

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



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

City Council

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

City Staff

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

General Order of Business

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

Order of Discussion

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

Consent Calendar

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



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



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Addressing the Council

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

Citizen's Forum

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

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

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

Information

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

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

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

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

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

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

AGENDA

PLEASE NOTE: There will be no Closed Session. The Regular Meeting will commence at 7:00 p.m.

1. PRELIMINARY

- 1.1 CALL TO ORDER
- 1.2 ROLL CALL
- 1.3 INVOCATION
- 1.4 PLEDGE OF ALLEGIANCE
- 1.5 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER
- 1.6 INFORMATIONAL ITEM(S) - None
- 1.7 DECLARATION OF CONFLICT(S) OF INTEREST

2. PRESENTATIONS

- 2.1 PROCLAMATION – DECLARING SUPPORT FOR A SUCCESSFUL 2020 CENSUS PARTNERSHIP, AS PART OF THE U.S. CENSUS BUREAU PARTNERSHIP AND ENGAGEMENT PROGRAM
- 2.2 PRESENTATION – COUNCIL TO RECEIVE REPORT FROM THE CITY'S CONSULTANT REGARDING THE STATUS OF THE GENERAL PLAN UPDATE PROCESS
- 2.3 INTRODUCTION OF NEW EMPLOYEE(S):
 - Shelley Burcham, Economic Development Administrator
 - Anna Campos, Administrative Assistant
 - Robert Comacho, Construction Inspector
 - Nathan Chunn, Deputy Sheriff
 - Jimmy Claude, Deputy Sheriff
 - Marcial Gomez, Deputy Sheriff
- 2.4 MAYOR'S COMMITTEE REPORT(S)
 - Parks & Recreation Update on Committee Events and Programs

3. CITIZEN'S FORUM

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

4. CONSENT CALENDAR

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

- 4.1 **WAIVING OF READING OF ORDINANCES AND RESOLUTIONS**
Waive the Reading of Ordinances and Resolutions on Agenda Unless Otherwise Requested by the Mayor or a Councilmember
- 4.2 **APPROVAL OF MINUTES**
Approve Minutes for the Regular Council Meeting of January 14, 2019
- 4.3 **SECOND READING AND ADOPTION OF ORDINANCE 19-402 APPROVING THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, CALIFIA, LLC, AND RIVER ISLANDS DEVELOPMENT, LLC.**
Second Reading and Adoption of Ordinance 19-402 Approving the Fifth Amendment to the Development Agreement Between the City of Lathrop, Califia, LLC, and River Islands Development, LLC. (The Fifth Amendment Will Address Wastewater and Potable Water Allocations for the Project, On-going Monitoring of Actual Wastewater and Potable Water Usage, and Restate Commitments of the Project to Water Conservation.)
- 4.4 **ACCEPTANCE OF OFF-SITE IMPROVEMENTS CONSTRUCTED BY BUZZ OATES CONSTRUCTION, INC.**
Adopt Resolution Accepting Off-site Improvements Constructed by Buzz Oates Construction, Inc., at 19107, 18551, and 18601 Christopher Way, and Authorize Release of Bonds Associated with Encroachment Permit No. 2016-29

- 4.5 APPROVE A REIMBURSEMENT AGREEMENT WITH LIT INDUSTRIAL LIMITED PARTNERSHIP FOR 6" SEWER FORCE MAIN IMPROVEMENTS ON HARLAN ROAD AND STONEBRIDGE LANE
Adopt a Resolution Approving a Reimbursement Agreement with LIT Industrial Limited Partnership for Design and Construction of a 6" Sewer Force Main Improvements on Harlan Road to Stonebridge Lane Associated with the I-5 Logistics Project
- 4.6 GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2018
Adopt a Resolution to Accept the General Plan Housing Element Annual Progress Report for Calendar Year 2018 and Authorize Staff to Submit the Report to the Governor's Office of Planning and Research and State Department of Housing and Community Development
- 4.7 PLANNING FEE WAIVER REQUEST BY NEW LIFE CHURCH (TUP-19-20)
Consider Adoption of a Resolution to Waive the Temporary Use Permit Application Processing and Document Retention Fees for New Life Church in the Combined Amount of \$392
- 4.8 APPROVAL OF CONSTRUCTION CONTRACT FOR CIP PK 19-06 VALVERDE PARKING LOT REPAIRS
Adopt Resolution Approving a Construction Contract with Cavanaugh Paving and Grading for the Valverde Parking Lot Repairs, CIP PK 19-06
- 4.9 CITY OF LATHROP COMMUNITY FACILITIES DISTRICT 2019-1 (SOUTH LATHROP CITY SERVICES) INTENT TO LEVY
Adopt a Resolution Declaring Intention to Establish Community Facilities District 2019-1 (South Lathrop City Services) and Setting a Public Hearing Date for April 8, 2019
- 4.10 COMMUNITY FACILITIES DISTRICT 2019-2 (CENTRAL LATHROP CITY SERVICES) FORMATION
Adopt a Resolution Declaring Intention to Establish Community Facilities District 2019-2 (Central Lathrop City Services) and Setting a Public Hearing Date for April 8, 2019
- 4.11 ACCEPTANCE OF FRONTAGE IMPROVEMENTS CONSTRUCTED BY TEICHERT & SONS, DBA TEICHERT CONSTRUCTION, AT 2131 & 2301 E. LOUISE AVENUE AND APPROVE A REIMBURSEMENT AGREEMENT WITH DPIF CA 1 LATHROP, LLC, FOR GRAVITY SEWER MAIN IN E. LOUISE AVENUE AND MCKINLEY AVENUE ASSOCIATED WITH THE LOGISTICENTER PROJECT
Adopt a Resolution Accepting the Frontage Improvements Constructed by Teichert & Sons, DBA Teichert Construction, at 2131 & 2301 E. Louise Avenue and Approve a Reimbursement Agreement with DPIF CA 1 Lathrop, LLC, for Design and Construction of a 10-inch and 12-inch Gravity Sewer Main in E. Louise Avenue and McKinley Avenue Associated with the Logistcenter Project

- 4.12 APPROVAL OF PUBLIC ACCESS AND UTILITIES EASEMENTS TO SERVE LATHROP-MANTECA FIRE DISTRICT STATION NO. 35
Adopt Resolution Approving Access and Utility Easements, Rejecting Irrevocable Offers of Street Dedication and Approving an Improvement Agreement for Frontage Improvements to Lathrop-Manteca Fire District Fire Station No. 35
- 4.13 APPROVE PROFESSIONAL SERVICES AGREEMENT FOR DESIGN ENGINEERING SERVICES FOR THE LOUISE AVENUE / MCKINLEY AVENUE INTERSECTION IMPROVEMENT PROJECT PS 15-02
Adopt a Resolution Approving a Professional Services Agreement with Associated Engineering Group for Design Engineering Services for the Louise Avenue / McKinley Avenue Intersection Improvement Project PS 15-02

5. SCHEDULED ITEMS

- 5.1 APPROVE THREE REIMBURSEMENT AGREEMENTS WITH SOUTH LATHROP LAND LLC FOR PUBLIC FACILITIES AND INFRASTRUCTURE IMPROVEMENTS TO BE INSTALLED CONCURRENTLY WITH THE DEVELOPMENT OF THE SOUTH LATHROP COMMERCE CENTER PROJECT
Adopt a Resolution Approving Reimbursement Agreements with South Lathrop Land LLC for 1) South Lathrop Regional Outfall Structure and Related Facilities, 2) Public Infrastructure Relating to South Lathrop Commerce Center Benefitting Properties within South Lathrop Specific Plan Area, and 3) Public Infrastructure Relating to South Lathrop Commerce Center Benefitting Properties Outside South Lathrop Specific Plan Area
- 5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER CDBG AND HOME FUNDING ALLOCATIONS FOR FY 2019/2020
Council to Consider the Following:
 1. Hold a Public Hearing; and
 2. Adopt Resolution Recommending the Allocation of the CDBG and HOME Funds for FY 2019/2020
- 5.3 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTION OF ENERGY COST SAVINGS FINDINGS AND ENTERING INTO A SOLAR POWER PURCHASE AGREEMENT AND SOLAR UTILITY EASEMENTS AGREEMENT WITH GENERAL ELECTRIC INTERNATIONAL, INC., AUTHORIZING FILING A CEQA NOTICE OF EXEMPTION AND CIP GG 19-10 SOLAR ENERGY PROJECT
Council to Consider the following:
 1. Hold Public Hearing Pursuant to Government Code Section 4217.12; and
 2. Adopt a Resolution Adopting the Energy Cost Savings Findings and Entering into a Solar Power Purchase Agreement and Solar Utility Easements Agreement with General Electric International, Inc., Authorizing Filing a CEQA Notice of Exemption and Creating CIP GG 19-10

6. COUNCIL COMMUNICATIONS

6.1 MAYOR DHALIWAL REFERRAL: Appointment of One (1) Member to the Measure C Oversight Committee with Term Expiring June 30, 2022; This Appointment Completes an Unexpired Term Vacancy Ending June 30, 2019, and a Regular Three (3) Year Term

6.2 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)

- *Central Valley Executive Committee/LOCC (Akinjo/Salcedo)*
- *Council of Governments (Dhaliwal/Lazard)*
- *Integrated Waste Management Solid Waste Division (Akinjo/Torres-O'Callaghan)*
- *Reclamation District 17 Joint Powers Authority (Salvatore)*
- *San Joaquin Partnership Board of Directors (Salvatore)*
- *San Joaquin County Commission on Aging (Zavala)*
- *San Joaquin Valley Air Pollution Control District (Akinjo/Dhaliwal)*
- *Water Advisory Board (Torres-O'Callaghan/Lazard)*
- *Tri Valley-San Joaquin Valley Regional Rail Authority (Akinjo)*
- *San Joaquin Area Flood Control Agency (Akinjo & Lazard)*

6.3 MAYOR & COUNCILMEMBER COMMENT(S)

7. ADJOURNMENT


Teresa Vargas, CMC
City Clerk

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CITY OF LATHROP

GENERAL PLAN UPDATE

ITEM 2.2

TO: Lathrop City Council

FROM: Ben Ritchie, De Novo Planning Group

SUBJECT: General Plan Status Update

DATE: March 11, 2019

INTRODUCTION AND BACKGROUND

In early 2018 De Novo Planning Group, and our team of subconsultants, initiated work on a comprehensive update to the City's General Plan. This effort also includes the preparation of an Environmental Impact Report (EIR).

The project team last visited with the City Council on March 12, 2018 to kickoff this work effort.

The March 11, 2019 presentation provides an opportunity for the project team to give the Council a status update on work completed over the past year, review the public input provided to-date, review the Vision Summary Report, and discuss next steps in the process.

No formal action is requested of the Council at this time.

Purpose of the General Plan Update

The General Plan Update is intended to address the following key components:

- Define a long-term vision for future growth within the City over the next 20 years
- Reflect the goals and values of the community
- Build on recent City planning efforts
- Include extensive public outreach and community participation
- Balance growth, conservation, and quality of life

TASKS COMPLETED TO DATE

- **Project Website.** The General Plan Update website has been live and online since March 2018. The site provides information regarding upcoming meetings, online surveys, contact forms, links to project documents, and other project resource materials. www.lathrop.generalplan.org
- **Newsletter.** The 1st project newsletter was completed and published in March 2018, in both English and Spanish. The newsletter provides details on the work program, General Plan content, opportunities for public involvement, information on resources, how to get involved, etc.
- **Visioning Workshops.** The City hosted three General Plan Update Visioning Workshops between April and May of 2018. Each Workshop focused on addressing a different topic and included a

brief overview of the General Plan, including why it's important and why the City is updating its Plan, some background information on the evening's topic, and a series of facilitated activities to solicit input on key topics or ideas.

