CORPORATION (RCFC)**

City Hall
2729 Prospect Park Drive, Rancho Cordova

Tuesday, September 09, 2014

5:30 PM – Special Meeting
Titan Room

DRAFT MINUTES

1. CLOSED SESSION - CALL TO ORDER/ROLL CALL

Council Members Present: McGarvey, Skoglund, Budge, Sander, Terry

Council Members Absent: None

Staff Members Present: CONFERENCE WITH LEGAL COUNSEL--
ANTICIPATED LITIGATION:
Lindgren, Nakamura, Chinn, Simpson, Junker, Abhar,
Haven, Cook

PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Lindgren, Nakamura

Mayor Skoglund called the special meeting to order in the Titan Room at 5:48 PM.

2. PUBLIC COMMENT

At a special meeting, citizens wishing to address the Council for any matter on the agenda may do so at the time the matter is discussed. Note, under the provisions of the California Government Code, the City Council is prohibited from discussing or taking action on any item not on the agenda.

Mayor Skoglund opened the public comment period. There were no speakers. Mayor Skoglund closed the public comment period.

3. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL--ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (Number of potential cases: 1).

ACTION: Discussion item only; no action taken.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION, per Government Code section 54957(b)

Title: City Manager

ACTION: Discussion item only; no action taken.

4. OPEN SESSION - REPORT FROM CLOSED SESSION

City Attorney Adam Lindgren reported that there was no reportable action.

5. ADJOURNMENT

Mayor Skoglund adjourned the meeting at 8:42 PM.

Mindy Cuppy, MMC, City Clerk

CITY OF RANCHO CORDOVA

ORDINANCE NO. 24-2014

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING A REZONE AND DEVELOPMENT AGREEMENT AMENDMENT FOR ARISTA
DEL SOL – PROJECT NO. DD8436**

THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA DOES ORDAIN AS FOLLOWS:

Section 1. Purpose and Declarations.

WHEREAS, Pappas Investments (hereinafter referred to as Applicant) filed an application with the City of Rancho Cordova to modify the Arista del Sol development project located at the northwest corner of Grant Line Road and the future extension of Chrysanthy Road. (Assessor's Parcel Number 067-0040-013); and

WHEREAS, in order to strengthen the public planning process, encourage private participation in comprehensive planning and reduce the economic risk of development, the Legislature of the State of California adopted Section 65864, *et seq.*, of the Government Code (the "Development Agreement Statute"), authorizing the City, and any person having a legal or equitable interest in the real property, to enter into a development agreement and establish certain development rights in the property, which is the subject of the development project application. Pursuant to Government Code section 65868, Development Agreements may be amended by mutual assent of the parties; and

WHEREAS, in April 2006, the City and Arista del Sol, LP entered into a Development Agreement for the Arista del Sol Project, consisting of 209 acres of low density residential development (Ordinance Number 07-2006). The Arista del Sol Project (hereinafter known as the "Property") remains undeveloped; and

WHEREAS, The Arista del Sol Project is within the Sunrise Douglas Community Plan and the SunRidge Specific Plan ("SDCP/SRSP") area. The SDCP/SRSP was approved by the County of Sacramento ("County") in July 2002. The County also prepared and certified an Environmental Impact Report ("EIR") (State Clearinghouse Number 97022055) for the SDCP/SRSP. In July 2003, the City of Rancho Cordova incorporated an area that included the SDCP and SRSP. In response to litigation involving the SDCP/SRSP EIR, the City subsequently rescinded approval of the SDCP/SRSP. On November 7, 2012, the City certified a partially Revised EIR for the SDCP/SRSP, however, at that time the City, determined to carry out the projects within the SDCP/SRSP area without re-approving the SDCP/SRSP; and

WHEREAS, in March 2006, the City adopted a Mitigated Negative Declaration as the CEQA environmental review for the Arista del Sol Project among others ("Sunridge East MND") which relied upon the SDCP/SRSP EIR that was incorporated by reference into the Sunridge East MND; and

WHEREAS, in the Sunridge East MND, the City concluded that the Project would not have a significant impact on the environment due to the mitigation measures adopted by the City in the SDCP/SRSP EIR and the MND. All environmental impacts were reviewed and addressed at the time the Project was approved. All recitals and findings of determination in

Ordinance 07-2006, which adopted the Development Agreement, are still accurate and relevant to the Amendment; and

WHEREAS, Arista del Sol JCP, LLC (“Landowner”) was assigned all of the interest of Arista del Sol, LP in the Agreement in 2014 by virtue of that certain “Assignment and Assumption Agreement Relative to Arista del Sol” dated July 15, 2009; and

WHEREAS, Pursuant to Government Code section 65868, City and Landowner now desire to modify the Development Agreement to reflect certain changes and modifications to the obligations of the Landowner to pay certain fees for parks, to revise the Landowner’s park dedication obligations, and to establish standards and fees for certain Public Works improvements, all as more fully set forth in the attached Development Agreement Amendment; and

WHEREAS, the requested approvals by Landowner to the Arista del Sol Project include the Development Agreement Amendment and amendment to the City’s Zoning Map; and

WHEREAS, the attached Zoning Map amendment changes 1.3± acres within the Arista del Sol Project from to RD-7 to RD-5 and 11.3± acres of RD-7 and RD-5 to Parks/Open Space; and

WHEREAS, an Addendum to the previously certified EIR and MND was prepared in accordance with the California Environmental Quality Act (CEQA). No significant impacts were identified. On the basis of the Addendum, comments received, and the whole record, there is no substantial evidence that the Project will have a significant adverse impact on the environment. The Addendum reflects the City Council’s independent judgment and analysis.

WHEREAS, the City Council is the appropriate authority to hear and take action on this project; and

WHEREAS, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code Section 65090 and has duly considered all written and verbal testimony presented during the hearing.

Section 2. Findings

The City Council hereby finds that:

A. **CEQA Compliance.** The City prepared an Addendum to analyze whether supplemental environmental review to the SDCP/SRSP EIR (State Clearinghouse Number 97022055) was required for the Project under CEQA (“2014 Addendum”). The analysis in the 2014 Addendum shows that none of the standards under CEQA for preparation of subsequent or supplement environmental review (either a Negative Declaration or EIR) have occurred or are met for the Project. The Arista Del Sol project will not result in any new or substantially more severe impacts and that prior analysis contained in the originally certified EIR and adopted MND adequately address all environmental impacts. Further environmental review is not required because the proposed amendments do not meet the criteria for preparing a subsequent EIR or Negative Declaration under State CEQA Guidelines section 15162.

B. Required Findings. The attached Development Agreement Amendment and Zoning Map Amendment are consistent with the following additional required findings:

Finding: The development agreement is consistent with the General Plan objectives, policies, land uses and implementation programs and any other applicable Specific Plans.

Evidence: The Arista del Sol Development Agreement Amendment is consistent with the City's current adopted policies relative to parks and open space obligations and Public Work infrastructure requirements. There are no Specific Plans that apply.

Finding: The development agreement is in conformance with the public convenience and general welfare of persons residing in the immediate area and will not be detrimental or injurious to property or persons in the general neighborhood or the general welfare of the residents of the city as a whole.

Evidence: The Arista del Sol Development Agreement Amendment will ensure that the future development of the site occurs in a manner consistent with the obligations and expectations of a residential neighborhood. The project site is located in an undeveloped portion of the city and as such, no persons or property will be adversely impacted by the project. The continued development of the city will provide new residents and commercial services not currently available to the general residents of the city as a whole.

Finding: The development agreement will promote orderly development of property or the preservation of property values.

Evidence: The Arista del Sol Development Agreement Amendment will ensure that the future development of the site occurs in an orderly manner, establishing required timing of construction for parks, payments of fees, and public works infrastructure.

Finding: The proposed amendment is consistent with the General Plan.

Evidence: The proposed rezone of the Arista del Sol project site relies on appropriate zoning designations for the subject property and the future surrounding development areas. All designations are consistent with the corresponding General Plan Land Use Designation and development expectation for the area.

Finding: The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the city.

Evidence: Rezone of the Arista del Sol project will support future development and is in the public interest to continue creating a healthy and varied residential community within the city. There are not anticipated effects of the project that would be detrimental to public health, safety, and welfare.

Finding: The proposed amendment has been reviewed in compliance with the provisions of the California Environmental Quality Act (CEQA).

Evidence: The proposed Arista del Sol project was reviewed and an Addendum was prepared for the project. The analysis in the 2014 Addendum shows that none of the

standards under CEQA for preparation of subsequent or supplement environmental review (either a Negative Declaration or EIR) have occurred or are met for the Project. The Arista Del Sol project will not result in any new or substantially more severe impacts and that prior analysis contained in the originally certified EIR and adopted MND adequately address all environmental impacts. Further environmental review is not required because the proposed amendments do not meet the criteria for preparing a subsequent EIR or Negative Declaration under State CEQA Guidelines section 15162.

Finding: The site is physically suitable (including absence of physical constraints, access, compatibility with adjoining land uses, and provisions of utilities) for the requested zoning designations and anticipated land uses/development.

Evidence: The project site is physically suitable for the future development of residential, commercial, open space, parks, and preservation uses. The project has been planned to be compatible with future surrounding developments. There are no physical constraints limiting the construction to occur consistent with the Arista del Sol Tentative Subdivision Map. The project has been conditioned to ensure that all necessary utilities and roadways are constructed in a timely manner to best serve the future residents of the Arista del Sol project.

Section 3. Approval of the Development Agreement Amendment

The City Council hereby approves the Development Agreement Amendment, attached to this Ordinance and incorporated herein by reference as **Exhibit 1B**, and authorizes the City Manager to sign the amended Development Agreement after the effective date of this Ordinance.

Section 4. Approval of the Zoning Map Amendment

The City Council hereby adopts the Arista del Sol Zoning Exhibit attached in **Exhibit 1A**.

Section 5. Severability

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 6. Effective Date

Within fifteen (15) days after adoption, a Summary of this Ordinance shall be published once in the Grapevine Independent, or the Sacramento Bee, a newspaper of general circulation printed and published in Sacramento County and circulated in the City of Rancho Cordova, in accordance with Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its inception.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the _____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

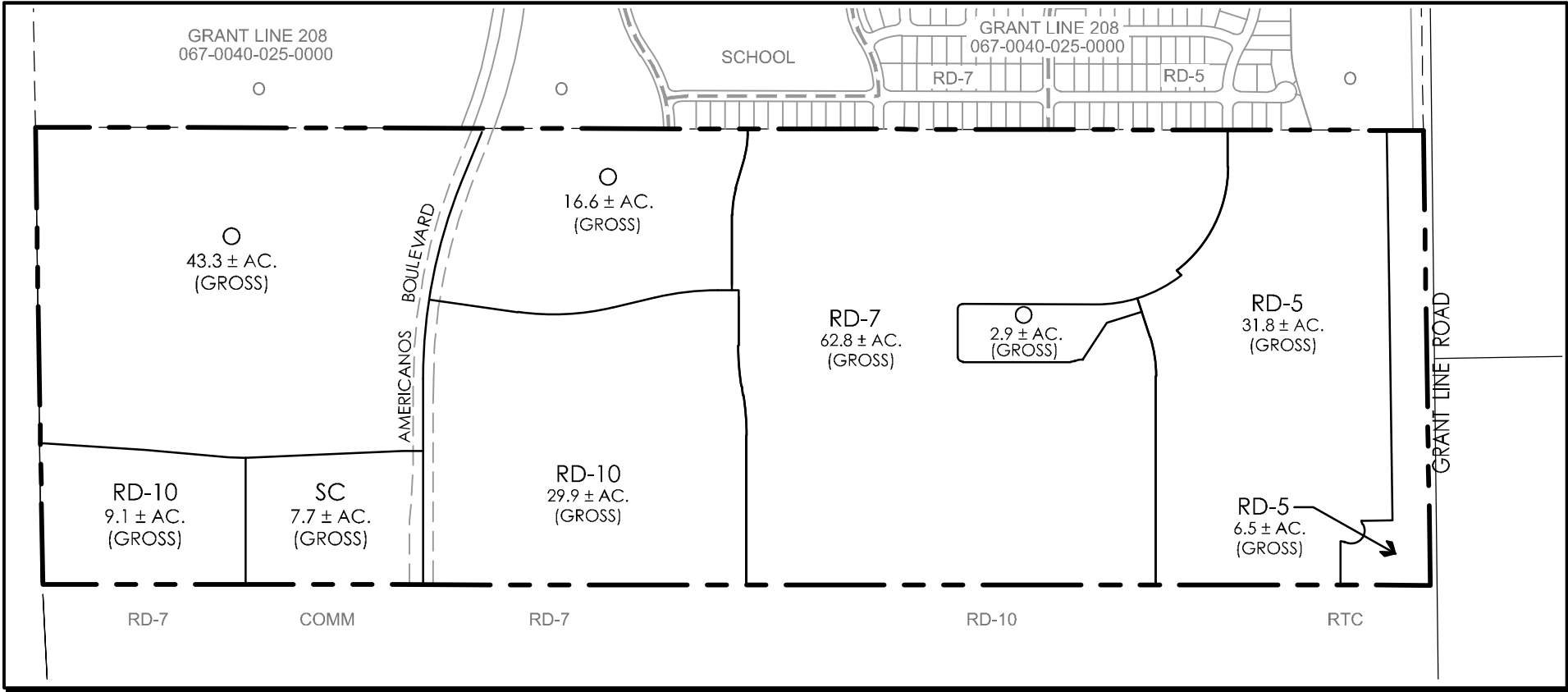
Mindy Cuppy, MMC, City Clerk

ZONING EXHIBIT

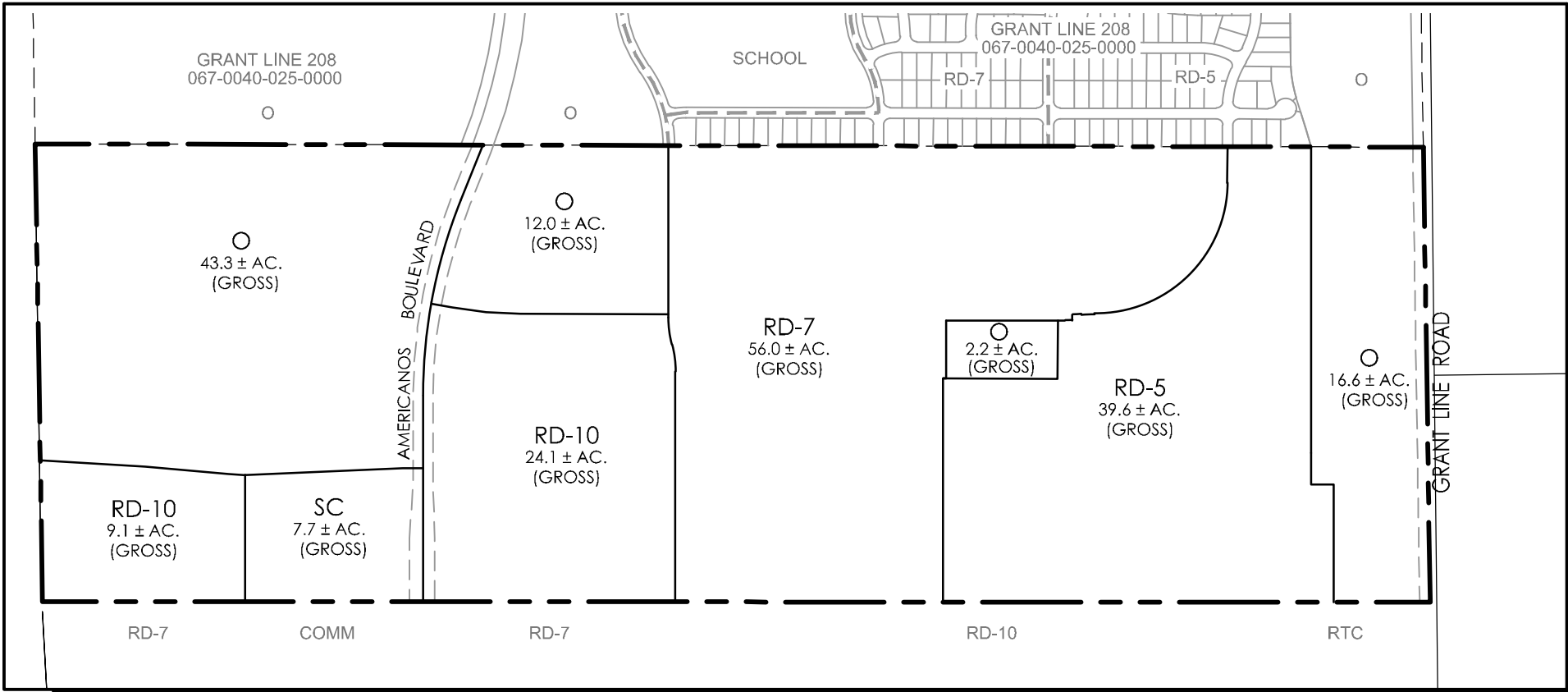
ARISTA DEL SOL

CITY OF RANCHO CORDOVA, CALIFORNIA

JUNE 19, 2014

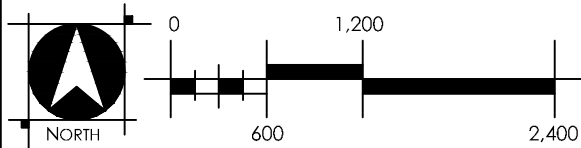


Existing Zoning Designations



Proposed Zoning Designations

SUMMARY TABLE				
DESIGNATION	LAND USE	EXISTING	PROPOSED	DIFFERENCE
RD-5	SINGLE FAMILY RESIDENTIAL	38.3	39.6	1.3
RD-7	SINGLE FAMILY RESIDENTIAL	62.8	56.0	-6.8
RD-10	SINGLE FAMILY RESIDENTIAL	39.0	33.2	-5.8
SC	COMMERICAL/OFFICE	7.7	7.7	0.0
O	PARKS AND OPEN SPACE	62.8	74.1	11.3
TOTAL		210.6	210.6	0.0



OFFICIAL BUSINESS
Document entitled to free recording
Government Code Section 6103

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO:

City of Rancho Cordova
2729 Prospect Park Drive
Rancho Cordova, CA 95670
Attn: City Clerk

(SPACE ABOVE THIS LINE RESERVED FOR RECORDER'S USE)

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT
RELATIVE TO ARISTA DEL SOL
BY AND BETWEEN THE CITY OF RANCHO CORDOVA
AND ARISTA DEL SOL, JCP, LLC**

This First Amendment to Development Agreement ("**Amendment**") is entered into this ____ day of _____, 2014, by and between the **CITY OF RANCHO CORDOVA**, a municipal corporation ("**City**"), and **ARISTA DEL SOL JCP, LLC**, a California limited liability company ("**Landowner**"). City and Landowner are hereinafter collectively referred to as the "**Parties.**"

RECITALS

A. City and Arista Del Sol, LP, a California limited partnership, entered into that certain Development Agreement dated March 6, 2006 ("**Agreement**") recorded on May 5, 2006, in the Office of the Sacramento County Recorder in Book 20060505, Page 952, Official Records, which established certain development rights in certain real property located in the City of Rancho Cordova, California, as more particularly described in **Exhibit A-1** and **Exhibit A-2** of the Agreement (the "**Property**").