- **Online Survey.** City staff and the consultant team developed an online survey to gather information from the public related to the General Plan Update, and to help guide in the development of a vision for the city. From April 11, 2018 to August 31, 2018 the survey was completed by 82 people.
- **Existing Conditions Report.** The Existing Conditions Report was completed and published in March 2019. This report establishes the baseline conditions for the General Plan Update, and documents development patterns, land uses, natural resources, utilities, infrastructure, public services, economic and fiscal conditions, environmental constraints, regulatory requirements, and recent City planning efforts.
- **Outreach Summary Report.** This report provides an overview of the outreach activities that have been conducted to date (Visioning Workshops, Online Survey, etc.) and includes a detailed summary of all of the public input received.
- **Community Vision Document.** The Lathrop Community Vision is an aspirational statement of what Lathrop wants to become through the implementation of its General Plan. The Vision Statement provides a sense of purpose and mission for the General Plan, and sets the tone for the Plan's guiding principles and core values to aid in the development of goals, policies and actions that will guide development in the coming years.

PENDING TASKS

- **Convene General Plan Steering Committee.** In the coming months, the project team will convene the General Plan Steering Committee and begin working on updates to the General Plan Policy Document and Land Use Map.
- **Land Use Alternatives Report.** This report will identify a range of possible growth scenario for the City to consider. The report will include a comparative analysis of each growth scenario, and will assist the City in selecting the preferred alternative.

ATTACHMENTS

1. Outreach Summary Report
2. Community Vision Statement



CITY OF LATHROP GENERAL PLAN UPDATE

OUTREACH SUMMARY REPORT

MARCH 2019



Prepared for:
City of Lathrop CA
General Plan Update

Prepared by:
De Novo Planning Group



DE NOVO PLANNING GROUP

A LAND USE PLANNING, DESIGN, AND ENVIRONMENTAL FIRM

CONTENTS



TOPIC	PAGE NUMBER
INTRODUCTION	1
COMMUNITY VISIONING WORKSHOPS	2
WORKSHOP #1 OPPORTUNITIES, CHALLENGES, AND ASSETS	3
WORKSHOP #2 GUIDING PRINCIPLES, VISION, AND DESIGN	6
WORKSHOP #3 CIRCULATION AND MOBILITY ISSUES, AND PRIORITIES	11
ONLINE SURVEY RESULTS	13
NEXT STEPS	20
APPENDICES	
APPENDIX A: WORKSHOP #1 MATERIALS AND MAPS	A-1 ONLINE
APPENDIX B: WORKSHOP #2 MATERIALS AND MAPS	B-1 ONLINE
APPENDIX C: WORKSHOP #3 MATERIALS AND MAPS	C-1 ONLINE
APPENDIX D: ONLINE SURVEY RESULTS	D-1 ONLINE

Note: Appendices included under separate covers are accessible on the project website: <https://lathrop.generalplan.org/documents/>



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INTRODUCTION

This report summarizes the public participation and input received during the General Plan Update Visioning Workshop outreach activities conducted from April through August 2018.

The City of Lathrop initiated their General Plan Update process in late 2017 and began a multifaceted outreach program to engage community members. The outreach program for this project is inclusive, educational, and designed to facilitate a meaningful conversation with the Lathrop community about the issues and opportunities that are most important to the community. A series of three Visioning Workshops, and an online survey were conducted to provide opportunities for community members to discuss their vision for the future of Lathrop, issues related to transportation and mobility, land use and community design priorities, and other relevant topics, such as environmental justice.

The General Plan update effort will continue to involve numerous opportunities for the public to learn about the project and provide their input, including traditional in-person workshops, open houses, and online surveys. This Summary Report memorializes what was discussed during the three Visioning Workshops held throughout the spring of 2018 and an online survey which was completed by 82 participants.

Community input serves as the foundation for the City of Lathrop's General Plan Update. We appreciate your time and ideas.

For information on how to stay involved, and view project documents, please visit: www.Lathrop.GeneralPlan.org

Outreach Objectives

Develop a long-term vision for Lathrop

Engage a broad spectrum of the community members

Engage key stakeholders to perpetuate long-term involvement

Establish a greater connection between the General Plan and current planning issues

Educate the public on the City's existing conditions, and the General Plan Update process



COMMUNITY VISIONING WORKSHOPS

The City hosted three General Plan Update Visioning Workshops between April and May of 2018. Each Workshop focused on addressing a different topic and included a brief overview of the General Plan, including why it's important and why the City is updating its Plan, some background information on the evening's topic, and a series of facilitated activities to solicit input on key topics or ideas. The topics explored in each Workshop along with summaries of what we heard from the community are provided in the following pages. The intent of this Summary Report is to present the information we received without making assumptions or recommendations. The feedback we received has been recorded here in order to memorialize the key themes and ideas, and it will be used to help inform future work tasks associated with the General Plan Update, including preparation of a Vision Statement, evaluation of opportunities and challenges, land use changes, and the creation of new goals, policies, and actions.

Community Workshop Topics, Dates, and Locations

Workshop #1 Opportunities, Challenges, and Assets	Workshop #2 Guiding Principles, Vision, and Design	Workshop #3 Circulation and Mobility Issues, and Priorities
		
Monday, April 16, 2018 City Council Chambers	Wednesday, May 2, 2018 Senior Center	Thursday, May 17, 2018 River Islands Welcome Center



Workshop #1: Opportunities, Challenges, and Assets

The first General Plan Visioning Workshop was held on Monday, April 16, 2018 @ 6:00 pm in the City Council Chambers at Lathrop City Hall. The intent of Workshop #1 was to begin a dialogue with the community regarding its priorities for the next 20 years. Following a brief presentation and Q&A period on the General Plan Update, the consultant team conducted two activities to help facilitate this conversation. These activities are summarized on the following pages. Additionally, during the workshop the topic of Environmental Justice was raised, and the consultant team provided a brief overview of State requirements, and how this topic will be addressed in the General Plan.

Activity - Assets, Vision, and Challenges Brainstorming: The first activity was an individual exercise. Meeting attendees were provided stacks of blank Post-It-Notes and asked to write down what they think are Lathrop's biggest assets and challenges, along with their vision for the future of Lathrop. The results are summarized by topic area on the following pages. Questions posed to the group for their consideration included:

Assets	Challenges	Vision
		
<p>What do you value most about Lathrop?</p> <p>What makes this a special place to live or work?</p>	<p>What issues are facing the city that need to be addressed in the General Plan?</p>	<p>What ideas do you have for the future of Lathrop?</p> <p>What would make your community better?</p> <p>What three things would you like to see accomplished by 2040?</p>



Common themes expressed during the Community Workshop #1 are summarized and presented below. Full results from Activity #1 are included within Appendix A.

Table 1: Assets, Challenges, and Vision Individual Activity Summary

Topic Area	Assets	Challenges	Vision
Community	Community Values Safety Schools Small town feel History Sense of community	Population growth Growth without loss of community Community feeling Family activities Any opposition to infill Transparency	Safe family community Access to healthy food and fresh produce Community gardens Places to go with family More entertainment Fair and equal treatment Balance in all areas east and west
Mobility	Location Access to major highways Logistic opportunities	Connectivity east/west of I-5 Truck routes in residential areas Public transportation	Complete streets policies Expand highways Safe routes
Services	Good public services Public Safety Availability of water	Budget considerations Property taxes Police Department Public safety Roads need improvements Wastewater capacity	Improved schools Public safety
Conservation	Parks and open space Green-spaces Proximity to the Delta Wildlife Historical areas Availability of water	Flood Zone areas and flood impacts Earthquakes Liquefaction	Improved air quality
Development	Logistic opportunities Access to major highways City has potential Good location	Business growth East without town center Lack of commercial and retail Any opposition to infill Investment	Infill investment and development Downtown needed w/small businesses More retail esp. grocery More condo/townhome apartments Self-sufficient community (shop, sleep, eat, work) More residential commercial and entertainment



Activity - Opportunity Area Mapping:

The second activity of the first Visioning Workshop asked participants to review large-scale maps of the City and highlight areas that need special focused attention as part of the General Plan Update, including areas that should be preserved and protected, and areas where land use change should be considered. Working in small groups, attendees were asked to use colored markers to indicate where on the provided map the following land uses should be:


Blue – Key Focus Areas (in need of revitalization, reimagining, or more public gathering places)

Orange – Business and Employment Opportunities (where should new job growth be located)

Brown – Restaurants and Retail

Red – Higher Density Housing

Green –Parks, Open Space, Habitat Conservation



CITY OF LATHROP GENERAL PLAN UPDATE

Map Activity Instructions

As a group, use the colored markers to indicate where the following land use changes or improvements should be located:

- **Blue** – Key Focus Areas (in need of revitalization, reimagining, or more public gathering places)
- **Orange** – Business and Employment Opportunities (where should new job growth be located)
- **Brown** – Restaurants and Retail
- **Red** – Higher Density Housing
- **Green** –Parks, Open Space, Habitat Conservation

Guidelines:

1. Outline areas where land uses and changes should occur using your color markers.
2. Please add brief notes and supporting information describing your thoughts and input for each outlined area.
3. Feel free to draw anywhere and provide notes and write additional details on the map
4. Where the group has multiple ideas, such as differing land uses or different concerns for a focus area, add text to identify all ideas raised by the group.

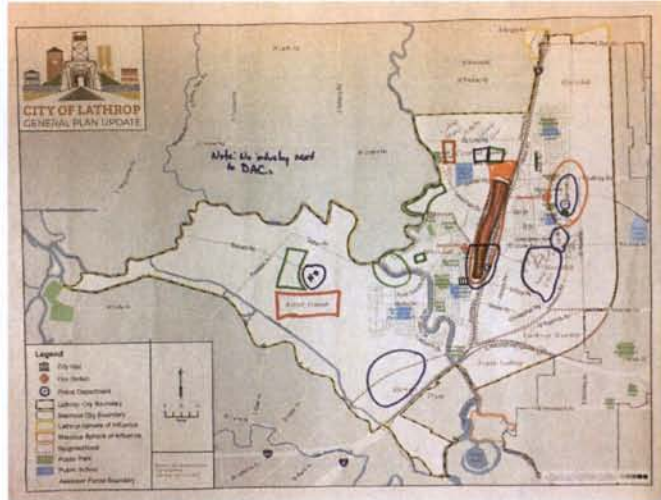
1. Outline areas where land uses and changes should occur using your color markers.
2. Please add brief notes and supporting information describing your thoughts and input for each outlined area.
3. Feel free to draw anywhere and provide notes and write additional details on the map
4. Where the group has multiple ideas, such as differing land uses or different concerns for a focus area, add text to identify all ideas raised by the group.

Following an instruction guide, the small groups used colored markers to identify special types of areas. The instructions guide used by meeting participants is included to the right and copies of completed maps are included in Appendix A. After working on the maps, each table reported back to the entire group summarizing their key ideas.