B. The Property has changed ownership since the City and Arista Del Sol, LP, a California limited partnership, entered into the Development Agreement. Landowner currently owns the Property and has assumed all of the interests and obligations of Arista Del Sol, LP in the Agreement by entering into an Assignment and Assumption Agreement dated July 15, 2009. Landowner has provided the City with a title report indicating its ownership in fee of the Property.

C. Pursuant to Government Code section 65868, City and Landowner now desire to modify and amend the Agreement to reflect certain changes to Landowner's obligations to pay certain fees for park renovations at existing City parks and improvements at new City parks, to revise Landowner's park obligations, to modify certain traffic thresholds in exchange for a supplemental fee, to update obligations relating to the funding of police services, and to make other revisions, all as more fully set forth below in this Amendment.

D. This Amendment amends certain provisions of the Agreement applicable to the entire Property, and was adopted by City Ordinance No. 24-2014 on September 2, 2014. All capitalized terms used in this Amendment shall have the same meaning as set forth in the Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the Parties hereby agree to amend the Agreement as follows:

AGREEMENT

1. Incorporation of Recitals. Recitals A through D are hereby incorporated herein, including the documents referenced in the Recitals.

2. Restatement of Section 6 of the Recitals Concerning “Project Approvals.” Section 6 of the Recitals of the Agreement is hereby deleted and replaced with the following:

“6.1 The Sunridge Specific Plan adopted by the County of Sacramento, as adopted by the City on July 1, 2003, by City Resolution No. 06-2003 (the **“Specific Plan”**);

6.2 The Mitigation Measures in both the Environmental Impact Report (“EIR”) certified by the County of Sacramento in July 2002 (State Clearinghouse No. 97022055), as revised by the City on November 7, 2011, the Mitigated Negative Declaration adopted on February 21, 2006, as further analyzed in the Addendum dated August 2014;

6.3 The Rezoning of the Property, approved by the City on February 21, 2006, by City Ordinance No. 08-2006 as further amended on September 2, 2014 by City Ordinance No. 24-2014;

6.4 The Large Lot Tentative Subdivision Map approved on September 2, 2014 by City Resolution No. 110-2014 (attached hereto as **Exhibit 1**);

6.5 The Small Lot Tentative Subdivision Map approved on September 2, 2014 by City Resolution No. 110-2014 (attached hereto as **Exhibit 2**);

6.6 The Development Agreement adopted on March 6, 2006, by City Ordinance No. 07-2006 (the **“Adopting Ordinance”**) as amended on September 2, 2014 by City Ordinance No. 24-2014 adopting the First Amendment to the Development Agreement.”

3. Restatement of Section 5.2 concerning the “Term.” City and Landowner agree that Section 5.2 of the Agreement is hereby deleted and replaced with the following:

“5.2 Term. Upon the execution of the First Amendment, the term of this Agreement shall commence on the Effective Date and extend to October 15, 2029, which date is a period of fifteen (15) years from the date that City Ordinance No. 24-2014 approving this First Amendment takes effect, unless said term is terminated, modified or extended by circumstances set forth in this Agreement. Following expiration of the term, this Agreement shall not affect any right or duty created by City approvals for the Property adopted prior to, concurrently with, or subsequent to the approval of this Agreement.”

4. Restatement of Section 6.4.1 Concerning the “New Park Development Obligation.” City and Landowner agree that Section 6.4.1 of the Agreement is hereby deleted and replaced with the following:

“6.4.1 New Park Development Obligation.”**(i) Dedication of Park Land.**

Landowner's obligation to dedicate land to the Cordova Recreation and Park District (the “**Park District**”) pursuant to California Government Code Section 66477 (the “**Quimby Act**”) shall be satisfied by Landowner's dedication of Lot 8 to the Park District and payment of in lieu fees for the 0.44 acres shortfall as shown on the Large Lot Tentative Map, attached hereto as **Exhibit 1**. **Exhibit 1** replaces **Exhibit E** of the Development Agreement.

(ii) Dedication of Neighborhood Greens Park Land.

Landowner's obligation to dedicate park land to the City for neighborhood green opens space shall be satisfied by the Landowner's dedication of Lot 9 to the Park District, as shown on the Large Lot Tentative Map, attached hereto as **Exhibit 1**.

(iii) Park Land Improvement.

A “Park Development Agreement” is being negotiated between the Landowner and the Park District detailing Landowner's obligations regarding the design, construction, installation and timing of park improvements. Landowner shall enter into the Park Development Agreement prior to the recordation of any final subdivision map.

In addition to the general authority under Section 12 of the First Amendment, the City has the specific authority to withhold building permits if Landowner is not in compliance with its requirements under the First Amendment or the Park Development Agreement.

(iv) Timing of Park Land Improvements.

Landowner shall commence construction of the improvements to the neighborhood green park, shown as Lot 9 in **Exhibit 1** of the First Amendment, prior to the issuance of the 247th residential building permit for the Project by the City (prior to the issuance of that permit, the City will have issued 33% of the total 740 residential building permits for the Project). Landowner shall complete and make all the improvements to the neighborhood green park open and fully operational within one (1) year from the issuance of the 247th residential building permit for the Project by the City. The City, at its discretion, may allow additional time for minor punch list work to be completed. Pursuant to the terms of the Park Development Agreement to be negotiated between Landowner and the Park District, Landowner shall enter into an agreement to reimburse the Park District cost for oversight of the design and construction of the turnkey neighborhood green park.

The neighborhood green park, shown as Lot 9 in **Exhibit 1**, will be designed and constructed to a maximum budget of Eight Hundred Twenty Four Thousand Three Hundred and Sixty Dollars (\$824,360) (“**Maximum Budget**”), which shall include administration and management costs and all other applicable cost reimbursed to the City and the Park District, as well as onsite utility costs and

related connection fees. The design and construction will be adjusted as required to provide a complete project for the Maximum Budget unless otherwise approved by the City and the Park District prior to commitment of funds in excess of the Maximum Budget.

(v) Park Development Impact Fee and In Lieu Fee.

Landowner shall pay a park development impact fee for each single-family residential parcel or residential parcel equivalent on the Property to mitigate the costs for the Park District and the City to design, construct and install park improvements (the “**Park Development Impact Fee**”). The Park Development Impact Fee will be paid prior to issuance of each residential building permit within the Project. The Park Development Impact Fee will be Eight Thousand, Nine Hundred Twenty Seven Dollars (\$8,927) for each single-family residential parcel or residential parcel equivalent. Of the Eight Thousand Nine Hundred Twenty Seven Dollars (\$8,927) Park Development Impact Fee, Eight Thousand Seven Hundred Eighty-Four Dollars (\$8,784) is for parks and One Hundred Forty-Three Dollars (\$143) is for a community gathering place – plaza and administration.

The Park Development Impact Fee shall be adjusted on January 1, 2015 and annually thereafter, no later than January 15th by the method provided in City Ordinance No. 05-2014 as follows:

- (a) A “mean” index will be computed by averaging the index for 20 U.S. cities with the index for San Francisco by resort to the most recent October issue of the Engineering News Record magazine Construction Cost Index.
- (b) An adjustment factor shall be computed by dividing the “mean” index as calculated in subsection (a) of this Section by the “mean” index for the previous October.
- (c) The adjusted Park Development Impact Fee shall be calculated by multiplying the adjustment factor, as calculated in subsection (b) of this Section, by the Park Development Impact Fee in place prior to the annual adjustment.

The Park Development Impact Fee does not currently include the cost of park street frontage improvements at parks. However, if at any point prior to construction of park street frontage improvements, the Park Development Impact Fee is amended to include the cost of such improvements, to the extent Landowner constructs any park street frontage improvements, Landowner shall be entitled to credits against the payment of the Park Development Impact Fee described in this Section 6.4.1. To the extent Landowner cannot utilize such credits Landowner shall be entitled to receive reimbursements for its construction of such park street frontage improvements. Additionally, if and when the City adopts the Citywide Park Improvement Fee, or an Area-Wide Park Improvement Fee applicable to the Project, the Landowner and City agree to explore adjustments to the Park Development Impact Fee. Under no circumstances shall the Landowner be required to pay any new Citywide/ Area-Wide Park Improvement Fee in addition to the Park Development Impact Fee as set forth in this First Amendment.

City further agrees and acknowledges that the park land dedication and neighborhood green being provided at the Project pursuant to this First Amendment will satisfy Quimby Act park land and community open space dedication requirements, except for a 0.44 acre shortage of park land for which an in lieu fee payment shall be made pursuant to the terms of the Park Development Agreement subject to final verification of the actual acreage of such shortfall.”

5. Restatement of Section 6.4.2 Concerning the “Timing of Dedications and Improvements of Parks.” City and Landowner agree that Section 6.4.2 of the Agreement is hereby deleted and replaced with the following:

“6.4.2 Timing of Dedications of Parks. Landowner shall irrevocably offer to dedicate the park site shown on **Exhibit 1** to the Park District prior to the recordation of any final subdivision map. Park sites will be accepted by the District for maintenance pursuant to the terms of the Park Development Agreement. Landowner shall irrevocably offer to dedicate the neighborhood green site shown on **Exhibit 1** to the Park District prior to the recordation of any final subdivision map.

6. Restatement of Section 6.4.3 Concerning the “In-fill Park and Open Space Renovation and Acquisition Fee.” City and Landowner agree that Section 6.4.3 of the Agreement is hereby deleted and replaced with the following:

“6.4.3 In-fill Park and Open Space Renovation and Acquisition Fee. Landowner agrees that development of the Property shall be subject to the park renovation fee (the “Park Renovation Fee”). Landowner agrees that it shall pay City the total sum of One Thousand Twenty Dollars and Thirty-Three Cents (\$1,020.33) for each residential parcel shown on the small lot final maps for the Property. Beginning January 1, 2015, the fee shall be adjusted annually on each January 1 based upon the percentage change in the United States Department of Labor Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-San Jose area between August and August of each year. This fee shall be paid to City no later than prior to issuance of the building permit for each residential parcel for the Property. It shall be used by City, at its sole discretion, to acquire, renovate, repair, improve or maintain parks or open space in that portion of the City outlined in Exhibit G to the Amended Development Agreement. This payment is made voluntarily by Landowner. It is in addition to all other existing park fees, and construction and dedication obligations, including without limitation any fees paid pursuant to the Quimby Act. Landowner agrees that it shall not claim credit or right to reimbursement of any other existing park fees, and construction and dedication obligations, including Quimby Act fees, as a result of paying the Park Renovation Fee required under this Section 6.4.3. If and when the City reduces or eliminates the Park Renovation Fee on a Citywide basis (by adoption of a park tax, special sales tax or other measure), then the Park Renovation Fee under this Section 6.4.3 shall be automatically adjusted or eliminated to correspond to the new Citywide funding mechanism, provided that the Landowner does not challenge or oppose the approval or implementation of the new Citywide funding mechanism.”

7. **Restatement of Section 6.4.4 Concerning the “Police Tax.”** City and Landowner agree that Section 6.4.4 of the Agreement is hereby deleted and replaced with the following:

“6.4.4 Police Tax. Landowner and City agree that the Property shall be subject to the Police Tax enacted by City Ordinance No. 30-2006 pertaining to Police Tax Zone 27. Within 180 days following the date of the City Council’s approval of this First Amendment, the Landowner shall support the annexation of the Project into Community Facilities District 2013-2 (Police Services), and cover Landowner’s fair share costs of the CFD annexation not to exceed Seven Thousand Dollars (\$7,000). City agrees that the new CFD will provide that on lands designated for all residential land use categories, the base year FY 2013/2014 Police Maximum Services Special Tax shall be Four Hundred Seventy Dollars and Twenty-Eight Cents (\$470.28) annually per residential unit or residential unit equivalent. The special tax imposed by the CFD will be payable on a parcel within the Property only after a building permit has been issued by City for the construction of a building on that particular parcel and there will be no undeveloped land tax imposed by the CFD. The new CFD shall further provide that on each July 1 commencing July 1, 2014, the base year Police Special Tax shall be escalated by the increase, if any, in the United States Department of Labor Consumer Price Index (“CPI”) for all Urban Consumers for the San Francisco-Oakland-San Jose Area. The CPI shall be used as determined by the United States Department of Labor Bureau of Labor Statistics from April to April as set forth in the Rate and Method of Apportionment for the CFD. However, in no event shall the tax per parcel for any fiscal year be less than the amount established for the prior fiscal year. If the CPI is discontinued, or revised, such other government index or computation with which it is replaced shall be used by the CFD in order to obtain substantially the same result as would be obtained if the CPI had not been discontinued or revised. The CFD shall specify that the Police Special Tax shall commence being payable annually following issuance of a building permit for each parcel subject to the Police Special Tax.

Within 60 days of the annexation of the Project into Police Services CFD, the City Council will rescind City Ordinance No. 30-2006 pertaining to Police Tax Zone 27. The Landowner acknowledges that no final small lot subdivision maps shall be approved by the City prior to the annexation of the Project into the Police Services CFD.

Landowner agrees that it will not vote to repeal or amend the Police Special Tax being imposed in the amounts set forth above, and that any such vote by Landowner would constitute an event of default under this Agreement. In the event of such a default by Landowner, then in addition to all other remedies available to City, Landowner shall be obligated to pay under this Agreement the difference between the amount of the Police Special Tax before the Landowner’s vote to repeal or amend the tax, and the amount of the proposed Police Special Tax set forth above.”

8. **Restatement of Section 6.4.5 Concerning the “Road Maintenance Conditions.”** City and Landowner agree that Section 6.4.5 of the Agreement is hereby deleted and replaced with the following:

“6.4.5 Streets, Street Lighting and Landscaping Maintenance.” Landowner and City agree that the Landowner shall participate in or provide a funding mechanism for maintenance services for the fair share of existing and all new public improvements associated with the project including, but not limited to, streets, bridges/culverts, traffic signals, traffic signs, striping and legends, ITS operations, street lights and safety lights, and public frontage and median landscape improvements. This may be accomplished through annexation to the City’s Communities Facilities District No. 2014-2 (Street, Lighting and Landscaping Maintenance), or other financial mechanism as may be proposed and provided by the Landowner for the same purpose of providing a financial mechanism to fund the operation and maintenance of the Project’s public improvements. All costs associated with the annexation or other financial mechanism as may be proposed shall be borne by the Landowner.”

9. Addition of New Section 6.4.6 “Stormwater Utility Fee.” City and Landowner agree to add a new Section 6.4.6 of the Agreement as follows:

“6.4.6 Stormwater Utility Fee.” Landowner and City agree that the Landowner shall participate in or provide a funding mechanism for maintenance services for the Project’s stormwater drainage and flood protection system. This may be accomplished through annexation to the City’s Stormwater Utility Fee District, or other financial mechanism as may be proposed and provided by the Property Owner for the same purpose of providing a financial mechanism to fund the operation and maintenance of the Projects stormwater drainage and flood protection system. All costs associated with the annexation or other financial mechanism as may be proposed shall be borne by the Landowner.”

10. Addition of New Section 6.4.7 “Phasing Plan.” City and Landowner agree to add a new Section 6.4.7 of the Agreement as follows:

“6.4.7 Phasing Plan.” Prior to approval of any final map, Developer shall provide a large lot phasing plan addressing sequencing and full build-out of major public infrastructure throughout the Project limits. The large lot phasing plan shall show all public facilities including, but not limited to, major roadways, bike trails, sewer, water, drainage, facilities, parks and other utilities, and the large lot phasing plan will be based on the City’s Guiding Principles for Phasing of Transportation, Infrastructure and Utility Services, to the satisfaction of the City’s Public Works Department. The large lot phasing plan may be revised as needed during the development of the Project.

Prior to approval of any small lot final map for an individual phase, the Landowners shall prepare and submit to City a “small lot phasing plan” that addresses full build-out of all secondary streets and utility infrastructure. The small lot phasing plan will show the blocks of the small lot tentative map to be constructed and all roads, bike trails and other infrastructure required to serve the use of the proposed units within each block to the satisfaction of the City’s Public Works Department. The small lot phasing plan will also be defined by the City’s Guiding Principles for Phasing.

Prior to issuance of building permits (except permits for model homes) within an individual map phase, all streets and improvements shown on the small lot phasing plan, all streets necessary for access to the proposed homes,

associated improvements included in the approved improvement plans, landscaping and other infrastructure as necessary for adequate public access and use shall be fully constructed and accepted to the satisfaction of the City's Public Works Department.

Developer shall have no further responsibility for improvements after meeting the improvement requirements of the applicable phase (or sub-phase). The Phasing Plan may be amended from time-to-time upon approval by the Public Works Director."

11. Addition of Section 6.4.8 "New Supplemental Traffic Impact Fee." City and Landowner agree to add a new Section 6.4.8 to the Agreement as follows:

"6.4.8 New Supplemental Traffic Impact Fee. City and Landowner agree the Landowner shall pay a new supplemental traffic impact development fee to the City in the amount of Five Thousand Sixty Dollars (\$5,060) for each residential lot shown on the final small lot subdivision maps for the Property (the **"Supplemental Traffic Impact Fee"**). Landowner shall pay the Supplemental Traffic Impact Fee in the following increments: (i) Eight Hundred Sixty-Five Dollars (\$865) for each residential lot at the time of recordation of a final small lot subdivision map for the residential lot; and (ii) Four Thousand One Hundred Ninety-Five Dollars (\$4,195) at the time of issuance of a building permit for a residential lot. By agreeing to pay the Supplemental Traffic Impact Fee, City agrees that Landowner and the Property will have satisfied its obligation under the Conditions of Approval and Mitigation Monitoring Reporting Program for offsite traffic improvements and shall not be made subject to constructing or funding the construction of offsite roadway improvements. The term "offsite roadway improvements" as used in the preceding sentence shall include Grant Line Road and associated frontage improvements. City agrees that it will apply the Supplemental Traffic Impact fee to fund the Rancho Cordova Parkway Interchange or the costs of other roadway improvements needed to improve access to U.S. Highway 50 from the Project area. Landowner shall be entitled to fee credits against and/or reimbursements from this Supplemental Fee should Landowner construct any improvements otherwise intended to be funded by such Supplemental Fee. The above Supplemental Traffic Impact Fee will not be subject to increase or decrease as a result of changes in any City traffic impact fees."

12. Addition of New Section 6.4.9 "Formation of Open Space Maintenance District." City and Landowner agree to add a new Section 6.4.9 of the Agreement as follows:

"6.4.9 Additional Mello-Roos Maintenance CFDs. At its sole discretion, the City shall consider for inclusion in a Mello-Roos Community Facilities District, or other financing mechanism, the costs to maintain the wetland preserves within the Project as finally determined by the Army Corps of Engineers in its approval of the 404 permit for the development of the Project."