Mapping Results (Common Themes):

- Opportunities for additional employment in the eastern portion of the city, east of I-5
- Opportunities for restaurants, retail and higher density housing along the Manthey Road corridor west of I-5
- Opportunities for revitalization and increased housing and commercial development between Louise Avenue and Lathrop Road, east of I-5
- Opportunities for transit-oriented development along the rail corridor
- Revitalization opportunity areas near East Lathrop Road and Seventh Street
- Additional opportunities for open space, trails, and parks within the River Islands planning area



Workshop #2: Guiding Principles, Vision Statement, and Placemaking

The second Visioning Workshop was held on Wednesday, May 2, 2018 @ 6:00 pm at the Senior Center. The focus of the Workshop #2 was the establishment and refinement of guiding principles, development of a comprehensive and cohesive community vision statement, and identification of community design and land use assets through the exploration of opportunities to enhance placemaking throughout the community.

Activity - Guiding Principles: The first activity of Visioning Workshop #2 was an individual activity where participants were asked to vote for their top three choices for “guiding principles” from a list developed based on the feedback received at the first Visioning Workshop. Participants were provided three “dot” stickers and asked to review a list of 10 possible guiding principles and stick their “dot” next to the principle they vote for. Participants

CITY OF LATHROP GENERAL PLAN UPDATE	
General Plan Guiding Principles	
Principle	Votes
Maintain and increase park and recreational facilities throughout the city	4 dots (2 blue, 2 red)
Maintain small-town charm, character, and sense of community	6 dots (3 blue, 2 red, 1 black)
Preserve surrounding open-space and agricultural lands, and historic assets	5 dots (3 blue, 2 red)
Promote and enhance shopping and entertainment opportunities throughout the city	4 dots (2 blue, 2 yellow)
Promote higher density housing and mixed-use developments along key transportation corridors	4 dots (3 yellow, 1 blue)
Increase alternative transportation opportunities, and connectivity within city, and to surrounding areas	5 dots (2 yellow, 2 blue, 1 red)
Attract and retain businesses and industries that provide high-quality jobs	4 dots (2 yellow, 2 black)
Maintain and support high quality schools within the city	4 dots (2 blue, 2 yellow)
Prioritize east/west connectivity throughout the city	3 dots (2 blue, 1 black)
Maintain and improve public safety and crime prevention	6 dots (2 red, 2 blue, 2 yellow)

could assign all three dots to the same principle or divide the dots as they preferred. The results



communities around California. Workshop participants were asked to draft a Vision Statement that best represents what they want their community to be.

Working in groups of 3-6, the following four vision statements were developed (Original Vision Statements are included in Appendix B):

- Every Lathrop resident deserves affordable housing, education, opportunity, and economic advancement. Access to affordable healthcare, nutrition and all modes of transportation.

City Staff and officials should focus on a balance of land use and development that will guarantee financial security. To provide adequate services by promoting community values, public input and small-town charm. Not compromising quality of life, safety, community, cultural or religious values.

- Lathrop is a safe and desirable place where families can raise their children, enjoy a close small-town charm, character and sense of community.

Promote and enhance shopping and entertainment opportunities throughout the city, provide adequate housing and mixed use developments.

- Self-sustaining community for all residents including:

- ✓ Employment opportunities
- ✓ Entertainment
- ✓ Safety
- ✓ Physical health + spiritual services

Compatible land uses throughout the city within developed districts

Create buffer zones to preserve and protect the quality of life – major concern being trucking

- High Quality Community

- High quality housing standards
- High quality schools
- Transit hubs and parking
- Public safety priority – police + fire + disaster
- Public pool swim instruction / recreation
- Public internet service for all residents
- Clean water
- Food production
- Public health office
- Timeframe – schedule slide / more flexibility – prioritize statements



Activity - Placemaking in Lathrop:

The third activity of Visioning Workshop #2 expanded on the mapping exercise conducted at the first workshop and asked additional questions focused on community design and placemaking in Lathrop. Placemaking is a people-centered approach to the planning, design, and management of the spaces that comprise gathering places in a community, including streets, sidewalks, parks, buildings, and other public or private spaces. The goal is to promote interaction between people and foster healthier, more social and economically viable communities.

As part of the overview presentation, participants were presented with examples of "placemaking in action" and discussed how sociability, uses and activities, access and linkages, and comfort and image make a "great place". Participants were asked to answer placemaking questions for Lathrop using the following prompts and materials:

- What are the key landmarks within the City? How could these areas be improved?
- Where are your major activity nodes, destinations and gathering places? Where should new ones be located?
- Are there different neighborhoods/districts in Lathrop?
- What are the City's defining viewsheds?
- Where are the City's major gateways?



Landmarks: Iconic buildings, signs, monuments, places of cultural or historic significance



Activity Nodes: Key destinations: can be existing or future nodes



Gateways: Key entrances into the community



Viewsheds: Views that should be preserved and protected



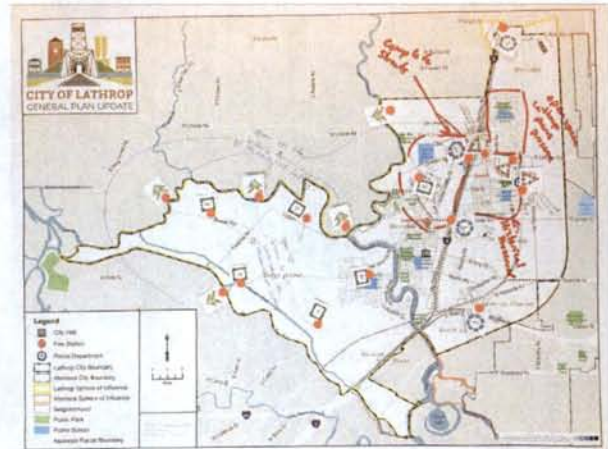
Districts: Existing neighborhoods or areas within the community with distinct identities



Using markers and graphic symbols, small groups worked together around large-format maps of the City to answer these questions. The results of this mapping activity are presented in Appendix B. In general, the groups identified the following key features as central to placemaking in Lathrop:

Landmarks

- Fireside Inn
- Cottons Church
- Lathrop Skate-park
- Manuel Valverde Park
- Lathrop Senior Center
- Mossdale Crossing
- Historic areas in central Lathrop east of I-5



Views

- San Joaquin River, and areas in the western portion of the city with expansive undeveloped areas
- River Islands
- Old River
- Ag lands/open space in western Lathrop and south western Lathrop
- Looking west of city
- Looking south from River Islands
- Looking north from River Islands

Activity Nodes

- Parks and trails along riverfront
- Stewart Tract
- Schools, and entertainment areas
- Lathrop Skate-park
- ACE Train station

Districts

- Old town neighborhood East/Central Lathrop
- Central and East Lathrop neighborhoods between Lathrop Road and Louise Avenue
- Area bound by Louise Avenue, San Joaquin River and De Lima Road in Central Lathrop

Gateways

- Eastern portion of the city at East Lathrop Road
- Eastern portion of the city at Louise Avenue
- Northern portion of the city at I-5
- Eastern portion of the city at Roth Road
- Eastern portion of the city at Highway 120
- I-5 at Louise Ave



Workshop #3: Circulation and Mobility - Issues, and Priorities

The third and final Visioning Workshop was held on Thursday, May 17, 2018 at the River Islands Welcome Center. The focus of the third workshop was on circulation and mobility in Lathrop, including how people get around (cars, walking, biking, and transit), road safety, and local conditions. The presentation included background on existing conditions, including existing traffic volumes, transit routes, congestion, bike routes, and regional conditions. This information is available as part of the presentation which is posted on the project website.

Activity – Transportation and Mobility Priorities: Working in three groups, community participants were asked to identify and rank transportation priorities within Lathrop using the following prompt:

Which transportation improvements does your group think should be the top priorities for the General Plan Update?

Priority 1 _____

Priority 2 _____

Priority 3 _____

A summary of the transportation priorities is provided below. Full results of the transportation priority exercise are provided in Appendix C.

Priority 1:

- Decreasing vehicle congestion, divert truck traffic to truck-use-only roadways.
- All trucks banned on Lathrop Rd. from Harlan to the eastern boundaries of the city limits. Safe routes to school, ADA. Improvements on Lathrop Rd. designated routes affecting residential land use.
- Lighted crosswalks at school crossings (Spartan Way).

Priority 2:






- Adding new road connections, respect property lines and have protection buffers between property lines and roadways.
- I-5 & Lathrop Rd. interchange must have a pedestrian caged walkover to protect children who are forced to walk from the east side to attend Lathrop High. Generation Center, skate-park and library.
- More, and wider, bike lanes, and the need for carpool lanes at schools.

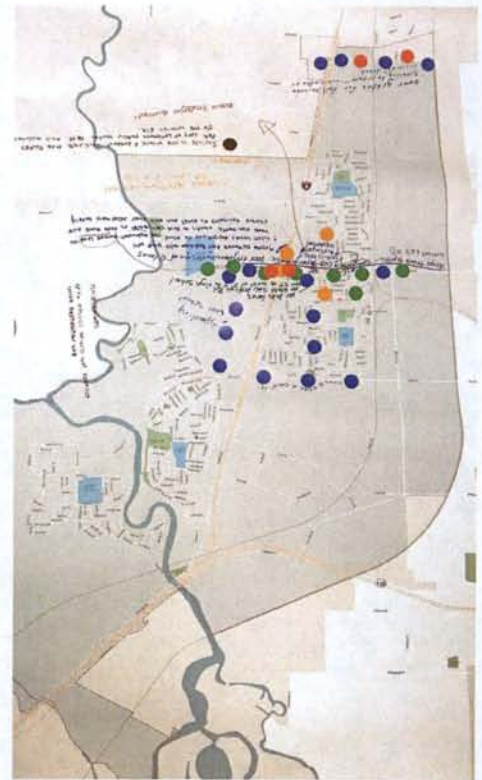


Priority 3:

- Transit – how will ACE impact properties and current owners, and were/how will parking impact current homeowners?
- Lathrop Rd. re-designed to assure adequate safety measures for the residents that abut Lathrop Rd. & citizens who travel the right-of-way, and user-friendly bike routes.
- Citywide bus services between schools, stores, senior center, Mossdale etc.

Activity – Transportation and Mobility Issues Mapping: As a group, workshop participants were asked to use colored stickers and markers to identify transportation issues or concerns related to the following categories:

-  **Automobile-Related**
e.g. traffic congestion, cut-through traffic, speeding
-  **Bicycle-Related**
e.g. lack of bike facilities, uncomfortable existing bike facilities
-  **Pedestrian-Related**
e.g. lack of crosswalks, missing sidewalks, uncomfortable/difficult crossings
-  **Transit-Related**
e.g. not enough stops, long waits
-  **Other topics**
e.g. maintenance issues, any other topics



A summary of the most common mapping themes is provided below. Full results of the mapping exercise are provided in Appendix C.