13. Violation of CRPD Park Development Agreement. Landowner agrees that the City will be a third party beneficiary of the Park Development Agreement, but only if CRPD consents to such third party beneficiary status in the Park Development Agreement. Provided that the CRPD identifies the City as a third party beneficiary of the Park Development

Agreement, Landowner agrees that any violation of the Park Development Agreement may be enforced by the City as a violation of this First Amendment. If for any reason, the City is not identified as a third party beneficiary of the Park Development Agreement, Landowner agrees to amend the Project's Development Agreement to include terms detailing Landowner's obligations regarding the design, construction, installation and timing of park improvements.

14. Exhibits. **Exhibit B** "Arista Del Sol Large Lot Tentative Subdivision Map", **Exhibit C** "Arista Del Sol Small Lot Tentative Subdivision Map", **Exhibit D-1** "Land Use Map for the Property", **Exhibit D-2** "Land Use Summary", and **Exhibit E** "Diagram of Park Land Dedication" are all replaced with **Exhibit 1** "Large Lot Tentative Subdivision Map" and **Exhibit 2** "Small Lot Tentative Subdivision Map". **Exhibits 1 and 2** to this First Amendment include all the categories of information previously provided in the five replaced exhibits in the Agreement.

15. Form of Agreement. The last sentence of Section 29 of the Agreement which described the Agreement and its exhibits as constituting the entire understanding and agreement of the Parties is hereby deleted.

16. Definition of Terms. All capitalized terms used in this First Amendment shall have the same definition as provided in the Agreement, except where a different definition has been supplied in this First Amendment.

17. All Other Terms in Force. Except as amended by this Amendment, all terms and conditions of the Agreement remain in full force and effect.

18. Recording. Within ten (10) days after the Effective Date, City shall record this First Amendment with the Sacramento County Recorder's Office.

19. Counterparts. The Parties may execute this First Amendment in counterparts, each of which will be considered an original, but all of which will constitute the same instrument.

20. Entire Agreement. This First Amendment sets forth the Parties' entire understanding regarding the matters set forth above. It supersedes all prior or contemporaneous agreements, representations, and negotiations regarding those matters (whether written, oral, express, or implied) and may be modified only by another written agreement signed by all Parties. This First Amendment will control if any conflict arises between it and the Agreement.

IN WITNESS WHEREOF, the City of Rancho Cordova, a municipal corporation, has authorized the execution of this Amendment in duplicate by its City Manager and attested to by its City Clerk under the authority of Ordinance No. 24-2014, adopted by the Council of the City on 2nd day of September 2014, and Landowner has caused this Amendment to be executed.

"CITY"

CITY OF RANCHO CORDOVA,
a municipal corporation

By: _____

Name: _____

"LANDOWNER"

ARISTA DEL SOL, JCP, LLC,
a California limited liability company

By: _____

Name: _____

Its: _____

Its: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Adam U. Lindgren
City Attorney

EXHIBIT “1”

Large Lot Tentative Map and Land Use Summary

PROJECT NOTES

OWNER/APPLICANT
ARISTA DEL SOL, LLC
c/o PAPPAS INVESTMENTS
2020 LST, 5TH FLOOR
SACRAMENTO, CA 95816
CONTACT: THAD JOHNSON
PHONE: (916) 447-7100

PLANNER/ENGINEER/SURVEYOR
WOOD RODGERS INC.
3301 "C" STREET, BLDG. 100B
SACRAMENTO, CA 95816
CONTACT: STAN MITTE/JOHN HODGSON PE #49187
PHONE: (916) 341-7760

ASSESSOR'S PARCEL NUMBER
067-0040-013

AREA
210.62 ACRES

EXISTING/PROPOSED GENERAL PLAN
LDR, MDR, PARKS & OPEN SPACE, NATURAL RESOURCES

EXISTING/PROPOSED ZONING
RD-5, RD-7, RD-10, O

NUMBER OF LARGE LOTS
14 LARGE LOTS

PUBLIC SERVICES & FACILITY PROVIDERS
IMPROVEMENTS: COUNTY OF SACRAMENTO
WATER: COUNTY OF SACRAMENTO
SEWER: SACRAMENTO COUNTY SANITATION DISTRICT #1
DRAINAGE: COUNTY OF SACRAMENTO
ELECTRICITY: S.M.U.D.
GAS: PACIFIC GAS & ELECTRIC
TELEPHONE: SBC
SCHOOL DISTRICT: ELK GROVE UNIFIED SCHOOL DISTRICT
FIRE DISTRICT: SACRAMENTO METRO FIRE DISTRICT
PARK DISTRICT: CORDOVA RECREATION & PARK DISTRICT

- NOTE:**
- 1) SUBDIVIDER(S) RESERVES THE RIGHT TO FILE MULTIPLE FINAL MAPS PURSUANT TO SECTION 66450, 1 OF THE SUBDIVISION MAP ACT.
 - 2) THIS IS AN APPLICATION FOR A DEVELOPMENT PERMIT.
 - 3) A 12.5 FOOT PUBLIC UTILITY EASEMENT WILL BE LOCATED ADJACENT TO ALL RIGHTS OF WAY OR AS SHOWN ABOVE EXCEPT AS APPROVED BY THE CITY ENGINEER.
 - 4) VILLAGE (LARGE LOT) NUMBERING IS FOR IDENTIFICATION PURPOSES ONLY AND DOES NOT INDICATE PHASING OF DEVELOPMENT. ULTIMATE DEVELOPMENT PHASING SHALL BE ORDERLY AND WILL BE DETERMINED AT FINAL MAP AND/OR IMPROVEMENT PLAN STAGE.
 - 5) AERIAL TOPOGRAPHY SHOWN HEREON WAS FLOWN IN DECEMBER 2003.
 - 6) THIS EXHIBIT IS FOR TENTATIVE MAP PURPOSES ONLY. ALL SITE CHARACTERISTICS

LAND USE SUMMARY

LOT NO.	ZONING DESIGNATION	LAND USE	GROSS ACRES±
1	RD-7	SINGLE FAMILY	11.8
2	RD-5	SINGLE FAMILY	18.5
3	RD-5	SINGLE FAMILY	16.9
4	RD-5	SINGLE FAMILY	14.3
5	RD-7	SINGLE FAMILY	25.7
6	RD-10	SINGLE FAMILY	24.1
7	RD-10	SINGLE FAMILY	9.1
8	O	COMMUNITY PARK	12.0
9	O	NEIGHBORHOOD GREEN	2.2
10	SC	COMMERCIAL OFFICE	7.7
11	RD-5	DETENTION BASIN	4.4
12	O	WETLAND PRESERVE	12.7
13	O	WETLAND PRESERVE	43.3
14	O	WETLAND PRESERVE	3.9
TOTAL			210.6

LARGE LOT TENTATIVE SUBDIVISION MAP

ARISTA DEL SOL

CITY OF RANCHO CORDOVA, CALIFORNIA

JUNE 19, 2014

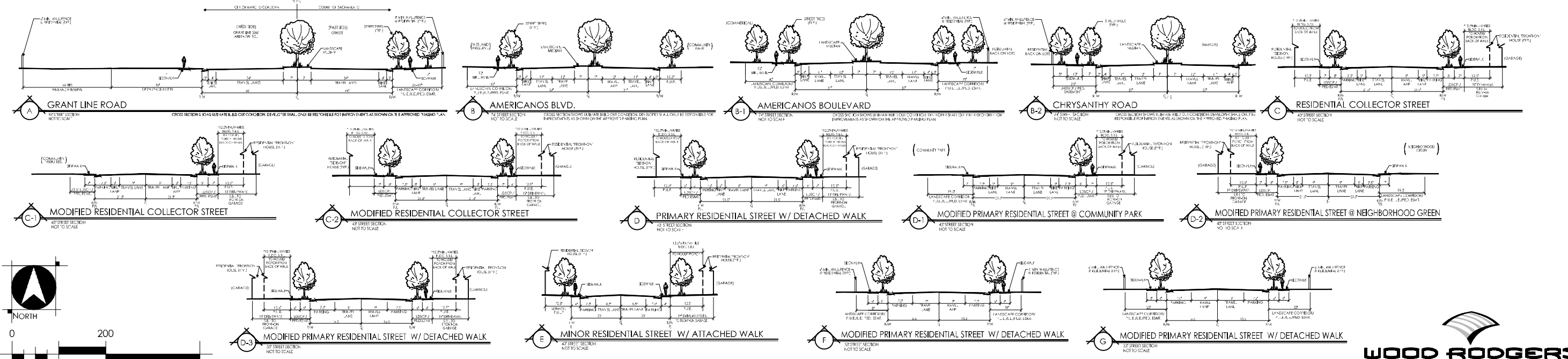
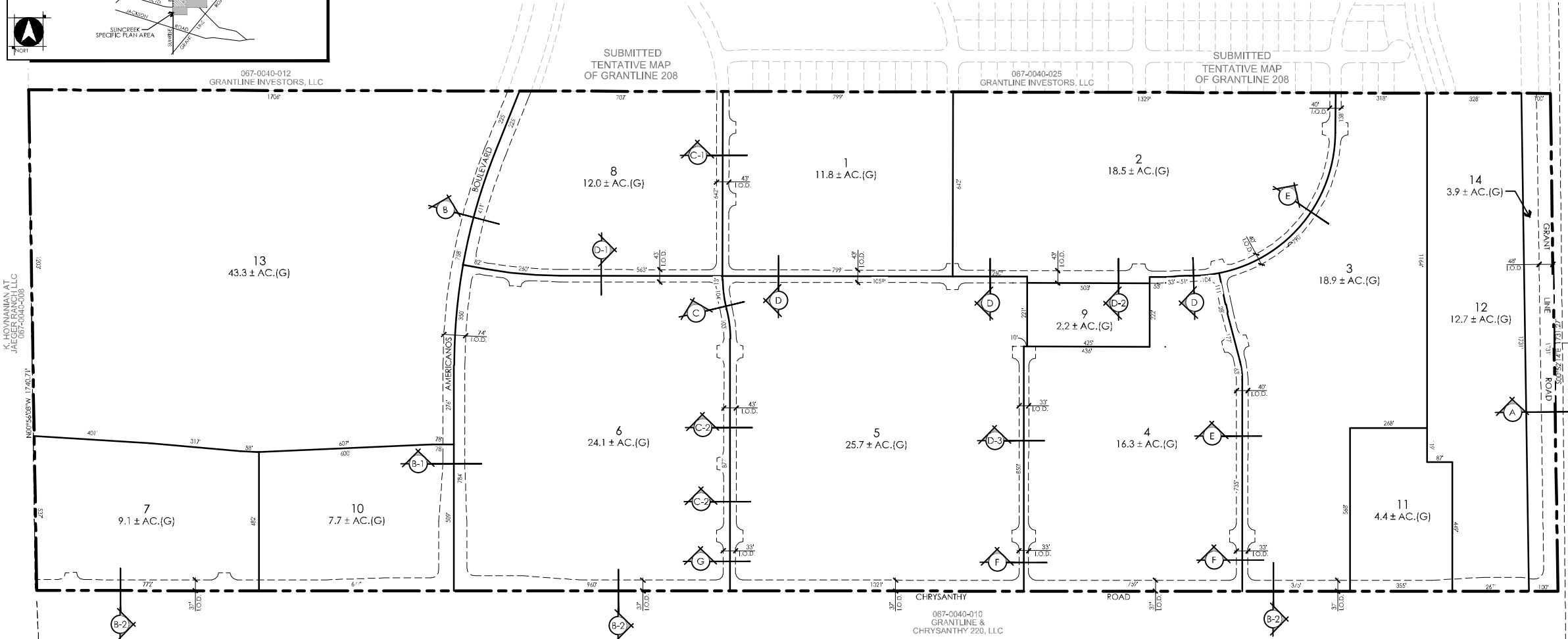
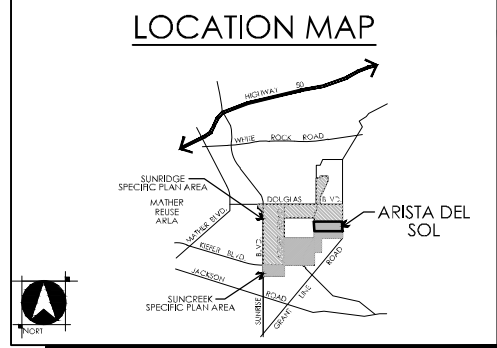


EXHIBIT “2”

Small Lot Tentative Map and Land Use Summary

TENTATIVE SUBDIVISION MAP

ARISTA DEL SOL

CITY OF RANCHO CORDOVA, CALIFORNIA
JUNE 19, 2014

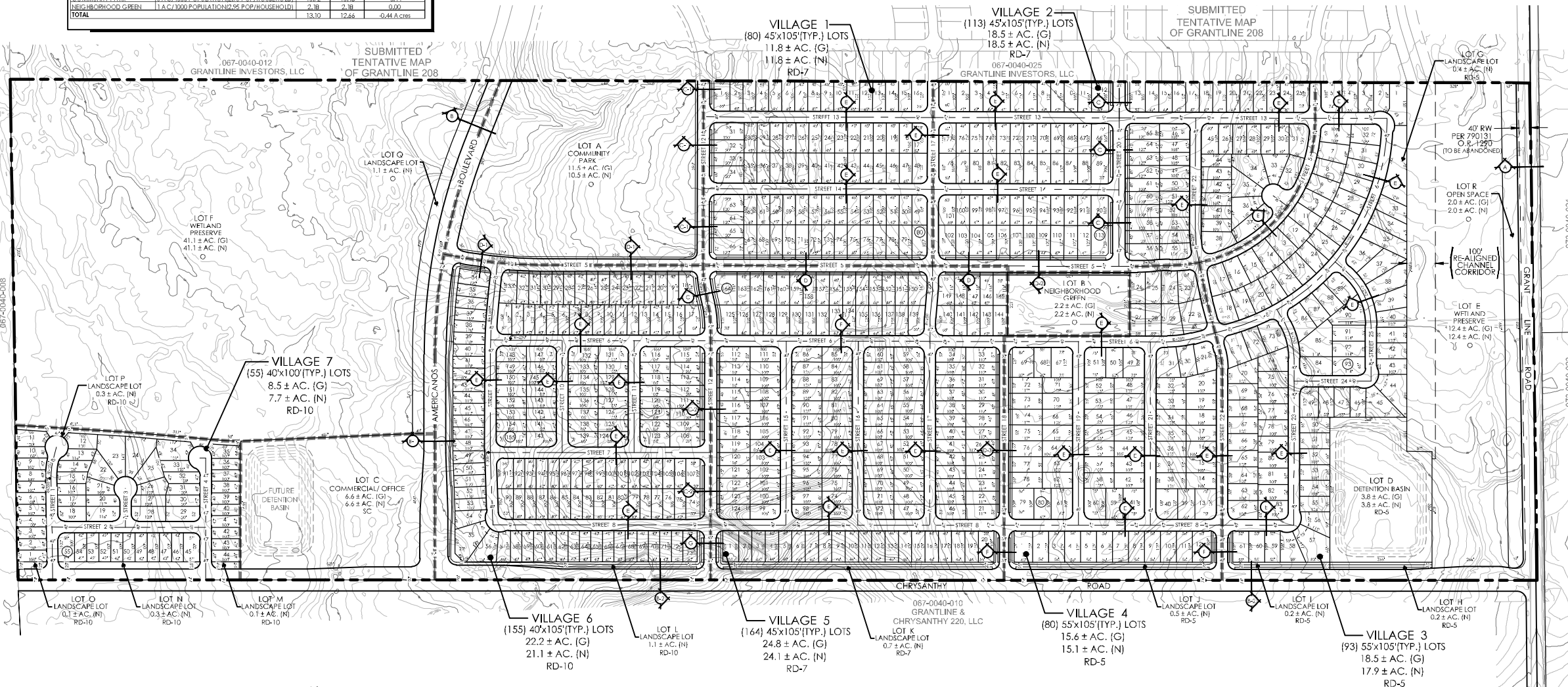
PARK DEDICATION TABLE

PARK SUMMARY TABLE	DEDICATION REQUIREMENT	ACRES REQUIRED	ACRES PROVIDED	IN LIEU PARK DED. ACREAGE
740 DWELLING UNITS				
COMMUNITY PARK	5 A.C./1000 POPULATION (25% POP/HOUSEHOLD)	10.92	10.48	-0.44
NEIGHBORHOOD GREEN	1 A.C./1000 POPULATION (25% POP/HOUSEHOLD)	2.16	2.16	0.00
TOTAL		13.08	12.64	-0.44 A.C.

BUILDING SETBACKS AND P.U.E. NOTES

STREET FACILITY	MIN. WIDTH	CATEGORY	MEASURED FROM	STREET FACILITY	MIN. WIDTH	CATEGORY	MEASURED FROM	STREET FACILITY	MIN. WIDTH	CATEGORY	MEASURED FROM
RESIDENTIAL COLLECTOR STREET (SECTION C)				PRIMARY (STANDARD) RESIDENTIAL STREET (SECTION D)				MINOR RESIDENTIAL STREET (SECTION E)			
15'		LANDSCAPE/PEDESTRIAN ESMT.	R/W AT B.O.C.	15' SOUTH/15' NORTH		LANDSCAPE/PEDESTRIAN ESMT.	R/W AT B.O.C.	55' X 105' (TYP.) LOTS	19'	DRIVEWAY/FRONT-LOADED GARAGE SETBACK	R/W AT B.O.W.
19'		DRIVEWAY/FRONT-LOADED GARAGE SETBACK	B.O.W.	19'		DRIVEWAY/FRONT-LOADED GARAGE SETBACK	B.O.W.	45' X 105' (TYP.) LOTS	12.5'	PUBLIC UTILITY EASEMENT	R/W AT B.O.W.
12.5'		PUBLIC UTILITY EASEMENT	B.O.W.	12.5'		PUBLIC UTILITY EASEMENT	B.O.W.	40' X 105' (TYP.) LOTS	12.5'	FRONT PORCH/LIVING AREA SETBACK	R/W AT B.O.W.
12.5'		FRONT PORCH/LIVING AREA SETBACK	B.O.W.	12.5'		FRONT PORCH/LIVING AREA SETBACK	B.O.W.	40' X 100' (TYP.) LOTS	12.5'	STREET SIDEYARD SETBACK	R/W AT B.O.W.
12.5'		STREET SIDEYARD SETBACK	B.O.W.	12.5'		INTERIOR SIDEYARD SETBACK (MAINTAIN 9' MINIMUM BLDG. SEPERATION)	PL				
4/5		INTERIOR SIDEYARD SETBACK (MAINTAIN 9' MINIMUM BLDG. SEPERATION)	PL	4/5							

KEY
R/W - RIGHT OF WAY
B.O.C. - BACK OF CURB
B.O.W. - BACK OF WALK
PL - PROPERTY LINE
P.U.E. - PUBLIC UTILITY EASEMENT



PROJECT NOTES

OWNER/APPLICANT
ARISTA DEL SOL JCP, LLC
C/O PAPPAS INVESTMENTS
2020 L ST., 5TH FLOOR
SACRAMENTO, CA 95816
CONTACT: THAD JOHNSON
PHONE: (916) 447-7100

PLANNER/ENGINEER/SURVEYOR
WOOD RODGERS INC.
3301 C STREET, BLDG. 100B
SACRAMENTO, CA 95816
CONTACT: STAN METTE/JOHN HODGSON PE #49187
PHONE: (916) 341-7760

ASSESSOR'S PARCEL NUMBER
067-0040-012

AREA
210.45 ACRES

EXISTING/PROPOSED GENERAL PLAN
LDR, COMM/Office

EXISTING/PROPOSED ZONING
RD-5, RD-7, RD-10, O, SC

NUMBER OF LOTS/LARGE LOTS
740 SINGLE FAMILY LOTS
1 COMMERCIAL/OFFICE LOT
1 COMMUNITY PARK LOT
1 NEIGHBORHOOD GREEN LOT
2 WETLAND PRESERVE LOTS
1 DETENTION BASIN LOT
11 LANDSCAPE LOTS
1 OPEN SPACE LOT

PUBLIC SERVICES & FACILITY PROVIDERS
IMPROVEMENTS: COUNTY OF SACRAMENTO
WATER: COUNTY OF SACRAMENTO
SEWER: SACRAMENTO COUNTY SANITATION DISTRICT #1
DRAINAGE: COUNTY OF SACRAMENTO
ELECTRICITY: S.M.U.D.
GAS: PACIFIC GAS & ELECTRIC
TELEPHONE: SBC
SCHOOL DISTRICT: ELK GROVE UNIFIED SCHOOL DISTRICT
FIRE DISTRICT: SACRAMENTO METRO FIRE DISTRICT
PARK DISTRICT: CORDOVA RECREATION & PARK DISTRICT

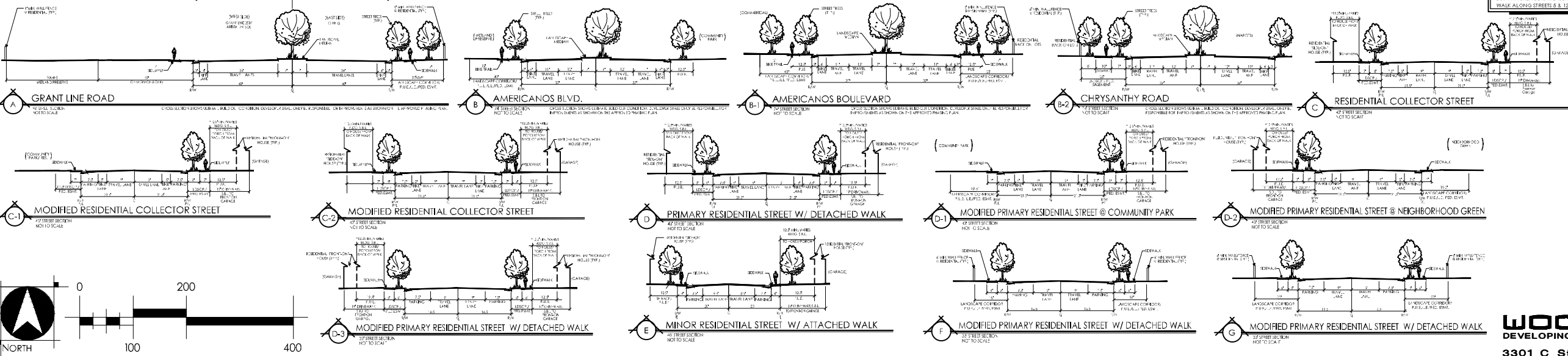
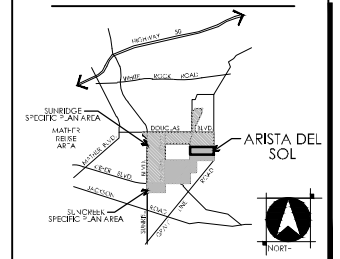
NOTE:
1) SUBDIVIDER(S) RESERVES THE RIGHT TO FILE MULTIPLE FINAL MAPS PURSUANT TO SECTION 66453.1 OF THE SUBDIVISION MAP ACT.
2) THIS IS AN APPLICATION FOR A DEVELOPMENT PERMIT.
3) A 12.5 FOOT PUBLIC UTILITY EASEMENT WILL BE LOCATED ADJACENT TO ALL PUBLIC RIGHTS OF WAY ON ALL LOTS EXCEPT 45' X 105' LOTS WHERE 10' PUE IS SHOWN; (SEE TABLE ABOVE) AS APPROVED BY CITY ENGINEER.
4) VILLAGE (LARGE LOT) NUMBERING IS FOR IDENTIFICATION PURPOSES ONLY AND DOES NOT INDICATE PHASING OF DEVELOPMENT. ULTIMATE DEVELOPMENT PHASING SHALL BE ORDERLY AND WILL BE DETERMINED AT FINAL MAP AND/OR IMPROVEMENT PLAN STAGE.
5) AERIAL TOPOGRAPHY BY OTHERS
6) THIS EXHIBIT IS FOR TENTATIVE MAP PURPOSES ONLY. ALL SITE CHARACTERISTICS TO BE VERIFIED PRIOR TO FINAL MAP.

LAND USE SUMMARY

VILLAGE LOT #	LAND USE	GROSS ACRES	NET ACRES	DWELLING UNITS	TONING DESIGNATION
1	SF RESIDENTIAL (45'X105' TYP.)	11.8	11.8	80	RD-7
2	SF RESIDENTIAL (45'X105' TYP.)	18.5	18.5	113	RD-7
3	SF RESIDENTIAL (55'X105' TYP.)	18.5	17.9	90	RD-5
4	SF RESIDENTIAL (55'X105' TYP.)	15.6	15.1	80	RD-5
5	SF RESIDENTIAL (45'X105' TYP.)	24.8	24.1	144	RD-7
6	SF RESIDENTIAL (40'X105' TYP.)	22.2	21.1	135	RD-10
7	SF RESIDENTIAL (40'X105' TYP.)	8.5	7.7	55	RD-10
SUBTOTAL		119.9	116.2	740	
A	COMMUNITY PARK	11.5	10.5	0	O
B	NEIGHBORHOOD GREEN	2.2	2.2	0	O
C	COMMERCIAL/OFFICE	6.6	6.6	0	SC
D	DETENTION BASIN	3.8	3.8	0	RD-5
E	WETLAND PRESERVE	12.4	12.4	0	RD-5
F	WETLAND PRESERVE	41.1	41.1	0	O
G	LANDSCAPE LOT	-	0.4	0	RD-5
H	LANDSCAPE LOT	0.2	0.2	0	RD-5
I	LANDSCAPE LOT	-	0.2	0	RD-5
J	LANDSCAPE LOT	-	0.5	0	RD-5
K	LANDSCAPE LOT	-	0.7	0	RD-7
L	LANDSCAPE LOT	-	1.1	0	RD-10
M	LANDSCAPE LOT	-	0.1	0	RD-10
N	LANDSCAPE LOT	-	0.3	0	RD-10
O	LANDSCAPE LOT	-	0.1	0	RD-10
P	LANDSCAPE LOT	-	0.3	0	RD-10
Q	LANDSCAPE LOT	1.1	1.1	0	O
R	OPEN SPACE	2.0	2.0	0	O
S	RIGHT-OF-WAY	9.8	10.8	0	-
SUBTOTAL		90.7	94.4	0	
TOTAL		210.6	210.6	740	

- GROSS ACREAGE EXCLUDES AMERICANOS BLVD., GRANT LINE ROAD AND CHRYSANTHY ROAD
- NET ACREAGE EXCLUDES LANDSCAPE CORRIDORS, AMERICANOS BLVD., GRANT LINE ROAD AND CHRYSANTHY ROAD
- LOT "A" ACREAGE IS AS MEASURED FROM BACK OF CURB ALONG AMERICANOS BOULEVARD AND FROM BACK OF WALK ALONG STREETS 5 & 12.

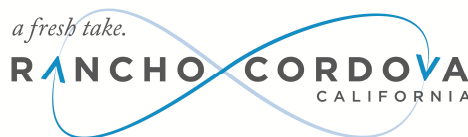
LOCATION MAP



WOOD RODGERS
DEVELOPING INNOVATIVE DESIGN SOLUTIONS
3301 C St, Bldg. 100-B Tel 916.341.7760
Sacramento, CA 95816 Fax 916.341.7767

TENTATIVE SUBDIVISION MAP - ARISTA DEL SOL

MEMORANDUM



DATE: September 15, 2014

TO: Honorable Mayor and Council Members

FROM: Jessica Hayes, Housing and Neighborhood Development Analyst
Peter Ibrahim, Housing Services Assistant

SUBJECT: A PUBLIC HEARING TO CONSIDER APPROVAL OF A RESOLUTION ADOPTING THE 2013-2014 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

RECOMMENDATION

Approve Resolution 111-2014 of the City Council of the City of Rancho Cordova to approve the FY 2013-2014 Consolidated Annual Performance and Evaluation Report (CAPER).

RESULT OF RECOMMENDED ACTION

CAPER will be submitted to the US Department of Housing and Urban Development (HUD) in accordance with HUD requirements and timelines.

ADVANCES GOALS: 1, 2, 3, 5

BACKGROUND

The City receives an annual entitlement allocation of the Community Development Block Grant (CDBG) from the U.S. Department of Housing and Urban Development (HUD). The City received \$590,900 of CDBG in FY 2013-2014 in addition to \$6,694 in roll-over funds from project savings during the previous year. CDBG allows the City to carry out a number of housing and community development programs that are targeted primarily to low- and moderate-income households and individuals, including housing rehabilitation, neighborhood infrastructure improvements, and public services.

The Department of Housing and Urban Development (HUD) requires an annual evaluation of their grant programs, also known as the "Consolidated Annual Performance and Evaluation Report," or CAPER. The 2013-2014 CAPER describes the City's accomplishments in the implementation of programs and activities under the Community Development Block Grant (CDBG) program. It also reports the progress of the City in meeting overall five-year goals and priorities, as well as identifying areas for improvement as a result of this annual review.

CDBG regulations require that the public be given a 15-day period in which to review the CAPER and provide comments prior to approval by the City Council. A public notice announcing the availability of the CAPER was published in the Grapevine Independent on

August 29, 2014 and copies of the CAPER were made available for public review at designated locations, including the City's website. Any written comments or questions are responded to in writing by staff, and are included in the CAPER when it is submitted to HUD. The public comment period on the CAPER concluded September 15, 2014.

ANALYSIS

The 2013-2014 program year was the City's seventh year as an entitlement jurisdiction for CDBG funds. Staff has continually striven to provide training opportunities to new grant recipients and establish "best practices," with the goal of integrating them into the day-to-day and long-term implementation of the program. As a new initiative, the City has undertaken efforts to coordinate activities with our neighboring cities. Efforts have included standardizing reporting requirements and forms to help encourage efficiency and consistency, and sharing information from workshops. Staff continued to work on refining guidelines and procedures, and worked with service providers to provide technical assistance in administering CDBG funds.

Significant progress in satisfying performance goals was made during the past CDBG program year. The City was also able to sponsor several critical public services that many of our citizens have come to rely on – including senior nutrition programs, youth mentoring programs, and homelessness prevention programs.

Continuing challenges are recognized to include developing and implementing strategies to increase public review and input related to all CDBG efforts, to develop permanent solutions to homeless issues, to increase the availability of affordable housing, and to effectively remove barriers to affirmatively furthering Fair Housing.

ATTACHMENTS

1. Resolution 111-2014
2. City of Rancho Cordova 2013-2014 Consolidated Annual Performance and Evaluation Report (CAPER)
3. CAPER PowerPoint Presentation

CITY OF RANCHO CORDOVA

RESOLUTION NO. 111-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
APPROVING THE FY 2013-2014 CONSOLIDATED ANNUAL PERFORMANCE
AND EVALUATION REPORT (CAPER) FOR THE COMMUNITY DEVELOPMENT
BLOCK GRANT (CDBG)**

WHEREAS, the City of Rancho Cordova has applied for and received Community Development Block Grant (CDBG) funds as an entitlement jurisdiction from the Government of the United States under Title I of the Housing and Community Development Act of 1974; and

WHEREAS, the Department of Housing and Urban Development (HUD) is the federal agency that promulgates regulations and oversees the administration of the CDBG program; and

WHEREAS, HUD requires that entitlement jurisdictions complete an annual evaluation of their grants programs through a report known as the Consolidated Annual Performance and Evaluation Report (CAPER); and

WHEREAS, City staff has completed the 2013-2014 CAPER; and

WHEREAS, a public notice announcing the availability of the CAPER and a 15-day public comment period for the report was published in the Grapevine Independent on August 29, 2014; and

WHEREAS, the 15-day public comment period will close September 15, 2014 and the CAPER has been considered by the Rancho Cordova City Council.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA that the City Council:

1. Approves the 2013-2014 Consolidated Annual Performance and Evaluation Report (CAPER);
2. Authorizes the City Manager, or his designee, to submit the CAPER to the Department of Housing and Urban Development; and
3. Authorizes staff to make technical modifications to the CAPER as required by HUD, and pending any public comment received prior to September 15, 2014.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, MMC, City Clerk

City of Rancho Cordova 2013-2014 CDBG Program

September 15, 2014

Public Services – Senior Services

▶ Meals on Wheels

- ▶ 12,571 Meals served
 - ▶ 2,679 Congregate meals at Cordova Senior Center
 - ▶ 9,892 Home delivered meals

▶ Respite C.L.U.B

- ▶ 23 Seniors provided day care services
 - ▶ Holiday activities
 - ▶ Community events

Public Services – Youth Services

- ▶ Group Mentoring Initiative with Folsom Cordova Community Partnership
 - ▶ 128 youth participants
 - ▶ Leveraged through the Folsom Cordova Unified School District

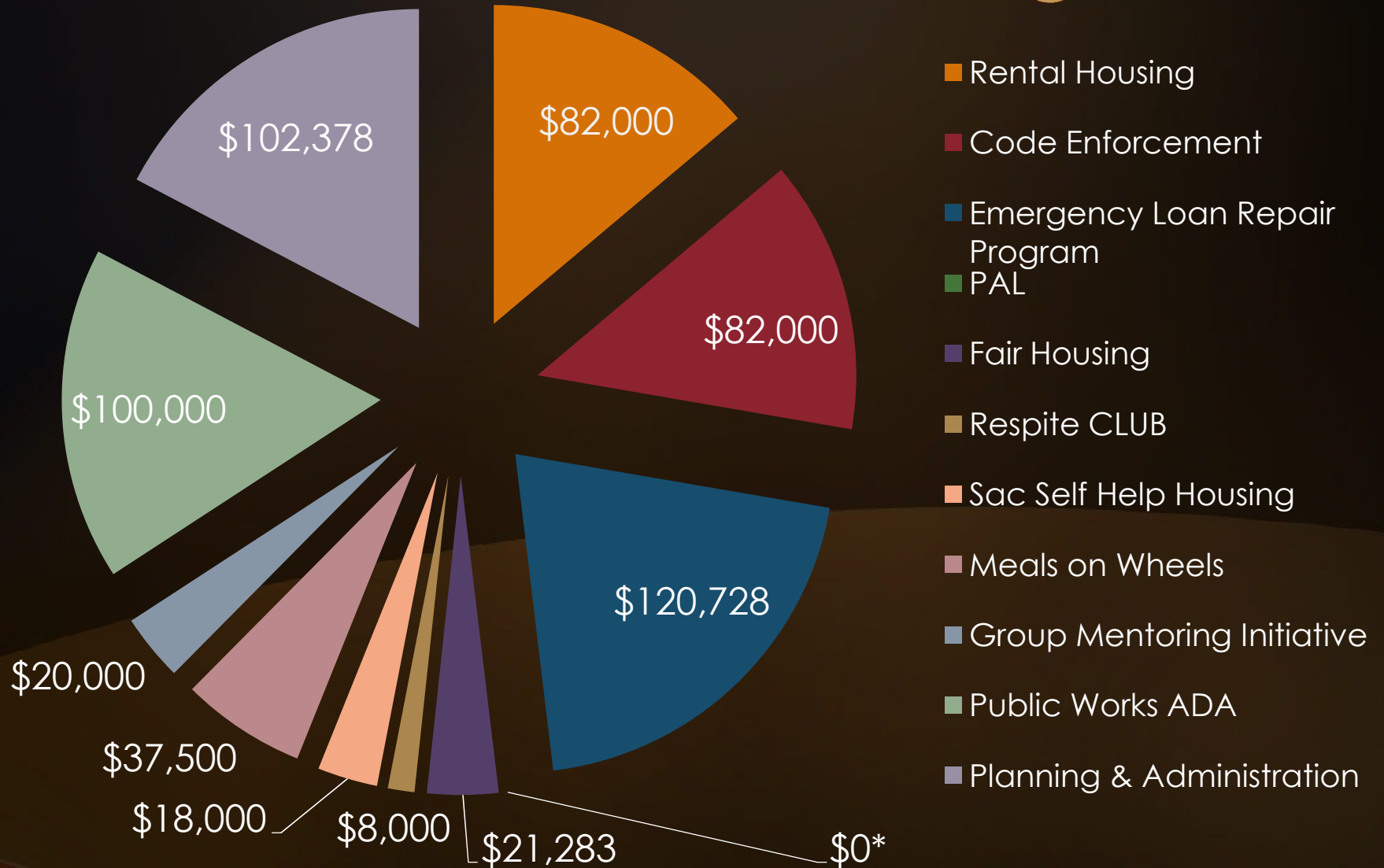
Housing Services

- ▶ Emergency Home Repair
 - ▶ 15 mobile and single-family homes repaired to meet health and safety standards
- ▶ Rental Inspection Program
 - ▶ 1,281 rental homes inspected
- ▶ Code Enforcement Program
 - ▶ 1,609 homes, businesses, and properties inspected
- ▶ Homelessness Prevention
 - ▶ 177 persons provided housing assistance