Bicycle and Pedestrian Related

- Unsafe bike and pedestrian crossings especially for routes to schools.
- Lack of safe school routes that separate children from truck traffic and speeding
- Lack of bike and pedestrian connectivity throughout the city, and especially in the central portions of Lathrop from Lathrop Road to Louise Avenue



Automobile Related

- Unsafe cut-through traffic along Lathrop Road (especially trucks)
- Speeding along Lathrop Road
- Speeding along Louise Avenue
- Speeding along Golden Valley Parkway in close proximity to schools
- Median along Lathrop Road was replaced with stripe paint and is not as safe
- Need to reduce speeds and add traffic calming along Lathrop Road and near schools

Transit Related

- Need Rail Crossing for Rail Service so traffic won't be effected
- BART Express Extension to River Islands
- Complete Street concepts to accommodate all forms of transit

Other Topics

- I-5 creating separation and lack of connectivity east/west
- Need for buffer lanes, and sidewalks to increase safety and ensure a separation between homes/residents and streets/traffic
- Rail crossing along Roth Road causing congestion issues

ONLINE SURVEY

Introduction

This section provides a summary of responses and feedback from the Lathrop General Plan Update Survey facilitated online. Survey responses were collected from April 11, 2018 through August 31 of 2018 and was administered online via the General Plan Update website and the SurveyMonkey web platform. During the approximately 4-month time period that the survey was active, there were 82 responses to the eighteen primary questions related to the General Plan update. The questions involved a wide range of response formats that are synthesized in this brief report. The survey responses provide insight into the demographics and opinions of Lathrop community members concerning goals and topics related to the update of the City's General Plan. Based on the demographic questions within the survey, the online survey attracted those Lathrop residents with larger household sizes. Respondents to the survey tended to be age 25-44 (55%), or age 45-64 (39%). The survey had less representation from single-person households (<2%), renters (<14%), and younger residents under the age of 24 (<2%) than the typical resident demographics for the City of Lathrop. This trend is to be expected given that young families, homeowners, and older generations who have a long history in Lathrop are generally more invested in the community, and are therefore likely to participate in community outreach and city improvement platforms. The General Plan team is committed to developing



and implementing strategies to improve engagement from all community residents in future community outreach endeavors. Of the participating community members, survey respondents tended to prioritize the following themes:

- Enhance and expand public services and amenities, such as public safety and parks
- Improved entertainment and retail options
- Attracting high quality jobs
- Maintaining community identity and character
- Ensure community participation

Please note that the following summaries included in this report are not exhaustive and do not include references to every comment received in the survey. Specific comments and individual responses can be accessed by looking at the complete survey results attached as Appendix D.

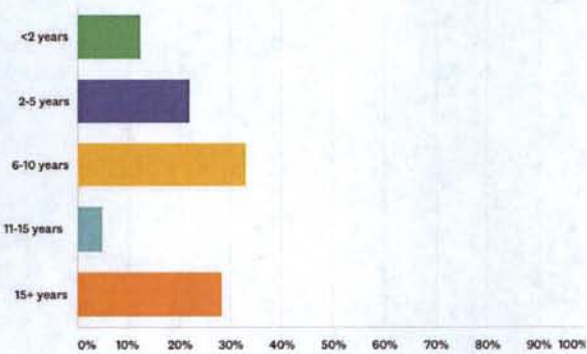
Online Survey Summary

Question 1: Do you live in Lathrop?

Of the respondents to the survey, 95 percent reported living in the City of Lathrop. Less than 5 percent of respondents to the survey reported living in areas outside of the City.

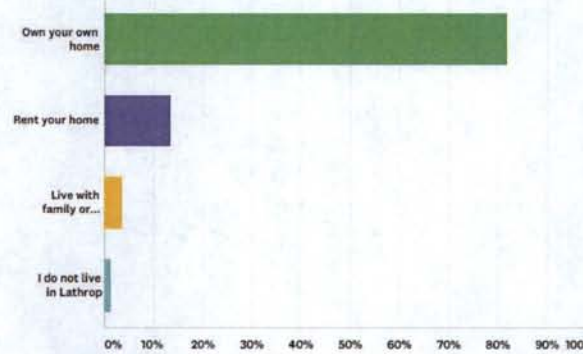
Question 2: How long have you lived in Lathrop or the Lathrop area?

A majority (approximately 66 percent of survey respondents) have lived in Lathrop or the Lathrop area for over 5 years.



Question 3: Do you? (Own your home, Rent your home, Live with friends/family)

Approximately 82 percent of survey respondents own their home in Lathrop. Less than 14 percent of respondents reported renting their home, under 4 percent reported living with friends or family within the area, and less than 2 percent reported not Living in the City of Lathrop.



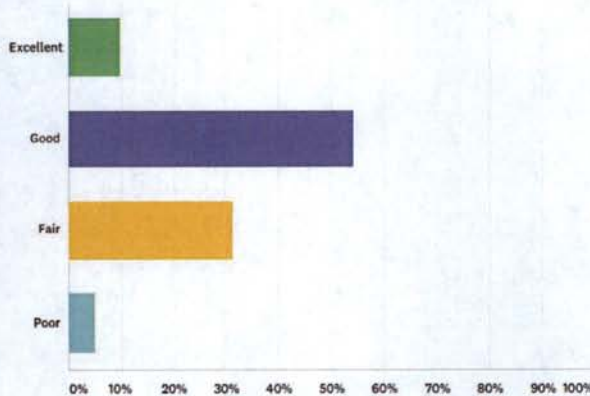
Question 4: Do you work in Lathrop?

Of the survey respondents, 20 percent work in the City of Lathrop. About three-quarters of those who work within the City of Lathrop are business owners in the City. Almost 15 percent of respondents are currently retired from working. Approximately 64 percent of respondents to the survey are currently employed but work outside of Lathrop. Most of those respondents who work outside of Lathrop reported working in the following areas:

- Stockton - 21%
- Bay Area - 13%
- Tracy - 8%
- Livermore - 6%
- San Ramon - 6%
- Manteca - 6%
- Fremont - 6%

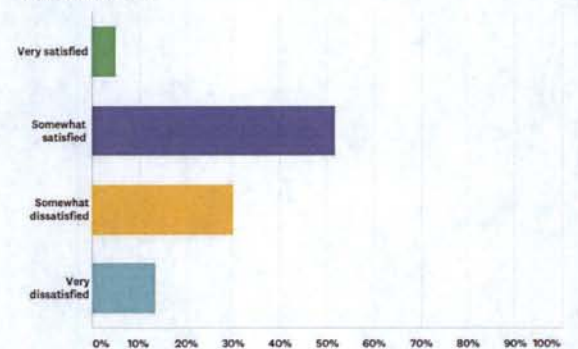
Question 5: How would you rate the quality of life in Lathrop? (Excellent, Good, Fair, and Poor)

A majority (54 percent) of respondents rated the quality of life in the City as 'Good'. Approximately 10 percent of all respondents chose 'Excellent' in their rating for quality of life in the City. Approximately 35 percent of survey respondents chose 'Fair' or 'Poor' as their rating for quality of life. Prevalent themes within the free-response portion of this question include concerns with: crime and safety, traffic, and needing additional retail and entertainment development.



Question 6: How do you feel about the way Lathrop has changed over time?

Of the survey respondents, approximately 57 percent identified feeling 'Somewhat Satisfied' or 'Very Satisfied' with the way Lathrop has changed over time. Approximately one-third of all respondents reported feeling 'Somewhat Dissatisfied' or 'Very Dissatisfied' with the way Lathrop has changed over time. The free-response portion of this question is included in Appendix D.



Question 7: What would you like to see more of in Lathrop? (Pick up to three)

Survey respondents had the ability to pick up to three options from a list of various amenities or opportunities that could be better incorporated into Lathrop. The most frequently chosen answers were: restaurants, shops, entertainment/cultural facilities, jobs, and walking path/ trails. The top 10 results are included below:

- Restaurants - 67%
- Shops - 64%
- Entertainment/cultural facilities - 33%
- Jobs - 28%
- Walking paths/trails - 26%
- Variety of housing choices - 13%
- Parks/recreation - 11%
- Public Transit - 11%
- Bike lanes - 10%
- Professional offices - 7%



Question 8: Please rate your level of satisfaction on a scale from 1 to 5 (1 – very satisfied, 2 – somewhat satisfied, 3 – mixed, 4 – somewhat dissatisfied, 5 – very dissatisfied, N/A – No Opinion) with the following:

Lathrop as a place to live	Fire services
Lathrop as a place to work	Emergency medical services
Lathrop as a place to bring your out of town friends and family to visit	Police services
Lathrop's physical appearance	Activities for youth
Traffic flow in and through the City	Activities for seniors
Maintenance of streets	Community gatherings and events
	Availability of daily goods and services
	Existing parks and recreation facilities

Question 8 allowed respondents to rank their satisfaction with each of the 14 topic areas provided. The topic areas where a majority of the respondents used favorable descriptors- 'Somewhat Satisfied' or 'Very Satisfied' include:

- Lathrop as a place to live
- Fire services
- Emergency medical services
- Existing parks and recreation facilities

Topic areas where a majority of the respondents used unfavorable descriptors- 'Mixed', 'Somewhat Dissatisfied', or 'Very Dissatisfied' - include:

- Lathrop as a place to work
- Lathrop as a place to bring your out of town friends and family to visit
- Lathrop's physical appearance
- Activities for youth
- Activities for seniors
- Community gatherings and events
- Availability of daily goods and services

Topic areas where the unfavorable and favorable descriptors were roughly equal include:

- Police services
- Maintenance of streets
- Traffic flow in and through the City

Question 9: Rank the priority of the General Plan addressing the following development-related issues on a scale of 1 to 5. (1 - Very Important, 2 - Important, 3 - Somewhat Important, 4 - Low Importance, and 5 - Not Important)

Survey respondents were given a list of 16 distinct issues to which they could rank the level of priority they felt the issue should have in regard to being addressed in the General Plan. There were 5 issues ranked as 'Very Important' by over 50 percent of respondents, which included the topics of: public safety, financial sustainability, attracting shops and restaurants, high quality recreational and social programs services and facilities, and supporting the ACE train extension. The table below includes the full list of topic areas and the associated percentage of participants that considered the priority as "very important (listed in order of importance):

Table 3 General Plan Priority Ranking

Topic	%
Maintain public safety services	84%
Maintain the City's financial sustainability	67%
Attract shops and restaurants	59%
Maintain a high level of quality recreation, leisure, and social programs and facilities	54%
Support the success of the Altamont Corridor Express (ACE) extension	52%
Retain the community's small-town character	48%
Preserve and protect historical structures, facilities and other locations	48%
Improve existing housing/neighborhoods	46%
Preserve scenic views	46%
Economic growth/job creation	44%
Make walking/biking around the community easier	41%
Improve the overall road system	40%
Make local efforts to address climate change	34%
Increase amount of parks/open space facilities	26%
Locate new housing with convenient access to public transportation	20%
Expand housing choices	13%



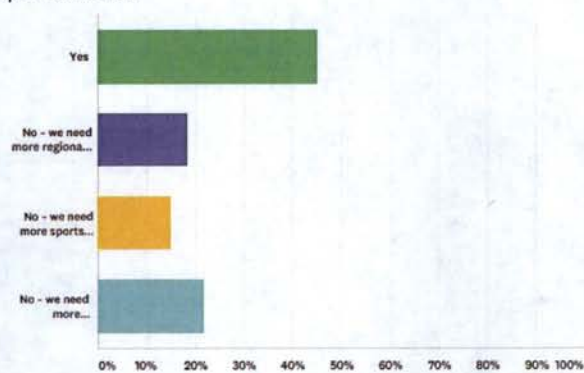
Question 10: What types of jobs or industries should Lathrop try to attract? (Pick up to three)