Fair Housing

- ▶ 33 Households provided with education and fair housing assistance

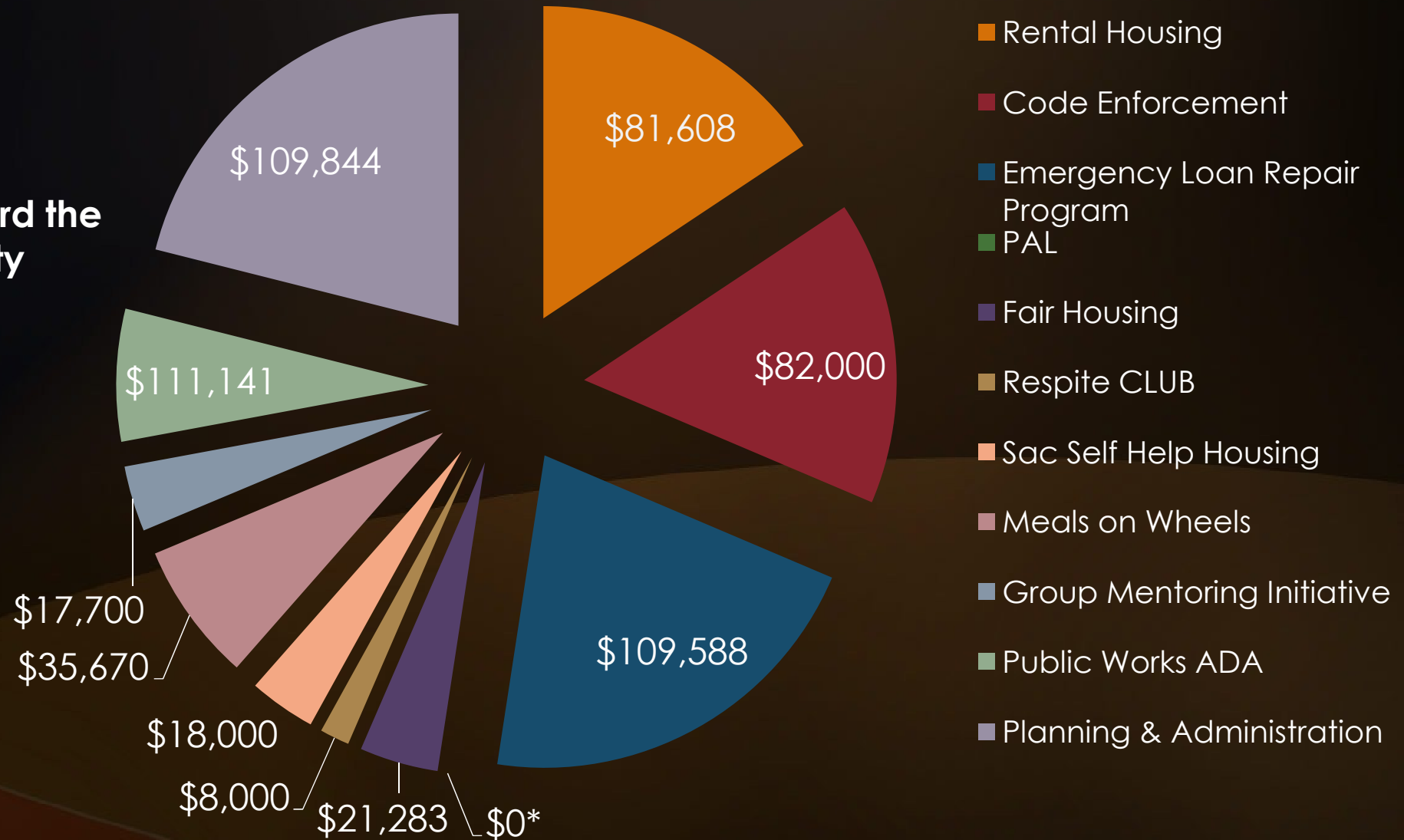
2013-2014 CDBG Budget



PAL

2013-2014 CDBG Expenditures

unds were
nded toward the
outh Facility



MEMORANDUM

DATE: September 15, 2014

TO: Honorable Mayor and Councilmembers

FROM: Amanda Norton, Economic Development Manager

SUBJECT: **A PUBLIC HEARING TO CONSIDER AN ECONOMIC DEVELOPMENT SUBSIDY FOR PUBLIC OFF-SITE INFRASTRUCTURE FOR A NEW HOTEL AND EVENT SPACE PROJECT TO BE LOCATED AT 11212 POINT EAST DRIVE, RANCHO CORDOVA, CA 95670; AND CONSIDERATION OF A RESOLUTION APPROVING A FINANCE AGREEMENT FOR THE SUBSIDY AND FEE DEFERRALS FOR THE PROJECT.**



RECOMMENDATION

Consider adoption of Resolution No. 112-2014.

RESULT OF RECOMMENDED ACTION

Adoption of this resolution will authorize the City Manager to execute a finance agreement with the developer requiring the City to defer up to \$580,000 in building, planning and development impact fees for 20 years, and to contribute up to \$420,000 for the installation of public off-site infrastructure.

BACKGROUND

On June 24, 2014, the City Council conducted a workshop where possible incentives for a new hotel and event space were discussed. The proposal was for an 89 room extended stay hotel and a 6,790 square foot event space to be located at 11212 Point East Drive, Rancho Cordova. The applicant, D&S Development, asked for assistance with three items: to defer the building and development impact fees, to assist with public off-site infrastructure improvements, and to allow an Adjustment to the parking standard.

Council directed staff to continue to work with the applicant and to return with the best negotiated deal that could be reached.

PROJECT OVERVIEW

As previously presented, the proposed new hotel would be four stories and contain 89 rooms. The project would be an extended stay hotel and each room would have a kitchenette that contains a stove top, sink, and refrigerator. The event space would be a standalone building on the site. The table below displays the overview of the project.

Hotel					
Number of rooms			89		
Estimated average annual occupancy, first 5 years			68.6%		
Estimated average annual Transient Occupancy Tax, City's Share, first 5 years			\$59,274		
Hotel jobs: Full time – 13, Part time - 4	# Jobs	Position	Full Time/ Part Time	Weekly Hours	50 Weeks Annual Pay Per Employee
	1	General Manager	Full	40	\$55,000
	1	Front Desk Staff	Full	40	\$22,000
	3	Front Desk Staff	Full	35	\$17,500
	2	Front Desk Staff Weekend	Part	16	\$8,000
	1	Head Housekeeper	Full	35	\$21,000
	4	Housekeeping Staff	Full	35	\$22,000
	2	Housekeeping Staff Weekend	Part	16	\$8,000
	2	Laundry	Full	35	\$17,500
	1	Maintenance	Full	36	\$21,600
Event Space					
Square Footage			Total Event Space – 6,790sf Useable Event Space – 4,190sf		
# of Seats at Rounds and Stadium			300-500 respectively		
Estimated Occupancy			3 events weekly with an average of 300 guests in attendance		
Estimated Number of Event Guests per Year			45,000		
Estimated average annual Sales Tax, City's Share, first 5 years			\$368		
Event space jobs: Full time – 1, Part time - 11	# Jobs	Position	Full Time/ Part Time	Weekly Hours	50 Weeks Annual Pay Per Employee
	1	Event Director	Full	40	\$45,600
	2	Event Assistant	Part	20	\$10,000
	2	Housekeeping staff	Part	20	\$10,000
	6	Wait Service	Part	20	\$10,000
	1	Maintenance	Part	16	\$9,600

REQUEST FOR CONSIDERATION

Below is a summary of the two requests:

1. Fee Deferral Loan– The applicant is requesting a fee deferral loan of up to \$580,000 in building, development, and planning fees, a mix of processing and development impact fees. The City currently provides a one year, interest free development impact fee deferral program for certain fees on residential, commercial and industrial projects. The applicant requests a processing and development impact fee deferral loan for 20 years, much longer than the existing deferral program. The fee deferral loan will accrue interest at a fixed 3% rate for the first 5 years and a fixed 4% rate for the remaining 15 years. The first payment would be due six months after a Certificate of Occupancy is issued.

2. Public Off-Site Infrastructure – The developer is requesting up to \$420,000 in assistance for public off-site infrastructure. Public off-site infrastructure are those improvements which are located in the public right-of-way. The improvements would include: removal of non-ADA compliant sidewalks, installation of ADA compliant sidewalks, curb cuts, curbs and gutters, landscape median at the entry point to Point East Drive off Folsom Boulevard, undergrounding of existing utility lines, removal of existing landscaping, and storm water improvements. These funds will require the developer to pay prevailing wage on all public off-site infrastructure improvements

ANALYSIS

This finance agreement between the City and the Developer would not guarantee that the project will commence construction, and the City is not obligated to make any contribution or fee deferral loan until the project has been approved by the City and received all necessary permits and financing.

A new hotel and event space would bring new jobs, new revenue, and provide a public benefit to Rancho Cordova. There would be 29 new jobs created as a result of the project. Of these 29 new jobs, fourteen (14) would be full time positions and fifteen (15) would be part time positions. There would also be additional job creation during the construction phase of the project. The jobs created would not bring in high paying jobs, but would create net new jobs in the community.

Staff reached out to PKF Consulting USA – Hotel Consulting Services (PFK) who provided a brief review of the project's pro forma. In summation, PKF does not feel the hotel would negatively impact the City's existing hotel base, 89 rooms will add about 5% more rooms to the existing hotel room stock. PKF believes the hotel can stand alone without any subsidy. Event spaces traditionally take longer to establish in the market, which creates a negative cash flow, thus the request for a subsidy is to make that part of the project feasible.

The project would bring some additional revenue to the City. However, because the project is in the annexation area, the tax revenues from this project are subject to sharing with the County of Sacramento. The County of Sacramento would receive 100% of the property tax revenue that would normally be paid to the City and the County would receive 75% of the Transient Occupancy Tax (TOT) and sales tax revenues. As a result, the City could expect to receive between \$55,000 to \$70,000 per year in TOT revenues. The event space will also generate a small amount of sales tax revenue for the City. The developer has estimated that the space will generate approximately \$360 per year for the City. At this level of revenue generation, the \$420,000 contribution would be recouped in approximately seven years. The funds could come from a combination of the Infrastructure Capital Fund, the General Fund and a small amount from the Storm Drain Enterprise Fund, as appropriate.

The proposed project has both a public purpose and will benefit the public. Providing new event space and hotel rooms is a priority for Rancho Cordova. The project is located in the Convention Overlay Zoning District. The District was established to provide for the development of a convention center with related and supporting uses. The District is intended to be a special place in the City that is entertaining, vibrant, and inviting to tourists, visitors and residents alike. This project would increase the City's event space and hotel rooms, and when combined with the existing event space in the immediate area, make it possible for larger events to come to Rancho Cordova and for existing events to expand. The project would enhance the City's reputation as a destination for business conferences and cultural events. The project is directly

across the street from the Sunrise Light Rail Station and is utilized by residents and visitors. There is a strong need to make sure all the infrastructure is ADA compliant for those who take light rail and for those that drive to this location. There are four existing hotels in the immediate vicinity and those visitors will also benefit from the improved infrastructure on this corner property. In addition, the undergrounding of overhead utility lines prevents the downing of lines in a strong storm event. The improved curb, gutter and storm drain infrastructure would help direct water flow to the appropriate areas. The purpose of the public investment will be an increase in jobs, increase in overall economic growth due to events and hotel stays, support for leisure and professional travelers with additional hotel rooms, and an increase in TOT and sales tax revenues due to the additional economic activities.

ATTACHMENT

Resolution No. 112-2014, with finance agreement and accompanying exhibits.

2328734.1

CITY OF RANCHO CORDOVA

CITY COUNCIL RESOLUTION NO. 112-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA
AUTHORIZING THE CITY MANAGER TO EXECUTE A FINANCE AGREEMENT
WITH D&S DEVELOPMENT, INC. RELATED TO THE PROPOSED HOTEL AND EVENT
CENTER PROJECT AT 11212 POINT EAST DRIVE**

WHEREAS, D&S Development, Inc. ("Developer") proposes to build a new hotel and event center at 11212 Point East Drive in Rancho Cordova in the Convention Overlay District, to include a four-story, 89-room extended stay hotel with an adjacent 6,790 square foot event space ("the proposed project"); and

WHEREAS, the proposed project would bring an estimated 45,000 events guests annually, would yield around \$59,000 annually in transient occupancy tax revenue for the City for the first five years, and would create temporary construction jobs as well as permanent jobs; and

WHEREAS, the Developer has requested financial assistance from the City to help guarantee financing for the proposed project; and

WHEREAS, the City is offering up to \$420,000 toward construction costs of public off-site improvements such as ADA-compliant hardscape and soft scape, sidewalks, curb cuts, gutters, undergrounding of utilities, landscaping, entry median on Point East Drive, and storm water improvements, and such contribution is authorized under Government Code section 40401; and

WHEREAS, the City is offering up to \$580,000 in a fee deferral loan to the Developer to defer certain planning, building, and development fees, to be repaid over twenty (20) years at three percent (3%) interest for the first five (5) years and four percent (4%) interest for the remaining fifteen (15) years; and

WHEREAS, the Developer and the City have been preparing a finance agreement that will allocate the financial responsibilities among the City and the Developer ("Finance Agreement"); and

WHEREAS, the Finance Agreement serves primarily a public purpose and will benefit the public in that:

1. It assists in the construction of off-site infrastructure to be used by the public (ADA-compliant sidewalks, hardscapes, and softscapes, curb, curb cuts and gutters), and particularly by light rail users; and

2. It assists with the undergrounding of overhead utility lines, which prevents the downing of such lines during a strong storm event; and

3. It assists the Developer in obtaining project financing to construct the proposed project, which will increase local jobs, bring tens of thousands of visitors to the City, increase tax revenues, and enhance overall economic growth in the area; and

4. The fee deferral loan to the Developer will be repaid with interest to the City.

WHEREAS, the Finance Agreement is conditioned upon the Developer obtaining project financing and project approvals, including all required permit and design review approvals from the City; and

WHEREAS, such project approval is achieved through a subsequent process and therefore the Finance Agreement does not provide any land use approvals for the proposed project and is not a land use or planning document; and

WHEREAS, the City Council of the City of Rancho Cordova has conducted a properly noticed public hearing pursuant to Government Code section 53083 and has duly considered all written and verbal testimony presented during the hearing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RANCHO CORDOVA HEREBY RESOLVES AS FOLLOWS:

1. **CEQA.** Determines that the Finance Agreement is not a “project” subject to review under the California Environmental Quality Act (“CEQA”), pursuant to 14 Cal. Code Regs. section 15060(c)(2), because:
 - a. It does not facilitate or guarantee any land use entitlements, permits, or design approvals from the City; and
 - b. It will not result in the issuance of any land use entitlement, permit, or other authorization required to commence an activity subject to CEQA; and
 - c. It does not have the potential to cause any direct physical change in the environment or any reasonably foreseeable indirect physical change in the environment; and
 - d. The Developer agrees that the proposed project will be subject to any and all required CEQA review at the appropriate time.
2. **FINANCE AGREEMENT.** Authorizes the City Manager or his designee to execute the Finance Agreement between the City and D&S Development, Inc., substantially in the form attached hereto and as approved by the City Attorney, as **Exhibit 1**.

PASSED AND ADOPTED by the City Council of the City of Rancho Cordova on the ____ day of _____, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Dan Skoglund, Mayor

ATTEST:

Mindy Cuppy, MMC, City Clerk

2327217.1

EXHIBIT 1

POINT EAST FINANCE AGREEMENT

This Finance Agreement (the “**Agreement**”) is entered into as of this ____ day of _____ 2014, by and between the **CITY OF RANCHO CORDOVA**, a California municipal corporation (the “**City**”), and **D&S DEVELOPMENT, INC.**, a California corporation (the “**Developer**”). The City and the Developer are hereinafter collectively referred to as the “**Parties**” and singularly as “**Party**.”

RECITALS

1. **Background.** The Developer proposes to build a new hotel and event space at 11212 Point East Drive in Rancho Cordova (the “**Property**”). The proposed development is a four-story, extended stay, 89-room Marriott Towne Place Suites hotel/Hyatt House hotel and a 6,790 square foot event space in a stand-alone building on the site (the “**Project**”) as shown on Parcel A in Exhibit B. Annually, an estimated 45,000 guests would attend events at the event space, which would employ one full-time director and eleven part-time workers.

2. **City Participation.** While the hotel could stand alone without any City assistance, the Project as a whole with the event space is only feasible with some financial assistance from the City. This Agreement establishes the terms and conditions under which the City agrees to provide that assistance. The City will invest an amount not to exceed \$420,000.00 in the Project, to go toward the construction of Public Off-Site Improvements (as defined below). The City will also defer fees for the Project through a fee deferral loan in an amount not to exceed \$580,000.00 for twenty (20) years with accrued interest. The Developer will reimburse the City for the full amount of all deferred fees, plus all applicable interest.

3. **Public Purpose and Public Benefit.** Providing new event space and hotel rooms is a priority for Rancho Cordova. The Project would increase the City’s event space and hotel rooms, and when combined with the existing event space in the immediate area, make it possible for larger events to come to Rancho Cordova or for existing events to expand. The Project would enhance the City’s reputation as a destination for business conferences and cultural events. The Project is located in the Convention Overlay Zoning District (the “**District**”). The District was established to provide for the development of a convention center with related and supporting uses. The District is intended to be a special place in the City that is entertaining, vibrant, and inviting to tourists, visitors and residents alike. The Project would be directly across the street from the Sunrise Light Rail Station, which is utilized by residents and visitors. There is a strong need to make sure all of the infrastructure in that area is ADA compliant for those who take light rail and for those who drive to this location. There are four existing hotels in the immediate vicinity and visitors to those hotels will also benefit from the improved infrastructure on this corner property. Additionally, the Project would provide the City with an ongoing source of transient occupancy tax revenue. Also, more hotel guests equates to more tax revenue generated in retail establishments in the City. The Project would also provide job opportunities in the City at a range of different skill levels. The Project would be a catalyst for nearby commercial development and attract positive attention to the City from throughout the region, significant benefits that primarily benefit the public..

4. **Required Entitlements and Environmental Review.** The Property is located within the District, which permits this Project, subject to Design Review and permit approvals by the City. The City determined that approval of this Agreement is not a “project” subject to the California Environmental Quality Act (“**CEQA**”), as no permit or design review applications have been received for this Project and because the Agreement does not commit the City to implement any activity for project approval subject to CEQA. This Agreement is conditioned upon the Project receiving required entitlements, permits, and project approvals from the City,

EXHIBIT 1

however, it does not facilitate or in any way guarantee such approvals. The approval of this Agreement will not cause any direct, or any reasonably foreseeable indirect, physical environmental impact. The approval of this Agreement will not result in the issuance of any entitlement, permit, or other authorization required to commence an activity for project approval subject to CEQA. Because this Agreement does not amount to a project, it is exempt from CEQA review under 14 Cal. Code. Regs. section 15060(c)(2). The Developer agrees that the Project will be subject to applicable CEQA review at a future date, when a City decision on the Project has the potential to cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

NOW, THEREFORE, in consideration for mutual promises, conditions, and covenants hereinafter set forth, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Preamble, the Recitals, and all defined terms set forth in both, are hereby incorporated into this Agreement as if set forth herein in fully defined terms. Capitalized terms shall have the meaning set forth in Section 6.
2. **Description of Property.** The property which is the subject of this Agreement is described in Exhibit A and depicted as Parcel A in **Exhibit B** attached hereto, and is hereinafter referred to as the “**Property**.”
3. **Effective Date.** The effective date of this Agreement is _____, 2014, which is the effective date of City Resolution 112-2014, adopting this Agreement.
4. **Term.** Upon execution, the term of this Agreement shall commence on the effective date of this Agreement and extend until the Parties have satisfied their obligations under this Agreement, including the Developer’s fee deferral repayment to the City and the off-site participation/capital contribution, unless this Agreement is mutually modified in writing, terminated, or extended by circumstances as set forth herein. Following satisfaction of the Developer’s fee deferral repayment, this Agreement shall be terminated and of no further force and effect, unless a provision herein establishes otherwise. Said termination of this Agreement shall not affect any right or duty created by the City approvals for the Property adopted prior to, concurrently with, or subsequent to the approval of this Agreement.
5. **Scope of Agreement.** This Agreement is a financing document, not a land use or planning document. This Agreement is not, and shall not be, considered an approval of land use entitlements or approval of the structural or aesthetic design of the Project. The City shall diligently process the Developer’s applications for all City permits. This Agreement does not commit the City in advance to approve the City permits; and this Agreement does not constrain the City’s discretion, acting as a government, with respect to the City permits specifically or any related environmental review. This Agreement is conditioned on, and subject to, full and complete CEQA review of the Project by the City. The Developer agrees that the Project will be subject to applicable CEQA review at a future date, when a City decision on the Project has the potential to cause a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Furthermore, this Agreement is conditioned on the City’s discretionary approval of the Project following full and complete CEQA review of the Project. Nothing herein shall bind or commit the City to any specific findings or conclusions regarding the environmental impacts of the Project or any mitigation measures for the Project. Nor shall anything here in prohibit, restrain, or restrict the City’s exercise of discretion in considering approvals for the Project, including the discretion to impose conditions or mitigation measures on the Project, to require changes to the Project, to approve an alternative to the Project, or to deny the Project altogether. No exercise of the City’s discretion regarding findings

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or conclusions under CEQA, the imposition of conditions or mitigation measures, the approval of a modified Project or an alternative to the Project, or the City's denial of the Project shall be considered a breach of this Agreement. However, should the City deny the Project, this Agreement shall become null and void and none of the requirements of this Agreement shall be binding on either Party.

6. Definitions

6.1 Certificate of Occupancy. Means City approval to open any portion of the Project to the public. If multiple Certificates of Occupancy are required, Certificate of Occupancy, as used and defined in this Agreement, means the first Certificate of Occupancy issued by the City.

6.2 City's Capital Contribution. Means a capital contribution from the City to the Developer in an amount up to \$420,000.00 to directly support the viability of the Project and to be used for construction of Public Off-Site Improvements, as set forth in Sections 6.12 and 7.1 of this Agreement.

6.3 Contamination. Means any Hazardous Materials at, on, in, beneath or from the Property.

6.4 Environmental Response Actions. Means any and all activities, data compilations, preparation of studies or reports, interaction with environmental regulatory agencies, obligations and undertakings associated with environmental investigations, removal activities, remediation activities or responses to inquiries and notice letters, as may be sought, initiated or required in connection with any local, State or Federal governmental or private party claims, including any claims by the Developer or the City.

6.5 Environmental Response Costs. Means any and all costs associated with Environmental Response Actions, including, without limitation, any and all fines, penalties and damages.

6.6 Fee Deferral Loan. Means that up to \$580,000 worth of qualifying fees will be deferred by the City, and the Developer will repay all such fees with interest as described herein.

6.7 Final Appraised Value. Means the appraised value of the Property described herein as determined in order for the Developer to obtain Project Financing.

6.8 Full Payoff Amount. Means the total amount the Developer is obligated to pay the City under this Agreement. The Full Payoff Amount includes repayment of the Fee Deferral Loan amounts, plus any applicable interest.

6.9 Hazardous Materials. Means any substance, material or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," or any other term comparable to the foregoing terms under any provision of California law or federal law; (2) petroleum; (3) asbestos; (4) polychlorinated biphenyls; (5) radioactive materials; or (6) determined by California, Federal or local governmental authority to be capable of posing a risk of injury to health, safety or property.

6.10 Improvements. Means the development and construction of the Project on the Property, and the development and construction of all public and private improvements required by this Agreement, State law, City ordinances, and any conditions of approval for the Project.

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6.11 Indemnitees. Means the City and its officers, beneficiaries, employees, agents, attorneys, representatives, legal successors and assigns.

6.12 Off-site Improvements or Public Off-site Improvements. Means the demolition of existing non-ADA compliant hardscape and softscape and installation of public infrastructure to include: ADA accessible sidewalks with curb cuts, gutters, under grounding of utilities, landscaping, an entry median on Point East Dr. north of Folsom Boulevard, and storm water improvements located within the public right-of-way.

6.13 Permitted Exceptions. Means the conditions, liens, encumbrances, restrictions and exceptions that may remain on any property conveyed to the City by the Developer, after conveyance, if approved by the Developer in writing.

6.14 Project. Means the approximately 89-room hotel and 6,790 square-foot event space, and related improvements, as described in this Agreement's Recitals and to be located on Parcel A in Exhibit B.

6.15 Project Approval. Means any and all required City permits, entitlements, environmental and design reviews have been granted to the Developer by the City and all government agencies, enabling the Project to commence construction, and the applicable statutes of limitations to challenge such approvals have expired without litigation being initiated.

6.16 Project Financing. Means the contractual commitment of one or more lenders to provide the Developer with the total amount of financing needed to fully pay the expected costs to construct and implement the Project, up to and including the issuance of the Certificate of Occupancy, exclusive of the City and the Developer Capital Contributions.

6.17 Qualifying Fees. Means the total amount of fees that qualify for the Fee Deferral Loan. Such fees exclusively include: Building and Safety Processing Fees, Community Facilities Impact Fees, Housing Trust Development Impact Fees, Transportation Impact Fees, and Planning Processing Fees comprised of Parking Adjustment Fee, Major Design Review Fee and Conditional Use Permit Fee.

6.18 Security Property. Means the property, which is the subject of the deed of trust in Exhibit , which shall be executed by the Developer for the benefit of the City as security for the fee deferral loan payments due under this Agreement.

6.19 Term Sheet. Means the documentation from potential lenders that Project Financing is available to the Developer upon satisfaction of the conditions set forth in the Term Sheet.

7. Parties' Obligations

7.1 City's Capital Contribution. The City shall make its Capital Contribution, on a reimbursement basis, after approval of this Agreement and after the Developer obtains Project Approval and Project Financing . The Developer shall submit invoices to the City for actual costs incurred for Public Off-Site Improvements and the City shall pay such invoices within forty-five (45) days of receipt.

a. Payment. The City will pay an amount up to \$420,000 toward costs associated with constructing Public Off-Site Improvements.

b. Accounting Certification and Payment Disbursement. The deadline for the City to disburse the payment shall be forty-five (45) days after the date of invoice receipt, in a form approved by the City, that it has incurred costs for the Public Off-Site Improvements. Unless the evidence before the City's Finance Director indicates otherwise, the

EXHIBIT 1

City's Finance Director shall certify the City's Capital Contributions are being utilized for the sole purpose of construction of Public Off-Site Improvements. The City's Finance Director shall not make the required certification and shall withhold any scheduled disbursement of the City funds if evidence indicates the City's Capital Contributions are being used for anything other than for the sole purpose agreed upon herein.

c. **Fee Deferral Loan.** The total amount of Qualifying Fees owed by the Developer prior to the issuance of a building permit is currently estimated to be approximately \$578,133. The total Qualifying Fees due will be determined prior to issuance of a building permit, based upon the precise building size, building type, and fee requirements then in effect. The City will issue the Fee Deferral Loan in an amount not to exceed \$580,000 when Qualifying Fees become due. The Developer shall pay the remaining balance of all fees due prior to receiving building permits. The Developer shall repay the Fee Deferral Loan pursuant to the terms set forth in Section 7.2 of this Agreement, and according to the terms set forth in Exhibit C.

d. **City Cooperation.** The City agrees to cooperate with all reasonable requests from the Developer to provide the documentation required to complete a sale or refinancing of the Project. If the requested documentation takes more than five (5) hours to prepare, the Developer shall reimburse the City for any staff (including contract staff and attorneys) time spent after the initial five (5) hours and for any other costs incurred by the City in response to the Developer's request. The Developer reimbursement to the City under this provision shall be calculated consistent with the City's cost-recovery rates in effect at the time of the Developer's request for documentation.

7.2 Developer's Obligations.

a. **Obtain Project Approval and Project Financing.** The Developer shall make a good faith effort to secure Project Financing, and to obtain all required permits, entitlements and approvals for the Project without unnecessary delay.

b. **Term Sheets.** The Developer shall obtain a Term Sheet demonstrating the availability of Project Financing. The Developer shall present the Term Sheet to the City's Finance Director prior to the City's payment of the Capital Contribution. The City is not obligated to make any payments until the Developer has submitted proof that it has obtained a Term Sheet for Project Financing.

c. **Reporting and Accounting Requirements.** The Developer shall keep an accounting of its expenditure of the City's Capital Contributions.

d. **Developer's Capital Contribution.** The Developer shall provide all other capital as needed to fully fund the Project, other than the City's Capital Contribution. The Developer will use the Developer's Capital Contribution and the City's agreement to make a Capital Contribution to secure financing and will perform all actions required to complete and operate the Project. The loan approval documents shall demonstrate that the Developer is obligated to expend the Developer's Capital Contribution in its entirety on implementation of the Project prior to the disbursement of any funds from the Project Financing. The Developer shall retain sole possession and control of all confidential loan documents; however, the Developer shall provide the City staff access to review all loan documents.

e. **Project Financing.** The Developer is responsible for securing Project Financing for the remainder of the Project cost (the cost minus the City Capital Contribution, Fee Deferral Loan and the Developer's Capital Contributions). The Developer shall submit documentation demonstrating that the Developer has secured Project Financing

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within twelve (12) months of the effective date of this Agreement. Each of the Developer entities which are signatories to this Agreement agrees to repay in full the sum borrowed and to remain in compliance at all times with the terms of the Project Financing; the Developer signatories to this Agreement agree that they will not claim or assert that the creation of any partnership, limited liability company, corporation or other legal entity, or the sole transfer of ownership on the property or the Project, in any way limits such obligations and potential liabilities.

f. Fee Deferral Loan Repayment. The Fee Deferral Loan shall be issued by the City to the Developer after Developer obtains Project Approval and Project Financing and prior to issuance of a building permit. The Developer shall repay the Fee Deferral Loan plus three percent (3 %) interest amortized annually for five (5) years from the date of the issuance of the Fee Deferral Loan. The Developer shall repay the Fee Deferral Loan plus four percent (4%) interest amortized annually following the fifth (5th) year from the date of the issuance of the Fee Deferral Loan, until the Fee Deferral Loan is Fully repaid which shall not exceed twenty (20) years. There is no penalty for paying off the loan earlier than twenty (20) years. Interest accrual will begin from the date of the issuance of the Fee Deferral Loan and the first payment shall be due six (6) months from the date of the issuance of the Certificate of Occupancy. Monthly payments will be made in accordance with loan repayment terms set forth in the Promissory Note attached as Exhibit C to this Agreement.

i. Refinancing by Developer. If refinancing on the project or property results in the Developer receiving a loan amount sufficient to retire the balance of the City's Fee Deferral Loan owed by the Developer, then Developer shall fully repay the loan amount to the City, plus all interest, within sixty (60) days. If refinancing on the project or property does not result in the above scenario, then the City agrees to remain in the subordinated position.

g. Consistency. The Developer shall ensure that the loan documents for the Project Financing are consistent with this Agreement.

h. Promissory Note and Deed of Trust. The Developer shall execute (i) a Promissory Note substantially in the form attached as Exhibit C to this Agreement to evidence the amount due to the City; and (ii) a Deed of Trust, substantially in the form attached as Exhibit D for the benefit of the City as security for the loan payments due under this Agreement. The City agrees to subordinate the Deed of Trust to the construction lender, permanent lender and any other financing requested by the Developer in writing.

i. Project Construction. The Developer shall construct the Project consistent with any approved design review, building permit conditions, and this Agreement, and shall take all necessary steps to obtain a Certificate of Occupancy without unreasonable delay. The economic development subsidy of up to \$420,000 for Public Off-Site Infrastructure shall be available from April 2015 until April 2017, with construction estimated to begin in Spring 2016, contingent on future Project Approval and environmental review.

j. Notification of General Contractors, Architects, and Engineers. The Developer shall have the responsibility of notifying the Project contractors, architects, and engineers of the requirements of this Agreement and the Project Approvals. The Developer shall include, when applicable, the provisions of this Agreement and the Project Approvals in construction contracts and subcontracts for the Project, and the Developer shall undertake the enforcement of such provisions.

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k. Reporting and Accounting Requirements. The Developer shall keep an accounting of its expenditure of the City's Capital Contributions.

7.3 Failure to Satisfy Obligations. The City shall have the right to terminate this Agreement if the Developer is unable to demonstrate that the Developer has obtained Project Financing and Project Approval to the City's satisfaction as required by Section 7.2. In the event the Developer is unable to secure Project Financing and Project Approval and City terminates this Agreement, the City shall not make any Capital Contribution or Fee Deferral Loan to the Developer. If the Developer fails to meet obligations required after receipt of the City's Capital Contribution and Project Approvals, the City shall not transfer the security property to the Developer.

8. General Remedies During Development.

8.1 Defaults and Opportunity to Cure. Failure or delay by either Party to perform any term or provision of this Agreement constitutes a default under this Agreement. In the event of a default, the injured Party shall give written notice to the Party in default specifying the default complained of by the injured Party. The Party who receives a notice of default must commence to cure, correct or remedy such default upon written notification by the other Party, and shall complete such cure, correction or remedy within thirty (30) days of receipt of the notice of default. Except as required to protect against further damages, and except as otherwise expressly provided in Sections 8.2 and 8.3, the nondefaulting Party may not institute proceedings against the Party in default until thirty (30) days after giving such notice. Failure or delay in giving such notice shall not constitute a waiver of any default or of any such rights or remedies, nor shall it deprive the nondefaulting Party of its right to institute and maintain any actions or proceedings that it may deem necessary to protect, assert or enforce any such rights or remedies under this Agreement.

8.2 Termination by the City. Any of the following shall constitute a breach, or default under the terms, of this Agreement by the Developer:

a. The Developer transfers, assigns or attempts to transfer or assign this Agreement or any rights herein, the Project, or in the Property or the buildings and the Improvements, in violation of the terms of this Agreement;

b. There is a change in the ownership or identity of the Developer or the parties in control of the Developer, the Property, the Project, or the degree thereof, contrary to the provisions of this Agreement;

c. The Developer fails to submit to the City any documents, financial reports, plans, and drawings required by this Agreement;

d. Developer is in breach or default with respect to any other obligation of the Developer under this Agreement or the Project Approvals;

If the Developer is in default and fails to cure as provided in Section 8.1, then this Agreement, and any rights of the Developer or any assignee or transferee to this Agreement pertaining thereto or arising therefrom with respect to the City, may, at the option of the City, be terminated by the City by written notice thereof to the Developer.

8.3 Specific Performance. If the Developer or the City defaults under any of the provisions of this Agreement, the nondefaulting Party shall serve written notice of such default upon the defaulting Party as provided in Section 8.1. If the default is not commenced to be cured as provided in Section 8.1, the nondefaulting Party, at its option, may institute an

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action for specific performance of the terms of this Agreement, in addition to any other rights provided a nondefaulting Party as provided in the Agreement.

9. Insurance Requirements. Before beginning any work under this Agreement, the Developer, at its own cost and expense, shall procure "occurrence coverage" insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by the Developer and its agents, representatives, employees, and subcontractors. The Developer shall provide proof satisfactory to the City of such insurance that meets the requirements of this Section and under forms of insurance satisfactory in all respects to the City. The Developer shall maintain the insurance policies required by this Section throughout the term of this Agreement. Developer shall not allow any subcontractor to commence work on any subcontract until the Developer has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to the City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. The Developer shall maintain all required insurance listed herein for the duration of this Agreement.

9.1 Workers' Compensation. The Developer shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by the Developer. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than Five Million Dollars (\$5,000,000) per accident. In the alternative, the Developer may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the City Attorney. The insurer, if insurance is provided, or the Developer, if a program of self-insurance is provided, shall waive all rights of subrogation against the City and its officers, officials, employees, and volunteers for loss arising from work performed under this Agreement.

An endorsement shall state that coverage shall not be canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City. The Developer shall notify the City within fourteen (14) days of notification from the Developer's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

The requirement to maintain Statutory Worker's Compensation and Employer's Liability Insurance may be waived by the City upon written verification that the Developer does not have any employees.

9.2 Commercial General and Automobile Liability Insurance.

a. General requirements. The Developer, at its own cost and expense, shall maintain commercial general liability insurance for the term of this Agreement in an amount not less than Five Million Dollars (\$5,000,000), and automobile liability insurance for the term of this Agreement in an amount not less than Two Million Dollars (\$2,000,000). The commercial general liability and automobile liability insurance shall be 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

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resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

b. Minimum scope of coverage. Commercial general liability coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition), Code 1 (any auto). No endorsement shall be attached limiting the coverage.

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

(i) The City and its officers, employees, agents, and volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of the Developer, including the insured's general supervision of the Developer; products and completed operations of the Developer; premises owned, occupied, or used by the Developer; and automobiles owned, leased, or used by the Developer. The coverage shall contain no special limitations on the scope of protection afforded to the City or its officers, employees, agents, or volunteers.

(ii) The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

(iii) An endorsement must state that coverage is primary insurance with respect to the City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by the City shall be called upon to contribute to a loss under the coverage.

(iv) Any failure of the Developer to comply with reporting provisions of the policy shall not affect coverage provided to the City and its officers, employees, agents, and volunteers.

(v) An endorsement shall state that coverage shall not be canceled except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. The Developer shall notify the City within fourteen (14) days of notification from the Developer's insurer if such coverage is suspended, voided or reduced in coverage or in limits.

9.3 All Policies Requirements.

a. Acceptability of insurers. All insurance required by this Section is to be placed with insurers with a Bests' rating of no less than A:VII.

b. Verification of Coverage. Prior to beginning any work under this Agreement, the Developer shall furnish the City with certificates of insurance and with original endorsements effecting coverage required herein. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

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

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d. Deductibles and Self-Insured Retentions. The Developer shall disclose to and obtain the approval of the City for 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, only upon the prior express written authorization of the City's Risk Manager, the Developer may increase such deductibles or self-insured retentions with respect to the City, its officers, employees, agents, and volunteers. The City's Risk Manager may condition approval of an increase in deductible or self-insured retention levels with a requirement that Developer 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. Waiver of Subrogation. The Developer hereby agrees to waive subrogation which any insurer or contractor may require from a vendor by virtue of the payment of any loss. The Developer agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the Developer, its employees, agents, and subcontractors.

f. Notice of Reduction in Coverage. In the event that any coverage required by this Section is reduced, limited, or materially affected in any other manner, the Developer shall provide written notice to the City at the Developer's earliest possible opportunity, and in no case later than five (5) days after the Developer is notified of the change in coverage.

g. Remedies. In addition to any other remedies the City may have if the Developer fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, the City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies the City may have and are not the exclusive remedy for the Developer's breach:

- (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement;
- (ii) Order the Developer to stop work under this Agreement or withhold any payment that becomes due to the Developer hereunder, or both stop work and withhold any payment, until the Developer demonstrates compliance with the requirements hereof; and/or
- (iii) Terminate this Agreement.