Participants in the survey had the option to choose up to three specific industry/job areas to select as job types that the City of Lathrop should attempt to attract. The preferred job identified by participants in descending order were:

- Retail and sales - 60%
- Hi-tech jobs - biotech, computers, etc. - 52%
- Medical - 35%
- "Green" industries - 35%
- Professional - accountants, lawyers, etc. - 23%
- Service industries and trades - 23%
- Agriculture-related support industries - 22%
- Energy production - 10%

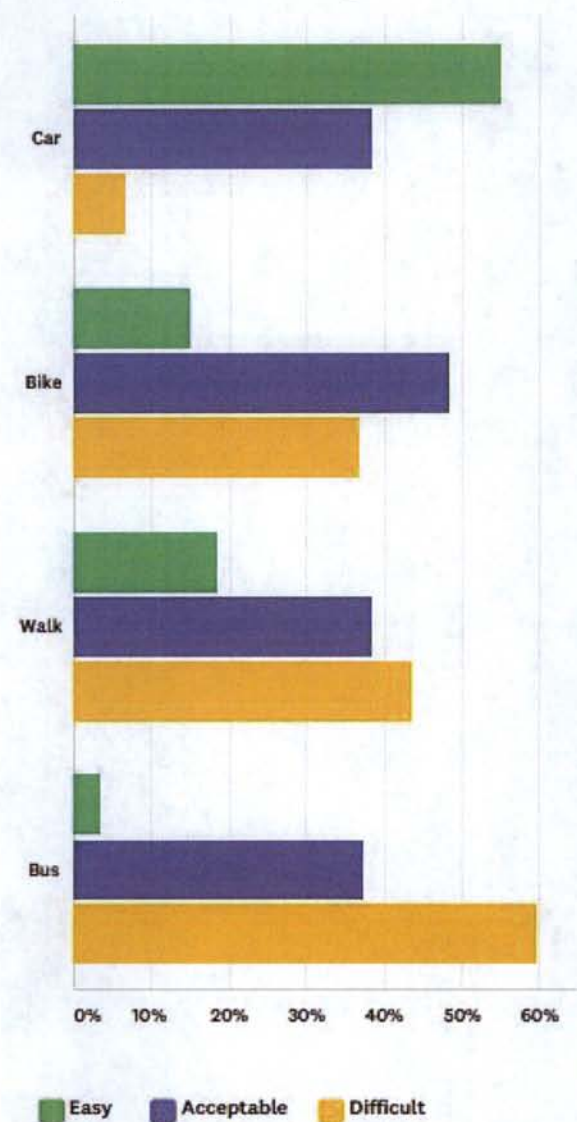
Question 11: Are there enough parks and recreation facilities in Lathrop?

A majority (45 percent) of respondents identified that Lathrop has enough parks and recreational facilities. Approximately 40 percent of respondents identified a need for more community and regional parks, while 15 percent identified needing more sports fields.



Question 12: How easy is it to move in and around Lathrop using: car, bike, walk, or bus?

Survey respondents were given the option of rating the usability of four different modes of transportation (Car, Bike, Walk, or Bus) as either 'Easy', 'Acceptable', or 'Difficult'. The bar graph below depicts the results of Question 12.



Question 13: From the following list of goals, please rank the THREE most important issues in order from highest priority (1) to lowest (3).

- Preserve and improve the physical condition of the community
- Enhance and expand public services and amenities, such as public safety and parks
- Attract and retain quality jobs in a variety of industries
- Strengthen coordination and partnerships with local agencies and neighboring jurisdictions
- Strengthen coordination and partnerships with residents and local organizations
- Improve the fiscal viability of the City
- Conserve natural resources through protecting water supply, wildlife habitat, and open space
- Expand types of housing and range of affordability of housing
- Improve pedestrian and bicycle connections and make it easier to get around the City without a car
- Expand recreation programs, including for youths and seniors

Respondents Top 3 Goals were prioritized as follows:

Top 3 First Priorities

- Enhance and expand public services and amenities, such as public safety and parks
- Preserve and improve the physical condition of the community
- Attract and retain quality jobs in a variety of industries

Top 3 Second Priorities

- Improve the fiscal viability of the City
- Expand recreation programs, including for youths and seniors
- Preserve and improve the physical condition of the community

Top 3 Third Priorities

- Improve pedestrian and bicycle connections and make it easier to get around the City without a car
- Expand types of housing and range of affordability of housing
- Strengthen coordination and partnerships with local agencies and neighboring jurisdictions

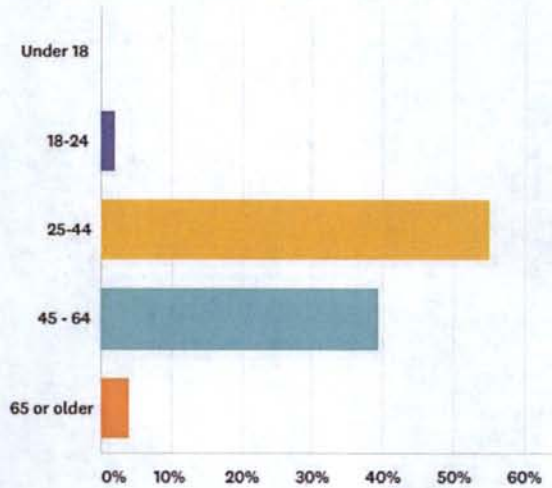
Question 14: Thinking about the future of Lathrop, what three words or phrases best describe how you would like to see the community in 2040? Below are the most common words used by participants. Complete survey results are included in Appendix D.

Clean community Safe Family Affordable
 community Friendly Family crime Safe Small town
 Restaurants community Safe Good



Question 15: Your age group is:

The most common age group for respondents was those within the ages of 25 and 44, which made up 55 percent of all survey-takers. A large majority—approximately 98 percent—of community members who participated in the survey were 25 or over. The lowest demographics for survey takers were community members under the age of 24. The graph below shows the distribution of ages of survey participants.

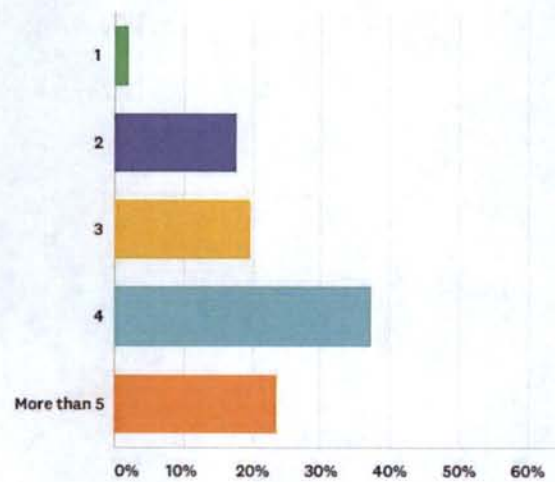


Question 17: Is there anything else you would like to share with the City regarding its General Plan Update?

Question 17 provided respondents the opportunity to elaborate on their responses to previous survey questions and share their broader concerns with the City. Responses to Question 17 were highly variable. To see responses to Question 17 and to explore specific community member opinions on the General Plan Update, please see the attached raw survey data contained in Appendix D.

Question 16: How many people live in your household?

A majority of survey participants have between 2 and 4 people living in their household. Based on this data, and data from Question 15 related to age demographics, it is likely that a large percentage of survey participants are parents or adults living in family households. The bar chart below shows a detailed layout of household size for survey respondents.



Question 18: If you would like to receive notifications for upcoming General Plan Update events or be notified when draft documents are available for your review, please provide your email address.

Question 18 provided respondents the opportunity to share their email address to be included on the General Plan Updates noticing list. The responses for the question will be used by the city to keep the interested individuals informed of upcoming events and reports, but results have been excluded from this document and Appendix D to ensure survey respondent's privacy.



NEXT STEPS

The goal of the Visioning Workshops and online survey was to start a conversation with the Lathrop community regarding their vision for the City and how the General Plan should address key issues, opportunities, and challenges that are most important to Lathrop. Using this feedback, a vision statement, and core values will be defined and included in a vision report, which will be available on the project website concurrently with this community outreach summary report. Additionally, City Staff, the consultant team, and the City's General Plan Technical Steering/Advisory Committee will continue to use this information as well as other future milestone reports to evaluate priorities and develop goals, policies, and actions that best reflect the community's vision for the future.

For information on how to stay involved, and view project documents, please visit:
www.Lathrop.GeneralPlan.org or contact the City of Lathrop:

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CITY OF LATHROP

GENERAL PLAN UPDATE

Community Vision

March 2019

www.lathrop.generalplan.org



DE NOVO PLANNING GROUP



A LAND USE PLANNING, DESIGN, AND ENVIRONMENTAL FIRM

Prepared for:

City of Lathrop, CA
General Plan Update

Prepared By:

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Contents:

Community Vision Statement

-  **Sense of Community**
-  **Quality of Life**
-  **Successful Centers**
-  **Economic Advancement**
-  **Circulation & Mobility**
-  **Community Health**
-  **Sustainability & Conservation**

Community Vision and Values

The Lathrop Community Vision is an aspirational statement of what Lathrop wants to become through the implementation of its General Plan. The Vision Statement provides a sense of purpose and mission for the General Plan, and sets the tone for the Plan's guiding principles and core values to aid in the development of goals, policies and actions that will guide development in the coming years. The Community Vision combines values expressed through community workshops, and online surveying conducted during the initial stages of the General Plan Update.



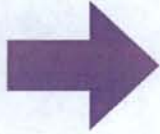
Vision:

Lathrop is a desirable community to live, learn, work, and play. Lathrop has maintained its small-town character and feel, while growing into a healthy and vibrant mid-size city that celebrates its surrounding environmental resources, agricultural heritage, and cultural diversity. Our community is healthy, safe and family-oriented, with thriving schools, parks, shops, entertainment, and businesses. Well-maintained infrastructure, and a diverse mix of services and amenities draws new residents, and dynamic businesses and development to the city. Lathrop offers livable affordable neighborhoods, schools, and parks and recreation facilities that are connected by an expansive network of paths and trails. Circulation and mobility improvements have led to a well-connected transportation system that allows residents and visitors to safely move about the community in a variety of ways, including by car, walking, biking, and other alternative transportation modes. The community is fiscally sound, and offers abundant employment and economic advancement opportunities to a diverse and creative workforce.

Core Values:

- ➔ Sense of Community
- ➔ Quality of Life
- ➔ Successful Centers
- ➔ Economic Advancement
- ➔ Circulation & Mobility
- ➔ Community Health
- ➔ Sustainability & Conservation





Core Value & Vision: Sense of Community

Foster a sense of community unique to Lathrop that celebrates the area's history, cultural diversity, and family-friendly atmosphere. As the City grows, the community retains the feel and charm of a small town. The community's distinguishing physical characteristics, including waterways and river corridors, hillside views, and nearby areas of expansive agricultural lands that provide visual relief from the built environment are highly valued as an important part of the community's sense of place, small town charm, and rural character. Existing residents are proud to call Lathrop home, and new residents and families are attracted by Lathrop's strong sense of community and family-friendly lifestyle. Businesses want to locate here because Lathrop's strong community values has led to a diverse and stable workforce.