10. Hazardous Material Indemnity, Hold Harmless, Waiver

10.1 Developer Indemnity. The Developer agrees, from and after the date of conveyance of any property as security under this Agreement, to defend, indemnify, protect and hold harmless the City and its officers, beneficiaries, employees, agents, attorneys, representatives, legal successors and assigns ("**Indemnitees**") from, regarding and against any and all liabilities, obligations, orders, decrees, judgments, liens, demands, actions, Environmental Response Actions, claims, losses, damages, fines, penalties, expenses, Environmental Response Costs or costs of any kind or nature whatsoever, together with fees (including without limitation reasonable attorneys' fees and experts' and consultants' fees), whenever arising, unless caused in whole or in part by the negligence of any of the Indemnitees, resulting from or in connection with the occupancy or use of such property, or the Developer's performance or non-performance under or with respect to this Agreement or the actual or claimed generation, storage, handling, transportation, use, presence, placement,

EXHIBIT 1

migration and/or release of Hazardous Materials at, on, in, beneath or from such property (collectively referred to as "**Contamination**"). The Developer's defense, indemnification, protection and hold harmless obligations herein shall include without limitation the duty to respond to any governmental inquiry, investigation, claim or demand regarding the Contamination, at Developer's sole cost. If the Developer discovers Contamination or other materials subject to legal requirements or corrective action, the Developer shall immediately notify the City of the same.

10.2 Release and Waiver. The Developer hereby releases and waives all rights, causes of action and claims the Developer has or may have in the future against the Indemnitees arising out of or in connection with any Hazardous Materials at, on, in, beneath or from the Property, unless the presence of such Hazardous Materials at, on, in, beneath or from the Property is caused in whole or in part by any of the Indemnitees. If the presence of such Hazardous Materials at, on, in, beneath or from the Property is caused in whole or in part by any of the Indemnitees after the close of escrow for the Phase One Property, the provisions of this paragraph shall not apply. The Developer hereby acknowledges that the aforementioned release includes Hazardous Material claims that the Developer does not know or suspect to exist as of the date hereof, and with respect to such Hazardous Materials claims or causes of action, the Developer affirmatively waives and relinquishes any right or benefit, to the full extent that it may lawfully waive all such rights and benefits pertaining to the subject matter of this Section 10.2, the Developer further waives all such rights and benefits that the Developer may have under California law or any similar provision of the statutory or nonstatutory law of any other applicable jurisdiction to claim that a general release does not extend to claims which the Developer does not know or suspect to exist in its favor at the time of executing the release, which if known by it would have materially affected its agreement with the City.

11. General Provisions

11.1 Contribution Limit. This Agreement does not obligate or authorize the City to make any additional capital contributions to the Project other than those specifically enumerated herein. This provision applies to all City Capital Contributions required in this Agreement.

11.2 Standard of Performance. The Developer shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which the Developer is engaged in the geographical area in which the Developer practices its profession. The Developer shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a person practicing in the Developer's profession.

11.3 Compliance with Laws. The Developer shall carry out and shall cause its contractors to carry out all construction and rehabilitation work related to the Project in conformity with all applicable Federal, State and local laws, rules, ordinances and regulations, including without limitation all applicable Federal and State labor standards. Before commencement of construction or development of any buildings, structures or other work of improvement upon the Property, the Developer shall at its own expense secure any and all certifications and permits which may be required by any governmental agency having jurisdiction over such construction, development or work. The Developer shall permit only persons or entities duly licensed in the State of California and County of Sacramento, as applicable, to perform work on or for the Project.

EXHIBIT 1

11.4 Prevailing Wage. The Developer will comply with prevailing wage requirements. To the full extent required by all applicable state and federal laws, rules and regulations, if any, the Developer and its contractors and agents shall comply with California Labor Code Section 1720 *et seq.* and the regulations adopted pursuant thereto ("Prevailing Wage Laws"), and shall be responsible for carrying out the requirements of such provisions. If required by California law or City policy, Developer shall submit to City a plan for monitoring payment of prevailing wages, including those for all Public Off-Site Infrastructure completed with City's Capital Contribution, and shall implement such plan at Developer's expense.

a. Prevailing wage indemnification. The Developer shall indemnify, defend (with counsel approved by City) and hold the City and its elected and appointed officers, officials, employees, agents, consultants, and contractors (collectively, the "**Indemnitees**") harmless from and against all liability, loss, cost, expense (including without limitation attorneys' fees and costs of litigation), claim, demand, action, suit, judicial or administrative proceeding, penalty, deficiency, fine, order, and damage (all of the foregoing collectively "**Claims**") which directly or indirectly, in whole or in part, are caused by, arise in connection with, result from, relate to, or are alleged to be caused by, arise in connection with, or relate to, the payment or requirement of payment of prevailing wages (including without limitation all claims that may be made by contractors, subcontractors or other third party claimants pursuant to Labor Code Sections 1726 and 1781), the failure to comply with any state or federal labor laws, regulations or standards in connection with this Agreement, including but not limited to the Prevailing Wage Laws, or any act or omission of the Developer related to this Agreement with respect to the payment or requirement of payment of prevailing wages, whether or not any insurance policies shall have been determined to be applicable to any such Claims. It is further agreed that the City does not and shall not waive any rights against the Developer which it may have by reason of this indemnity and hold harmless agreement because of the acceptance by the City, or the Developer's deposit with the City of any of the insurance policies described in this Agreement. The provisions of this Section of this Agreement shall survive the expiration or earlier termination of this Agreement and the issuance of a Certificate of Completion for the Project, and shall be assumed by any successor to the Developer's interest in this Agreement. The Developer's indemnification obligations set forth in this Section shall not apply to Claims to the extent they arise from the willful misconduct of one or more of the Indemnitees.

11.5 Public Safety Protections. Developer shall assure that all necessary steps are taken (including the erection of fences, barricades and warning devices) to protect private contractors and their employees and the public from the risk of injury arising out of the condition of the Property or Developer's activities in connection with the Property, including without limitation, fire, or the failure, collapse or deterioration of any improvements or buildings.

11.6 Public Improvements. The Developer shall, at the Developer's expense as a Project cost, undertake and complete all modifications, construction, relocation, installation or improvement of public facilities, improvements and utilities required for the development of the Property, unless otherwise set forth herein.

11.7 Access to the Property. The Developer shall permit the City representatives access, without charge, to the entire Property at any time and for any purpose which the City reasonably considers necessary to carry out its obligations and protect its interests under the Agreement. Purposes for the City entry may include, without limitation, inspection of all work being performed in connection with the construction and operation of the Project.

EXHIBIT 1

11.8 Project Signs. If the Developer places a sign on the Property during construction stating the names of the Project participants, it shall also name "City of Rancho Cordova" as a participant in the Project. The City name on the sign shall be in letters not less than the size of letters used to name any of the other participants. Permanent Project signage will be addressed during the Design Review process.

11.9 Notification of General Contractors, Architects and Engineers. The Developer shall assure that the Project contractors, architects and engineers for the Project have notice of the requirements of this Agreement. The Developer shall include, when applicable, the provisions of this Agreement in construction contracts and subcontracts for the Project, and the Developer shall undertake the enforcement of such provisions.

11.10 Successors and Assigns. At any time during the term of this Agreement, the Developer shall have the right to sell, assign, or transfer the Property or any portion thereof without the prior consent of the City, subject to the limitations in this Agreement.

a. Conditions for Assignment to Subsequent Landowner. A subsequent landowner shall not be eligible to apply for, receive, or exercise any rights under this Agreement, and the Developer shall remain obligated to perform all of the terms and conditions of this Agreement following said sale, assignment or transfer, unless and until all of the following conditions have been satisfied:

(i) Delivery of Documents to City Clerk. The subsequent landowner to which all or any portion of the Property has been sold, transferred or assigned delivers to the City Clerk the following documents:

(1) An express written agreement, in recordable form and approved as to form by the City Attorney, in which the subsequent landowner agrees to contractually assume and be bound by all of the obligations of the Developer under this Agreement with respect to the Property, or portions thereof, which is sold, assigned or transferred by the Developer to the subsequent landowner, including any fees owed to the City relating to planning, building or occupancy permits, inspections, or approvals;

(2) A true copy of the recorded deed under which the Developer conveyed its interest in all or a portion of the Property to the subsequent landowner; and

(3) A designation of the name and address to which future notices to the subsequent landowner may be given as provided in Section 11.22 of this Agreement.

(ii) Assumption Agreement. If the sale, assignment or transfer involves less than the whole of the Property, the Developer and subsequent landowner shall include in the assumption agreement provisions indicating who assumes the obligations under this Agreement.

11.11 Parties in Interest/No third Party Beneficiaries. This Agreement is made and entered into for the sole protection and benefit of the Parties, their successors and assigns. No other person shall have any right of action based upon any provision in this Agreement.

11.12 Indemnification from Construction, Improvement, Operation and Maintenance Claims. The Developer agrees to indemnify, defend (with counsel selected by the City) and hold harmless the City and its elected and appointed councils, boards, commissions, officers, officials, agents, employees, and representatives from any and all claims, costs (including legal fees and costs incurred by the City or awarded to plaintiffs) and liability for

EXHIBIT 1

any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by the Developer, or any actions or inactions of the Developer's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project, unless caused in whole or in part by the willful misconduct of the City, and or anybody acting on behalf of the City. The provisions of this Section shall survive the termination of this Agreement.

11.13 Construction and Maintenance Indemnification. The Developer agrees to indemnify, defend and hold harmless the City and its elected and appointed councils, boards, commissions, officers, agents, employees, and representatives from any and all claims, costs (including legal fees and costs) and liability for any personal injury or property damage which may arise directly or indirectly as a result of any actions or inactions by the Developer, or any actions or inactions of the Developer's contractors, subcontractors, agents, or employees in connection with the construction, improvement, operation, or maintenance of the Property and the Project.

11.14 Licenses and Permits. The Developer represents and warrants to the City that the Developer and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions. The Developer represents and warrants to the City that the Developer and its employees, agents and any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, the Developer and any subcontractors shall obtain and maintain valid business licenses from the City during the term of this Agreement.

11.15 Nondiscrimination and Equal Opportunity. The Developer shall not discriminate on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Developer under this Agreement. The Developer shall comply with all applicable Federal, State, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including, but not limited to, the satisfaction of any positive obligations required of the Developer thereby.

11.16 Venue. In the event that either Party brings any action against the other under this Agreement, the Parties agree that such action shall be vested exclusively in the state courts of California, in the County of Sacramento, or in the United States District Court for the Eastern District of California.

11.17 Attorneys' Fees and Costs in Legal Actions By Parties to the Agreement. The prevailing party in any legal action brought by either Party for breach of this Agreement or to enforce any provisions herein is entitled to reasonable attorneys' fees, court costs, and other such costs as may be fixed by the court.

11.18 Amendments. No modification or amendment of this Agreement is effective unless approved by the Rancho Cordova City Council, made in writing, and signed by both the City and the Developer.

11.19 Entire Agreement. This Agreement constitutes the complete and exclusive statement of the agreement between the City and the Developer.

EXHIBIT 1

11.20 Waiver. Waiver of or non-enforcement of any provision of this Agreement does not waive the right to enforce any other provision or constitute a continuing waiver.

11.21 Time is of the Essence. The Parties agree that time is of the essence in the performance of the terms and conditions of this Agreement.

11.22 Notices. All notices required by this Agreement shall be in writing and delivered in person or sent by certified mail, postage prepaid.

Notice required to be given to the City shall be addressed as follows:

City of Rancho Cordova
Finance Director
Copy: City Attorney
2729 Prospect Park Drive
Rancho Cordova, California 95670

Notice required to be given to the Developer shall be addressed as follows:

XXXX, President
D&S Development, Inc.
XXXXXX
XXXX

11.23 Severability. Except as set forth herein, if any term, covenant or condition of this Agreement or the application thereof to any person, entity or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement, or the application of such term, covenant or condition to persons, entities or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; provided, however, that if any provision of this Agreement is determined to be invalid or unenforceable and the effect thereof is to deprive a Party hereto of an essential benefit of its bargain hereunder, then such Party so deprived shall have the option to terminate this entire Agreement from and after such determination.

11.24 Counterparts. This Agreement is executed in three duplicate originals, each of which is deemed to be an original. This Agreement consists of 20 pages and four (4) exhibits, which constitute the entire understanding and Agreement of the Parties.

11.25 Recordation. Upon execution, this Agreement shall be recorded with the Sacramento County Recorder.

11.26 Nonliability of City Officials and Employees. No official or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or its successors, or on any obligations under the terms of this Agreement.

11.27 Corporate Citizen. The City encourages the Developer to participate in civic activities sponsored by the City. The City urges the Developer to become involved with local civic organizations and to actively participate in community activities.

EXHIBIT 1

CITY OF RANCHO CORDOVA, a California
California
municipal corporation

D&S DEVELOPMENT, INC., a
corporation

By: _____

Name: Brian Nakamura

Its: City Manager

Dated: _____

By: _____

Name: _____

Its: _____

Dated: _____

Attest:

:

Mindy Cuppy, City Clerk

Approved as to Form:

Adam Lindgren, City Attorney

Exhibit List:

EXHIBIT A: Property Description

EXHIBIT B: Site Map

EXHIBIT C: Fee Deferral Loan Promissory Note

EXHIBIT D: Deed of Trust

EXHIBIT 1**EXHIBIT A
Property Description**

DRAFT

EXHIBIT 1**EXHIBIT B
Site Map**

DRAFT

EXHIBIT C
Fee Deferral Loan Promissory Note

DRAFT

EXHIBIT D
Deed of Trust

2328608.1

DRAFT

Consider An Economic Development Subsidy

**11212 Point East Dr.,
Rancho Cordova**

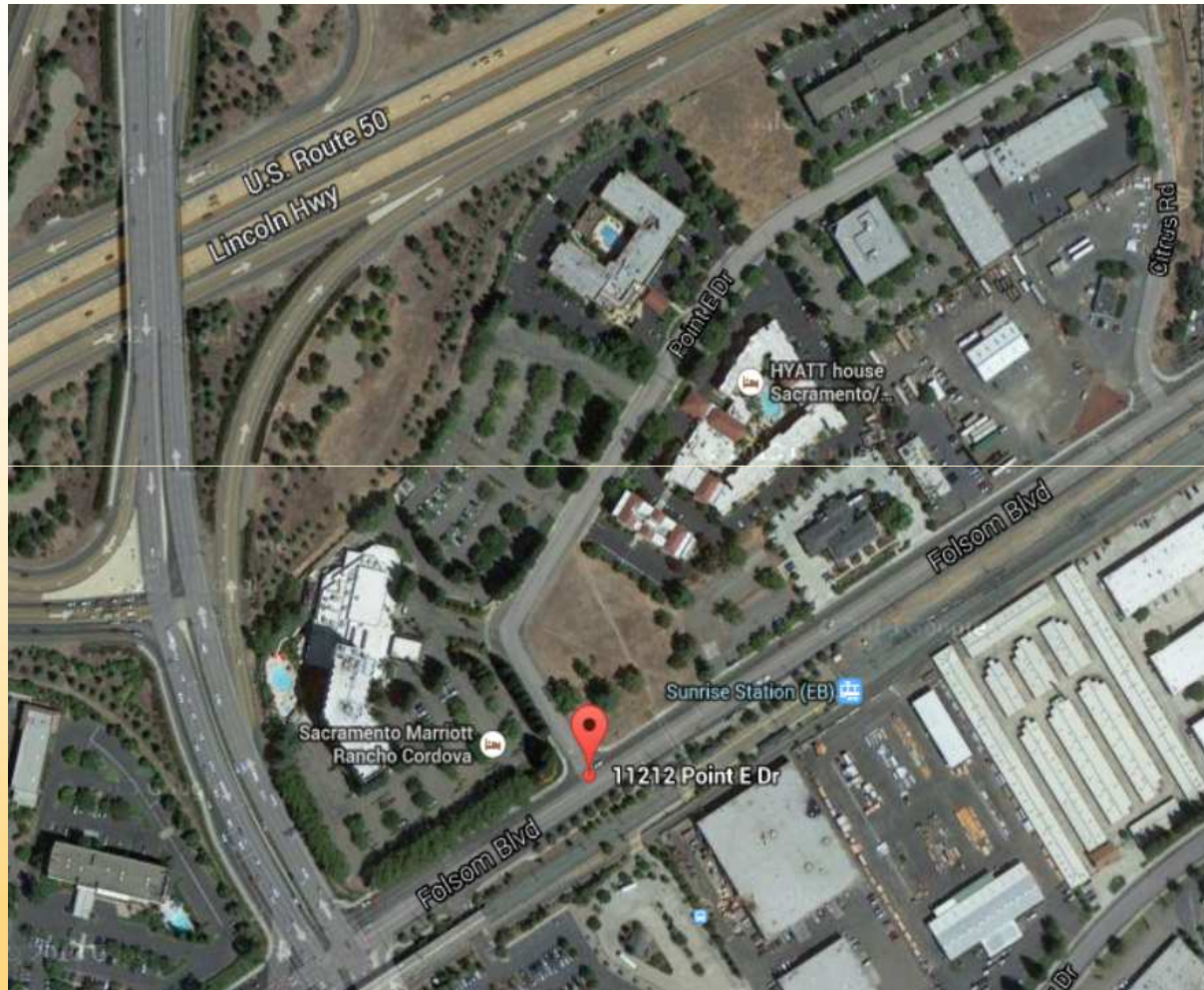
Background

- On June 24, 2014 a Council work session was held to discuss possible incentives for a hotel and event space.
- Council directed staff to work with the developer and return when the best negotiated deal was reached.

Important Items of Note

- Tonight's discussion will focus on the finance agreement.
- No economic incentives will be given until the project financing is complete and the full project approvals occur.
- No applications have been received, thus there is not a project to be approved tonight.