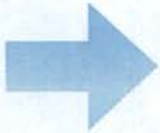




Core Value & Vision: Quality of Life

Quality of life is central to Lathrop's identity. Lathrop provides a strong sense of community and high standard of living for its citizens through sustaining strong local programs that ensure high quality services, diverse cultural amenities, and excellent educational opportunities that are accessible to all residents. Building on these assets to strengthen quality of life for the common good continues to make Lathrop a great place to live and do business. New development opportunities help to provide and maintain the City's fiscal sustainability and the provision of reliable and responsive public services, amenities, and infrastructure. Desirable housing options are available for all ages and income groups, including attainable housing for first-time homeowners, family housing, and homes for seniors.





Core Value & Vision: Successful Centers

Increased retail options, and experience-oriented entertainment services are provided through the expansion of local commercial activities, retention of existing successful commercial businesses, supporting the development of new centers, and through the redevelopment and revitalization of under-performing commercial centers. New commercial areas provide many opportunities for residents and visitors to shop, eat, and recreate in Lathrop, while bringing increased sales tax revenues to the City, which helps to fund a wide range of public services. Supporting the development and redevelopment of commercial centers that focus on providing a unique experience that cannot be replicated through online shopping ensures a viable commercial environment. This includes providing a range of quality dining, shopping, and entertainment options for all generations, so people who live and work in Lathrop visit and shop at the community's commercial centers. Including gathering spaces like public plazas and outdoor dining patios helps the community to create a more enjoyable commercial environment. Bringing commercial, residential, and civic uses closer together in mixed use environments to support commercial development, creates vibrant, healthy and accommodating commercial areas in the city.





Core Value & Vision: Economic Advancement

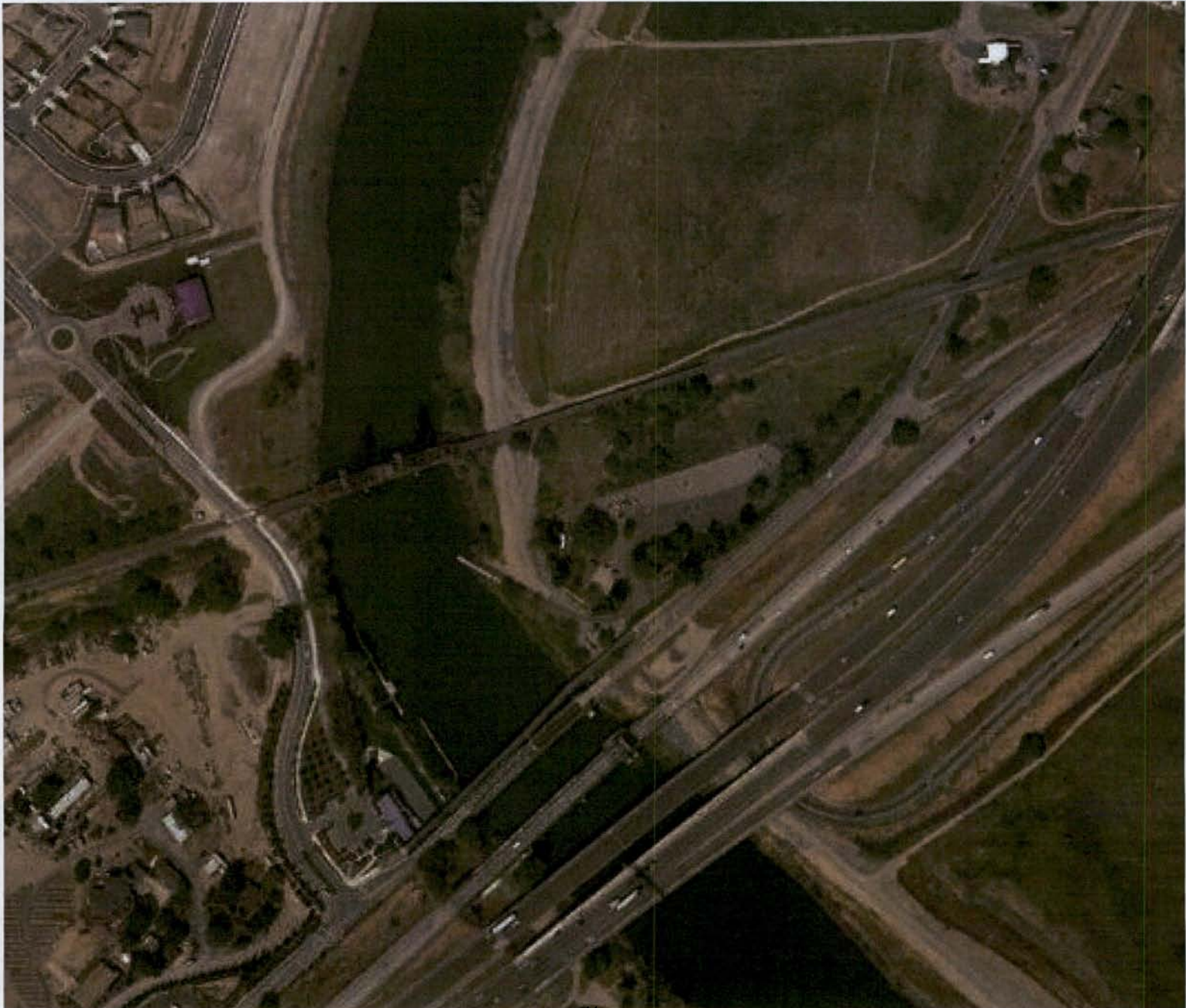
Support and encourage the expansion of business that provide high wage employment, opportunities for economic advancement, and enhance the City's reputation as a prime location for business growth. Lathrop has everything a business needs to thrive and grow. It is centrally located within a 30-minute commute of Tracy, Manteca, Stockton, Lodi, Lathrop, Livermore and Pleasanton, and is located within the metropolitan triangle that is bounded by the Bay Area, Stockton and Sacramento. The city has regionally superior access to strategic markets along several major transportation corridors. New office and industrial research and development uses and commercial developments provide opportunities for workers at all levels to find work close to their homes. Strong demand for housing from the Bay Area makes Lathrop an attractive and affordable option that draws families and workers from out of town, while enhancing Lathrop's image as a full-service live-work community. Additionally, comprehensive Master Planned residential communities and business parks provide for well-planned residential workforce and executive housing and programmed shovel-ready sites for business development opportunities that are attractive to businesses seeking expand or re-locate to the city.

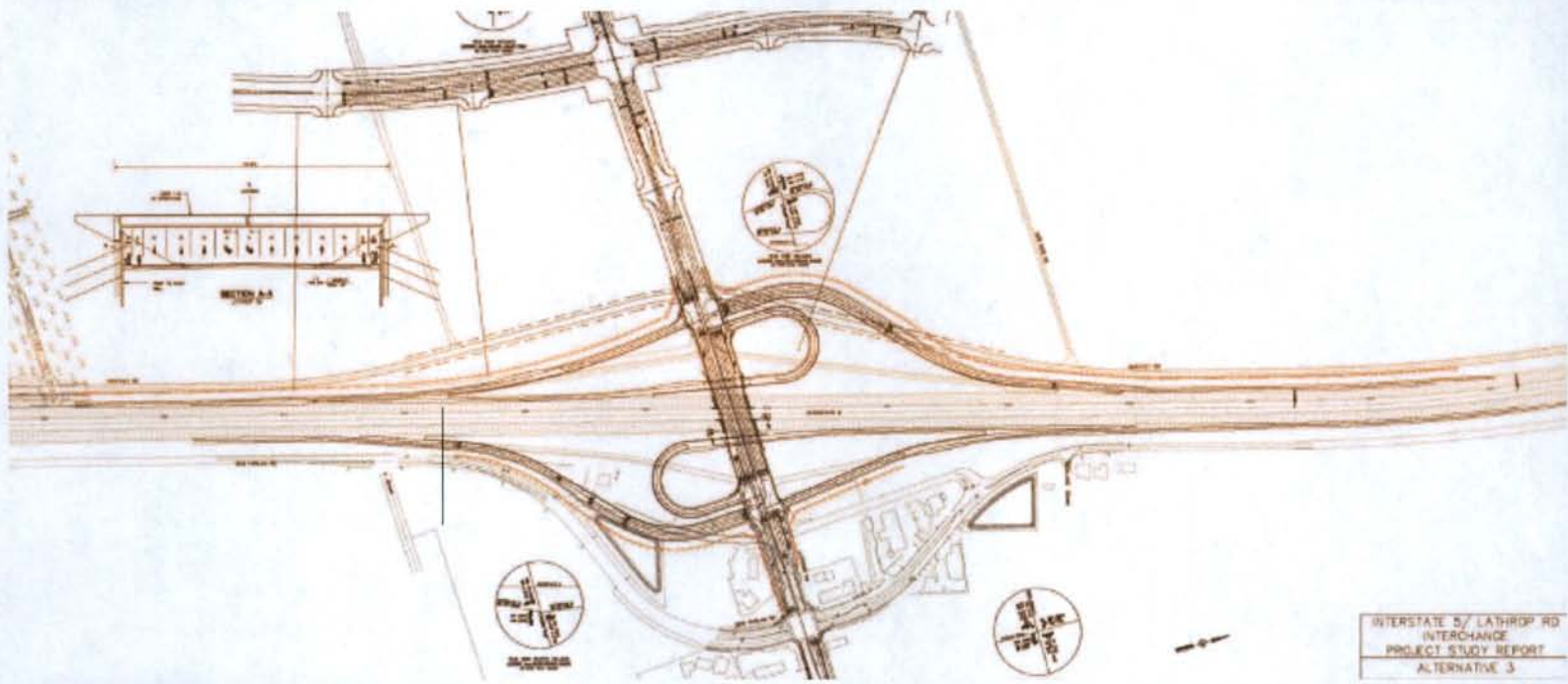




Core Value & Vision: Circulation & Mobility

Cars have traditionally been, and will continue to be a vital part of Lathrop's transportation network. However, as the city continues to grow, additional emphasis is placed on alternative ways of getting around, including walking, bicycling, and public transit. Increasing the safety and functionality of the entire circulation system is a high priority for the City. Lathrop's future incorporates concepts of "complete streets" that serve all modes of transportation, not just cars. The City also acknowledges that there are several strategic opportunities to enhance public safety through improved bicycle and pedestrian routes and amenities, while also improving traffic flow through better public transit, and limiting truck routes to areas of the city deemed necessary and appropriate.







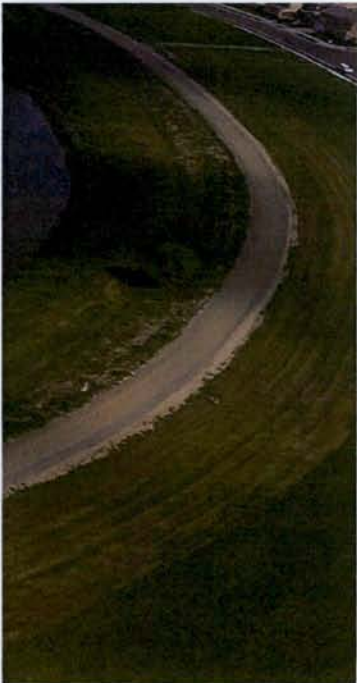
Core Value & Vision: Community Health

Promote a healthy and active lifestyle in Lathrop by providing local recreation facilities and programs for users of all ages and abilities. Improved community health and wellness is also encouraged through local and regional efforts to improve access to health care and health care facilities, ample accessible healthy and affordable food options, and safe multimodal transportation options. Educational and youth programs support community health and wellness goals and Lathrop's youth are engaged in social programs that support physical, and mental health.





Core Value & Vision: Sustainability & Conservation



Lathrop is a steward of its resources for current and future generations. The City maintains an active role in promoting, educating and conducting sustainable practices throughout the community. Development in the city occurs in a sustainable manner through the use of Green Building techniques and best practices. Lathrop continues to work with other local, regional and statewide agencies to ensure improved air quality, and continued access to clean water for all residents. The City supports the preservation of surrounding regional open-space, agricultural lands, and river habitat that provide a sense of place, opportunities for a wide range of recreational activities, and visual relief from urban development. These efforts work to collectively enhance the small town rural character of the area, protect critical environmental resources, and improve the overall quality of life in Lathrop.



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**CITY OF LATHROP
CITY COUNCIL REGULAR MEETING
MONDAY, JANUARY 14, 2019
7:00 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive
Lathrop, CA 95330**

MINUTES

PLEASE NOTE: There was a Closed Session which commenced at 6:04 p.m. The Regular Meeting reconvened at 7:06 p.m.

1. PRELIMINARY

1.1 CALL TO ORDER – Mayor Dhaliwal called the meeting to order at 6:04 p.m.

1.2 CLOSED SESSION

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

- 5 Potential Cases

1.2.2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS: Pursuant to Government Code Section 54956.8
Property Location: Portion of 1175 Marina Drive (APN 213-310-33)
Agency Negotiators: City Manager, Stephen J. Salvatore
Negotiating Parties: River Islands Development, LLC.
Under Negotiation: Price and Terms of Payment

RECONVENE – Mayor Dhaliwal reconvened the meeting at 7:06 p.m.

1.2.3 REPORT FROM CLOSED SESSION

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

1.3 ROLL CALL Present: Mayor Dhaliwal; Vice Mayor Salcedo;
Councilmembers: Akinjo, Lazard, and Torres-O'Callaghan

1.4 INVOCATION – Pastor Mike Strong, Grace Community Church, provided the invocation.

1.5 PLEDGE OF ALLEGIANCE – Pastor Mike Strong led the pledge of allegiance.

1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

Mayor Dhaliwal welcomed San Joaquin County Sheriff Pat Withrow.

1.7 INFORMATIONAL ITEM(S) - None

1.8 DECLARATION OF CONFLICT(S) OF INTEREST -

Councilmember Lazard declared a conflict of interest with Item 5.2; due to her employment with Dell'Osso Family Farms.

2. PRESENTATIONS

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

Vice Mayor Salcedo presented the proclamation to Concepcion Alcantara, Women's Center-Youth & Family Services, declaring January 2019 as Human Trafficking Awareness Month. Ms. Alcantara provided information related to the matter.

2.2 INTRODUCTION OF NEW EMPLOYEE(S):

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

Assistant Director of Public Works Michael King introduced Maintenance Worker I Alejandro Garcia, Maintenance Worker I Ivan Hernandez, Associate Engineer Brad Taylor, and Assistant Engineer Steven Medina in the Public Works Department. Councilmembers welcomed the new employees.

2.3 MAYOR'S COMMITTEE REPORT(S)

- Parks & Recreation Update on Committee Events and Programs

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

- *Art Committee featured Artist*

Announced art display in Council Chamber by photographer Rose Albano Risso.

- *Valverde Park Parking Lot Closure*

Parking lot closure scheduled for January 16, 2019, for tree stump removal (related to phase 2 of the City's solar energy improvement project).

- *Valentine's Day Dance*
Event to be held February 4, 2019, at the Lathrop Community Center; entry fee is \$15 per person.
- *Super Bowl Potluck*
Event to be held February 3, 2019, starting at 2:00 p.m., at the Lathrop Senior Center; participants encouraged to bring a dish to share.
- *2019 Madden Tournament for Teens*
Tournaments are scheduled for January 15th, 22nd, and 29th. Teens are encouraged to sign up at the Lathrop Generations Center.
- *Junior NBA Program*
Four divisions offered with 24 teams; more than 240 participants. Games are held at the Lathrop High School gym on Saturdays.
- *Wacky Winter Wonderland Camp*
Youth winter day camp; offered various winter themed crafts and projects; 25 local children participated.

3. CITIZEN'S FORUM

Nellie Zavala (Commission on Aging) reported her attendance to the January 7, 2019, San Joaquin County Commission on Aging meeting, in which various social programs for seniors were discussed. Margaret Luevano (Lathrop, CA) requested follow-up on a public record request related to survey documents for her property. City Attorney Salvador Navarrete responded to the request. Meghan Torres (Lathrop Chamber of Commerce) provided information on upcoming events provided by the Lathrop Chamber of Commerce.

4. CONSENT CALENDAR

On a motion by Vice Mayor Salcedo, seconded by Mayor Dhaliwal, the City Council approved the Consent Calendar, except *Item 4.4, by the following roll call vote, unless otherwise indicated:

Ayes:	Akinjo, Lazard, Salcedo, Torres-O'Callaghan, and Dhaliwal
Noes:	None
Absent:	None
Abstain:	Lazard and Torres-O'Callaghan (**Item 4.2 only)

* *Item 4.4 – The City Council voted on the item separately, following the vote of the Consent Calendar.*

** *Item 4.2 – Councilmembers Lazard and Torres-O'Callaghan abstained from voting on this item; due to being elected into office in December 2018.*

4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS

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

4.2 APPROVAL OF MINUTES

**Councilmembers Lazard and Torres-O'Callaghan abstained from voting on this item; due to being elected into office in December 2018.

Approved Minutes for the Special Council Meeting of November 19, 2018.

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

Adopted **Resolution 19-4497** to approving out-of-state travel for Parks and Recreation Superintendent to attend CalFest Convention in Nevada.

4.4 FUND AN ECONOMIC DEVELOPMENT ADMINISTRATOR POSITION

*The City Council voted on the item separately, following the vote of the Consent Calendar.

Finance and Administrative Services Director Cari James provided an overview of the position. A question and answer period ensued. City Manager Stephen Salvatore provided additional information.

On a motion by Mayor Dhaliwal, seconded by Vice Mayor Salcedo, the City Council adopted **Resolution 19-4501** authorizing Option 1 (General Fund), to fund an Economic Development Administrator position.

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

4.5 CAPITAL FACILITY FEE FUNDS REPORT FOR FISCAL YEAR 2017-2018

Reviewed and accepted the Capital Facility Fee Funds Report for Fiscal Year 2017-2018.

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

Adopted **Resolution 19-4498** approving a professional services agreement with Robertson-Bryan, Inc., to prepare reports to support environmental review and NPDES permitting for the Lathrop Consolidated Treatment Facility surface water discharge, and authorized related budget amendment.

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

Adopted **Resolution 19-4499** approving a professional services agreement with Associated Engineering Group for design engineering services for the Warren Avenue Sidewalk Improvement Project, PS 19-05.

4.8 2019 ONE VOICE TRIP PROJECT NOMINATIONS

Adopted **Resolution 19-4500** approving staff recommended project nominations for the 2019 San Joaquin Council of Governments One Voice trip to Washington, D.C.

5. SCHEDULED ITEMS

5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER PROPOSED CHANGES TO COMMUNITY FACILITIES DISTRICT NO. 2018-1 (CENTRAL LATHROP SPECIFIC PLAN FACILITIES)

City Attorney Salvador Navarrete introduced Bond Counsel Dave Fama and James Wawrzyniak, with Jones Hall. Mr. Navarrete provided the presentation. A question and answer period followed.

Mayor Dhaliwal opened the public hearing. Dan Doyle (Lathrop, CA) expressed appreciation for Council's consideration of the item. There were no other speakers. City Clerk Teresa Vargas confirmed receipt of a public comment letter received for Item 5.1, submitted by Martin Harris, Terra Land Group, LLC; and confirmed distribution to the City Council and copies for the public. Mayor Dhaliwal closed the public hearing.

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

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

On a motion by Vice Mayor Salcedo, seconded by Councilmember Torres-O'Callaghan, the City Council considered the following:

1. Held a Public Hearing; and
2. Adopted **Resolution 19-4502** reducing the maximum special tax listed in the rate and method of apportionment of special taxes for Community Facilities District No. 2018-1 (Central Lathrop Specific Plan Facilities).

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

5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, CALIFIA, LLC, AND RIVER ISLANDS DEVELOPMENT, LLC.

Council to Consider the Following:

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

Councilmember Lazard recused herself and left the chamber at 7:49 p.m., prior to Item 5.2, due to declared conflict of interest as noted in Item 1.8.

City Attorney Salvador Navarrete requested to hear public comment on the matter; there were no speakers. Mr. Navarrete requested that Council continue Item 5.2 to the regular meeting of February 11, 2019, to allow additional time to work with the Fair Political Practices Commission on the matter.

On a motion by Mayor Dhaliwal, seconded by Vice Mayor Salcedo, the City Council postponed Item 5.2 to the next regular meeting, by the following roll call vote:

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

Councilmember Lazard returned to the dais at 7:51 p.m., for the remainder of the meeting.

Public comment letter received for Item 5.2, submitted by Martin Harris, Terra Land Group, LLC; the letter was distributed to the City Council and copies were made available for the public.

5.3 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER THE SECOND AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, WATT-MCKEE, LATHROP ASSOCIATES, STEVEN R. MCKEE ROBERT E. MCKEE 1997 BYPASS TRUST AND WESTERN PACIFIC HOUSING INC. REGARDING THE MOSSDALE LANDING EAST PROJECT

Community Development Director Mark Meissner provided the presentation. A question and answer period followed. City Manager Stephen Salvatore and Michael Clevenger (Applicant-Property Owner) provided additional information related to the project.

Mayor Dhaliwal opened the public hearing. There were no other speakers. Mayor Dhaliwal closed the public hearing. The question and answer period continued.

Public comment letter received for Item 5.3, submitted by Martin Harris, Terra Land Group, LLC; the letter was distributed to the City Council and copies were made available for the public.

On a motion by Vice Mayor Salcedo, seconded by Councilmember Torres-O'Callaghan, the City Council considered the following:

1. Held a Public Hearing; and
2. Introduced the first reading of an ordinance adopting the Second Amendment to the Development Agreement and the Assignment and Assumption Agreement between the City of Lathrop, Watt-McKee, Lathrop Associates, Steven R. McKee Robert E. McKee 1997 Bypass Trust and Western Pacific Housing Inc. regarding the Mossdale Landing East Project. (The Second Amendment proposes to extend the term of the Development Agreement from 15 years to 25 years. The Assignment and Assumption Agreement will transfer the developer's rights, title and interest for Parcel 241-020-66 to Mossdale Landing Apartments, LLC.)