Proposed Location



Draft Rendering – Street View



a fresh take.
RANCHO CORDOVA
CALIFORNIA


aFreshTake.org

Portfolio of Event Space

Venue	Meeting Space in SF	Number of Rooms
Marriott Hotel	14,000	10-12
<i>Largest Conference Room</i>	<i>4,565</i>	
Sunrise Event Center	8,610	4
<i>Largest Conference Room</i>	<i>8,610</i>	
Proposed Project	4,190	1
Holiday Inn	2,130	2
Hotel Sierra	1,899	2
Courtyard by Marriott	1,274	2
LaQuinta	1,200	3
Comfort Inn	912	1
Fairfield Inn	625	1
Days Inn	400	1
Marriott Residence Inn	400	1

Summary of Proposed Deal Points

- Fee Deferral Loan – D&S Development is requesting a loan to defer up to \$580,000 in building, development and planning fees.
- Public Off-Site Infrastructure – The developer is requesting up to \$420,000 in assistance for the construction of public off-site infrastructure.

Proposed Fee Deferral Loan

- D&S Development is requesting a Fee Deferral Loan of up-to \$580,000 in building, planning and development fees.
- The 20 year loan would accrue 3% interest for the first 5 years and 4% interest for the remaining 15 years.
- First payment would be 6 months after Certificate of Occupancy.
- Interest accrual would begin at building permit issuance.

Proposed Public Off-Site Infrastructure Assistance

- The developer is requesting up-to \$420,000 in assistance for the installation of public off-site infrastructure.
- Public Off-Site Improvements means the demolition of non-ADA compliant hardscape, and the installation of public infrastructure to include: ADA accessible sidewalks with curb cuts, curbs, gutters, undergrounding of existing utilities, landscaping, an entry median on Point East Drive, and storm water improvements all of which are within the public right-of way.
- If approved the up-to \$420,000 subsidy would be available April 2015 through April 2017.
- The developer must secure project financing within 12 months of the effective date of the agreement.

Proposed Site Plan



Benefits

- Projected tax revenue – \$59,000 in TOT & \$368 in sales tax per year.
- Job creation – 14 full time jobs (over 35 hours/week) and 15 part time jobs.
- Increased event space to host new events or expand on existing events.

Benefit (cont.)

- More hotel guests equates to more tax revenue generated in retail establishments in the City.
- Undergrounding of above head utility lines.
- Additional ADA compliant sidewalks on a site across from a highly utilized light rail station.
- Improved storm drain infrastructure.

Recommendation

- Consider adoption of Resolution;
And/or
- Provide staff with additional direction.

MEMORANDUM



DATE: September 15, 2014
TO: Honorable Mayor and Council Members
FROM: Cyrus Abhar, Public Works Director
SUBJECT: A FRESH TAKE FOR THE HISTORIC MATHER MILLS BUILDING

RECOMMENDATION

To clarify the vision for the future use of Mather Mills Building as a space to support culture, history and the arts.

With the review of improvements, operation needs and preliminary rendering discussions; staff is seeking direction and input from City Council before proceeding to the next phase of this project.

RESULTS OF RECOMMENDED ACTION

Visualize the possibilities with a fresh take for the Mather Mills Building.

BACKGROUND

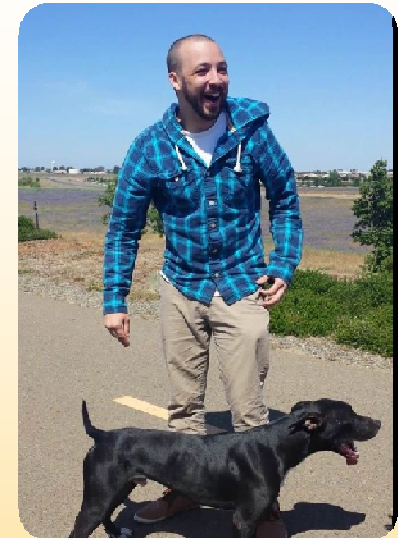
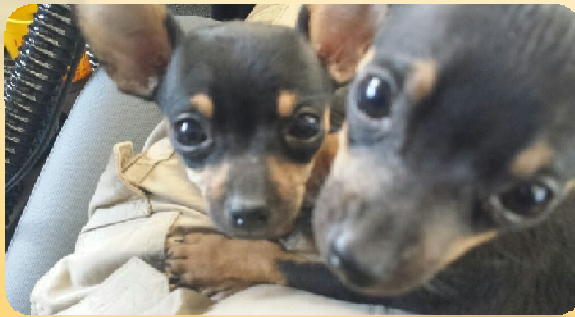
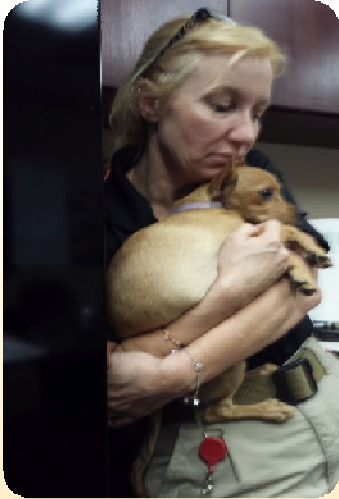
This historical asset to the community and unique opportunity for upgrading the building was supported by Supervisor Don Nottoli, with a check in the amount of \$85,000 given to the City of Rancho Cordova this year.

Staff has been working with a group of stakeholders to develop a vision for the future use of the building. We also contracted with an architect to design several concepts and will be presenting the options for Council's consideration and direction.

Neighborhood Services Update

September 15, 2014

Animal Services



Reunited...

Animal Services

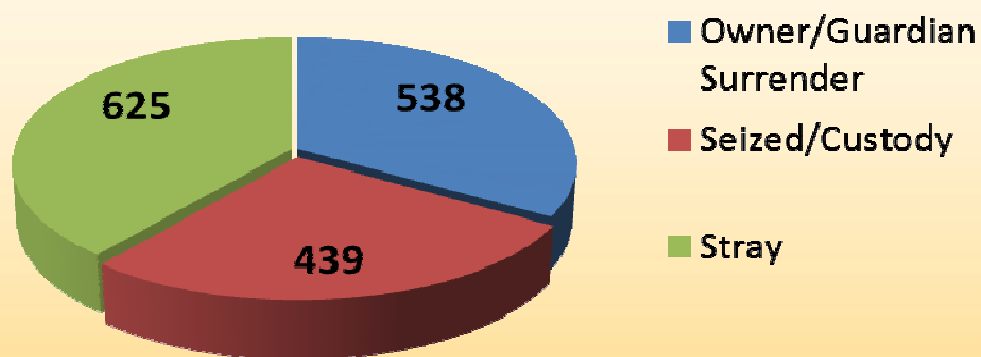
- Animal licensing is for Rabies suppression and reunites pets with their owners
- Staff have focused on educating residents on the benefits of licensing and spay/neuter
- This resulted in a 26% increase in animal licensing revenues



Intake Statistics

This chart shows **1602** animals were taken to the SSPCA in 2013-2014 and how they arrived there

FY 2013-2014 Animal Services Intake



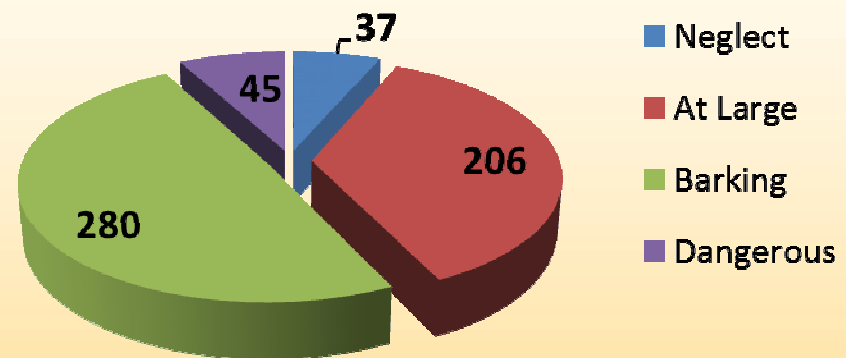
Animal services Statistics

There were **4410** animal service violations addressed

Violations for FY 2013-14 include:

- Neglect /Abuse
- Dogs running at large
- Barking
- Dangerous Animals

FY 2013-2014 Animal Services Violations



Animal Abuse

Rancho Cordova, 16h ago

916-996-9768

\$20

preferred contact method: phone, text, or email
contact name: Dan



Animal lovers around the Sacramento region were enraged by this Craigslist posting....we researched the information, located and seized the puppies. Using social media, we immediately spread the word that this problem had been addressed.

A New beginning...



Tori, short for Victorious getting ready to go to her new “forever home” once she was healthy.



45 Potentially Dangerous Animal Cases



Hearing Officer determined dog to be euthanized



Owner surrendered dog

Fresh Eggs

Hen Ordinance

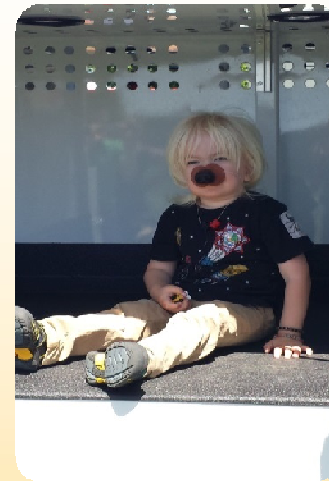
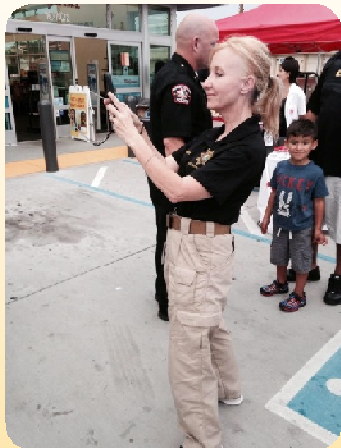


Who brought
the rooster?



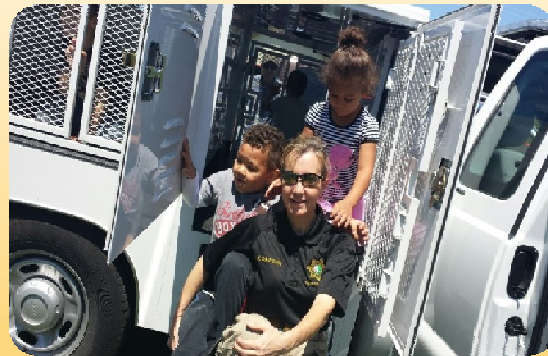
Community Outreach

UPS Safety Fair



Meet the Machines

**Tweet along at
National Night Out**



Community Care

- Barbequed for the Time Capsule Event
- Spearheaded holiday SSPCA drive
- Promoted “back to school” supplies drive
- Barbequed at Christmas in Cordova
- Demolished a carport for senior citizen
- Connected seniors with free pet food service

Regional Leadership

- Assisting Napa after earthquake
- Regional Board member for 13 Counties through California Association of Code Enforcement (CACEO)
- Providing training at CACEO
- Educating other jurisdictions
- Testifying at State Capital on legislation that provides more local control (SB 488, SB 1167 Housing Code, SB 1262 Medical Marijuana)
- Panel member at Rental Housing Association (RHA) annual Exposition
- Offering regional training such as “search and seizure” and “Drug Endangered Children”

Probation Partnership wins Award

Probation Officers Recognized in Most Innovative Code Enforcement Award



Rancho Cordova's award-winning Code Enforcement team includes (bottom row) Sr. Deputy Probation Officer Matthew Mitchell, Neighborhood Services Manager Kerry Simpson, Deputy Probation Officer Derek Casebeer, and Code Enforcement Officer Ryan Taylor; (middle row) Economic Development Director Curt Haven, POP Officer Charles Gailey, POP Officer Mark Baxter, and Code Enforcement Officer Michael Rodriguez; (top row) Code Enforcement Officers Scott Sparks, Patrick Mauch, and Phillip Nichols.

The City of Rancho Cordova is the winner of this year's Most Innovative Code Enforcement Program Award. Sponsored by the California Association of Code Enforcement (CACEO), the highly-competitive award honored Rancho Cordova's Code Enforcement Division for having a partnership with the Sacramento County Probation Department in which Probation Officers share offices and work closely with Rancho Cordova's Police Department and the Code Enforcement staff.

In 2011, a pilot program was started which placed two Probation Officers with Code Enforcement staff and Problem Orientated Police (POP) Officers to work on joint concerns. It did not take long for the community leaders to see the benefits of having probation officers available to assist code staff in the field. Officers assist on unsecured vacant building and other calls, they can act as a liaison with police to get a quick response when code staff is dealing with problem individuals, and provide support and ensure safety in other cases.

Rental Housing

Moraine Gardens



a fresh take.
RANCHO CORDOVA
CALIFORNIA


aFreshTake.org

West La Loma Apartments



Next Steps on W. La Loma

- Started a unit by unit comprehensive interior inspection with new property manager
- Surveyed every stairway guardrail and upper porch with a structural engineer
- Currently working with property manager to ensure the stairways are repaired per structural report recommendations.
- Implementing a project to focus on the general area including a full sweep of Capitales on September 29th

Fresh Take on First Value Inn



Rental Housing Statistics

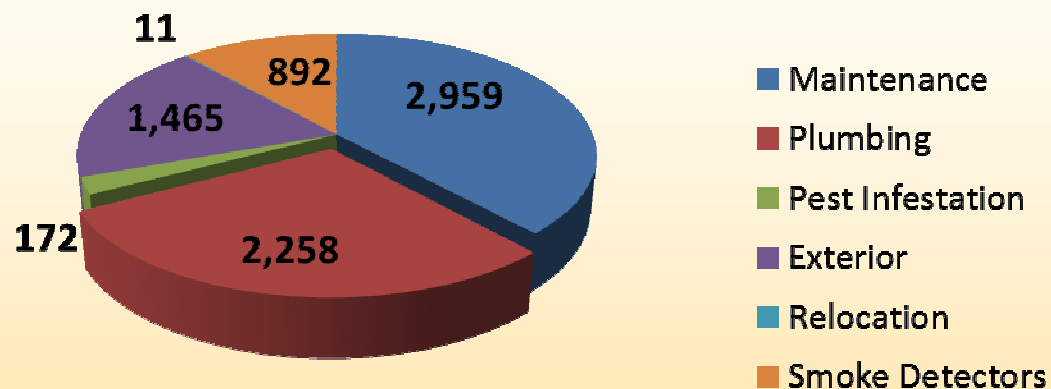
There were **19,292** rental housing violations addressed

Common Violations

FY 2013-14

- General maintenance
- Plumbing
- Pest infestations
- Exterior Protection
- **11** relocations
- Smoke Detectors

FY 2013-2014 Rental Violations



- **2020 Units Inspected** throughout the City
- **478** Single Family Residences identified as rental have been inspected in the Lincoln Village neighborhood
- **1127** Units inspected through the Focus on 50 program

General Code Enforcement Statistics

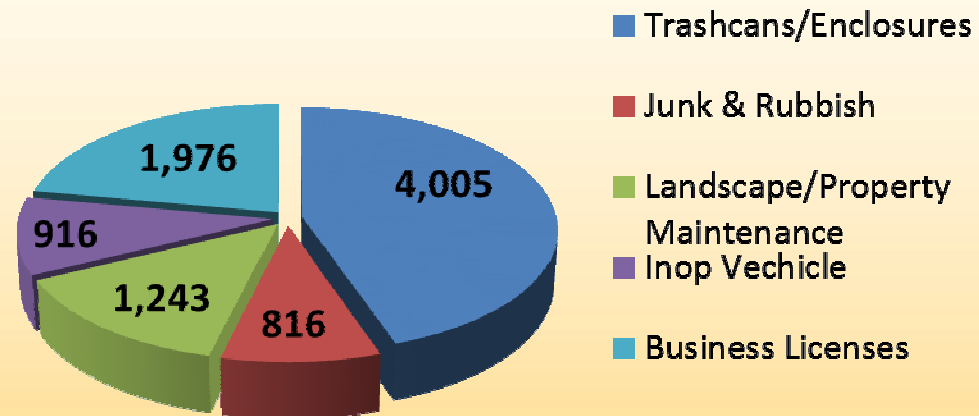
FY 2013-2014 General Code Violations

There were **14,111**
General Code violations
addressed

Common Violations

FY 2013-14

- Trashcan violations
- Junk & Rubbish
- Landscape/property maintenance
- Inoperable vehicles
- Non Licensed Businesses



Marijuana Grows

In 2013-2014, staff have dealt with **24** outdoor and **15** indoor marijuana cultivations. Most were immediately abated by the grower.



2147 Pantages Circle

This home has been a problem for over a decade...the owner disappeared!

vagrants started
a fire...

We got a
warrant and
abated the
garage...



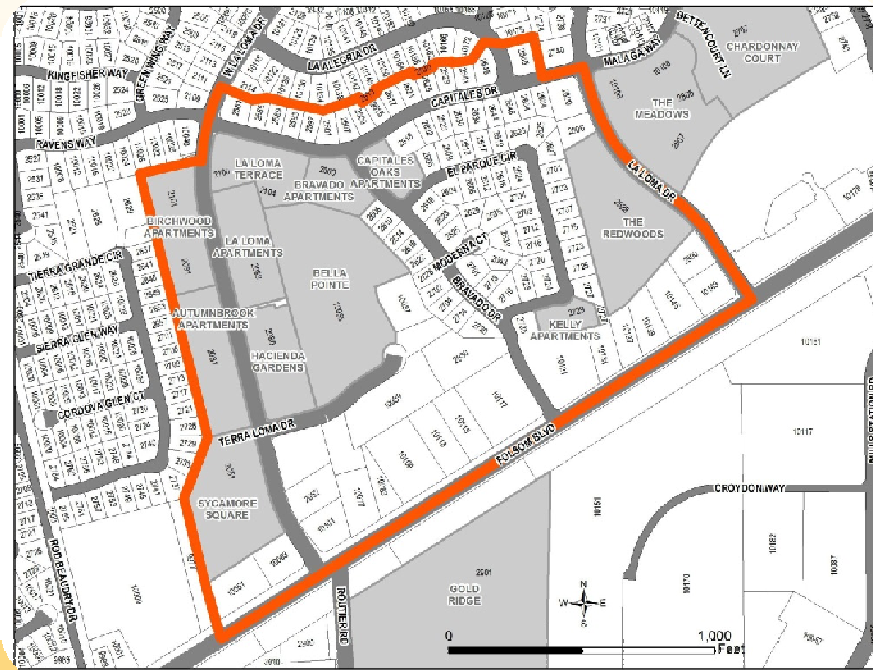
The property
sold and has
been
completely
restored

An Ounce of Prevention...



A Fresh Take for the Future...

- Focus on challenged communities such as W. La Loma/ Capitaes with a collaborative group of partners through Growing Strong Neighborhood



A Fresh Take for the Future...

- Implement a new Focus on 50 and continue working on Growing Strong Neighborhoods (GSN) taskforces
- Bolster resident engagement on all issues from water conservation, property maintenance to the benefits of spay/neuter programs
- Lien problem properties for improved cost recovery and to assist in gaining compliance
- File criminal charges with Community Prosecutor
- Implement Nuisance Ordinance
- Partner on Idea Book
- Collaborate on legislation that gives Cities more local control with CACEO
- Innovative programs yet to be created...Infinite possibilities

Questions