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

5.4 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER THE FIRST AMENDMENT TO THE DEVELOPMENT AGREEMENT AND THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN THE CITY OF LATHROP, MARIE A. VALLENTYNE, AND TCN PROPERTIES REGARDING THE MOSSDALE LANDING SOUTH PROJECT

Community Development Director Mark Meissner provided the presentation.

Mayor Dhaliwal opened the public hearing. There were no other speakers. Mayor Dhaliwal closed the public hearing.

Public comment letter received for Item 5.4, submitted by Martin Harris, Terra Land Group, LLC; the letter was distributed to the City Council and copies were made available for the public.

On a motion by Vice Mayor Salcedo, seconded simultaneously by Councilmember Torres-O'Callaghan and Mayor Dhaliwal, the City Council considered the following:

1. Held a Public Hearing; and
2. Introduced the first reading of an ordinance adopting the First Amendment to the Development Agreement and the Assignment and Assumption Agreement between the City of Lathrop, Marie A. Vallentyne, and TCN Properties regarding the Mossdale Landing South Project. (The First Amendment proposes to extend the term of the Development Agreement from 15 years to 25 years. The Assignment and Assumption Agreement will transfer the developer's rights, title and interest for Parcel 241-020-61 to Mossdale Landing Apartments, LLC.)

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

5.5 FIVE-YEAR WATER AND SEWER RATE PLAN REVIEW

Finance and Administrative Services Director Cari James provided the presentation. A question and answer period ensued throughout the presentation. City Manager Stephen Salvatore provided additional information.

On a motion by Vice Mayor Salcedo, seconded by Mayor Dhaliwal, the City Council adopted **Resolution 19-4503** postponing the water rate increase scheduled for calendar year 2019.

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

6. COUNCIL COMMUNICATIONS

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

Mayor Dhaliwal made the following appointment:

Measure C Oversight Committee
Charles Garcia, Sr.

Term Expires
June 30, 2021

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

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

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

Mayor Dhaliwal made the following appointments:

<u>Planning Commission</u>	<u>Term Expires</u>
Gloryanna Rhodes	June 30, 2022
Steve Dresser	June 30, 2022

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

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

6.3 MAYOR DHALIWAL REFERRAL – Mayor and Councilmember Appointments to Serve On Outside Agency Boards, Commission and Committees for 2019

Mayor Dhaliwal discussed and made the following assignments for 2019:

<u>Assignment</u>	<u>Delegate</u>	<u>Alternate</u>
Central Valley Executive Committee	Akinjo	Salcedo
Council of Governments	Dhaliwal	Lazard
Integrated Waste Mgmt. Task Force	Akinjo	Torres-O'Callaghan
Reclamation District 17 JPA	Salvatore	N/A
SJC Commissions on Aging	Zavala	N/A
SJ Partnership Board of Directors	Salvatore	N/A
SJ Valley Air Pollution Control District	Akinjo	Dhaliwal
Water Advisory Board	Torres-O'Callaghan	Lazard
Tri Valley-SJV Regional Rail	Akinjo	N/A
SJA Flood Control Agency	Akinjo/Lazard	N/A
ESJ Groundwater Authority	Salvatore	N/A
2x2 Meetings with Manteca	Dhaliwal	Torres-O'Callaghan
2x2 Meetings with LMF	Dhaliwal	Akinjo
2x2 Meetings with MUSD	Dhaliwal	Torres-O'Callaghan
2x2 Committee for LPS Review	Dhaliwal	Akinjo

6.4 MAYOR DHALI WAL REFERRAL – Create Economic Development Sub-Committee and Propose Appointment of two (2) Members of the City Council for 2019

Mayor Dhaliwal provided an overview and requested that Council consider creating an Economic Development Sub-Committee. Councilmember Lazard and Mayor Dhaliwal volunteered to be appointed to the committee.

On a motion by Vice Mayor Salcedo, seconded by Councilmember Torres-O’Callaghan, the City Council approved the creation of an Economic Development Sub-Committee, and appointment of Councilmember Lazard and Mayor Dhaliwal to the committee.

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


6.5 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)

Councilmember Akinjo reported his attendance to a Tri Valley-San Joaquin Valley Regional Rail Authority public outreach event, in which the Valley Link project was discussed. City Manager Stephen Salvatore provided additional information related to the project.

6.6 MAYOR & COUNCILMEMBER COMMENT(S)

Councilmembers expressed appreciation to staff, wished everyone a Happy New Year, and thanked those in attendance.

7. **ADJOURNMENT** – there being no further business, Mayor Dhaliwal adjourned the meeting at 8:54 p.m. in honor of City of Newman Police Corporal Ronil “Roni” Singh and City of Davis Police Officer Natalie Corona.


Teresa Vargas, CMC
City Clerk

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

ITEM: **SECOND READING AND ADOPTION OF ORDINANCE 19-402 APPROVING THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, CALIFIA, LLC, AND RIVER ISLANDS DEVELOPMENT, LLC**

RECOMMENDATION: **Second Reading and Adoption of Ordinance 19-402 Approving the Fifth Amendment to the Development Agreement Between the City of Lathrop, Califia, LLC, and River Islands Development, LLC. (The Fifth Amendment Will Address Wastewater and Potable Water Allocations for the Project, On-going Monitoring of Actual Wastewater and Potable Water Usage, and Restate Commitments of the Project to Water Conservation)**

RECOMMENDED ACTION:

The City Council to conduct second reading and adopt Ordinance 19-402 entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, CALIFIA, LLC AND RIVER ISLANDS DEVELOPMENT, LLC

SUMMARY:

On February 11, 2019, the City Council approved the introduction and fist reading of the subject Ordinance by the following vote:

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

The Ordinance will take effect 30 days after adoption.

SUBMITTED BY:


Teresa Vargas, City Clerk

3/6/19
Date

ORDINANCE NO. 19-402

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THE FIFTH AMENDMENT TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LATHROP, CALIFIA, LLC AND RIVER ISLANDS DEVELOPMENT, LLC.

WHEREAS, the City of Lathrop City Council held a duly noticed public hearing to consider the Fifth Amendment to the River Islands Development Agreement pursuant to the Lathrop Municipal Code; and

WHEREAS, the proposed site is located within the Stewart Tract area of the West Lathrop Specific Plan (River Islands at Lathrop Master Planned Community), more specifically situated northwest of Interstate 5 and bounded on the east by the San Joaquin River, to the north by Old River, to the south by the Union Pacific Railroad; and

WHEREAS, in February 2003, the City Council approved the 2003 Amended and Restated Development Agreement for the River Islands Project (as amended by the First Amendment to Amended and Restated Development Agreement dated July 12, 2005, the "Development Agreement"); and

WHEREAS, in November 2012, the City of Lathrop City Council approved the Second Amendment to the Development Agreement; and

WHEREAS, in September 2013, the City of Lathrop approved the Third Amendment to the Development Agreement; and

WHEREAS, in March 2015, the City of Lathrop approved the Fourth Amendment to the Development Agreement; and

WHEREAS, Califia, LLC, a California limited liability company ("Califia") and River Islands Development, LLC, a California limited liability company ("RID") together as developer of the River Islands at Lathrop project ("Project") have applied for approval of a Fifth Amendment to the Development Agreement ("Fifth Amendment"); and

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

WHEREAS, the proposed Fifth Amendment has been reviewed by City staff and City Attorney, and is recommended by the Planning Commission for approval; and

WHEREAS, a Notice of Public Hearing was advertised in the Manteca Bulletin on January 2, 2019, in accordance with the Government Code and Lathrop Municipal Code as required by law; and

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

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

- a. The proposed DA amendment involves organizational and financial matters that have no potential for a direct or indirect physical effect on the environment.
- b. The potential environmental effects of the River Islands at Lathrop project have been and continue to be addressed in the certified Final Subsequent Environmental Impact Report (SEIR) for the River Islands at Lathrop project (State Clearinghouse No. 1993112027).
- c. The proposed DA amendment would not alter the physical nature of the River Islands project or its potential environmental impacts.
- d. There is no known evidence of substantial changes or new information that would suggest that the River Islands project would have new or more severe environmental effects than were addressed in the certified SEIR.
- e. The economic concerns addressed by the DA amendment do not constitute significant environmental effects under CEQA (CEQA Guidelines 15131) and therefore are not proper subjects for CEQA review.
- f. The finding of general plan and specific plan conformity made by the Planning Commission is not subject to the California Environmental Quality Act (CEQA) pursuant to Article 5 §15061 (b) (3) by the "General Rule" that CEQA applies only to projects that have a potential for causing a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The proposed action does not authorize any specific construction; it is only a finding of consistency to the General Plan.

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

Section 1.

The City Council finds that the proposed Fifth Amendment to the Development Agreement between the City of Lathrop, Califia, LLC, and River Islands Development, LLC, included as Attachment #2 of the Staff Report is consistent with the Lathrop General Plan and West Lathrop Specific Plan.

Section 2.

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

Section 3.

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

Section 4.

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

Section 5.

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

Section 6.

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

THIS ORDINANCE was regularly introduced at a meeting of the City Council of the City of Lathrop on the 11th day of February 2019, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the 11th day of March 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk

Salvador Navarrete, City Attorney

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

I, Teresa Vargas, City Clerk of the City of Lathrop, California, do hereby certify that the foregoing Ordinance No. 19-402 was duly and regularly introduced at a regular meeting of the City Council on the 11th day of February 2019, and that thereafter said Ordinance was duly and regularly adopted at a regular meeting of the City Council on the 11th day of March 2019, by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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

I hereby certify that the foregoing is the original of Ordinance No. 19-402 duly passed and adopted by the City of Lathrop City Council at its regular meeting held March 11, 2019, and that the Summary of the Ordinance was published on March 6, 2019, and _____ in the Manteca Bulletin Newspaper.

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

TERESA VARGAS, CMC
CITY CLERK

(SEAL)

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

**ITEM: ACCEPTANCE OF OFF-SITE IMPROVEMENTS
CONSTRUCTED BY BUZZ OATES CONSTRUCTION,
INC.**

**RECOMMENDATION: Adopt Resolution Accepting Off-site Improvements
Constructed by Buzz Oates Construction, Inc., at
19107, 18551, and 18601 Christopher Way, and
Authorize the Release of Bonds Associated with
Encroachment Permit No. 2016-29**

SUMMARY:

Buzz Oates Construction, Inc. (Buzz Oates), developer for the Buzz Oates Project, has completed offsite improvements, in accordance with Encroachment Permit (EP) No. 2016-29, and as shown on the civil improvement plans prepared by GHD, Inc., dated June 2016. The project locations are listed as follows:

- 19107 Christopher Way (APN 198-13-038)
- 18851 Christopher Way (APN 198-13-033)
- 18601 Christopher Way (APN 198-13-037)

Buzz Oates contracted with Teichert Construction (Teichert), to complete off-site frontage improvements on Christopher Way and Nestle Way. The work has been deemed complete by staff and ready for acceptance. Additionally, the required inspected Governmental Accounting Standard Board (GASB 34) report has been submitted. Therefore, staff recommends that the City Council accept the off-site improvements described below, and authorize release of performance bond to Buzz Oates.

<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total Price</u>
Sidewalk	SF	18,800	\$6.00	\$112,800

BACKGROUND:

Buzz Oates has completed off-site frontage improvements on 19107, 18551, and 18601 Christopher Way according to EP No. 2016-29 at their cost. The work has been deemed complete and ready for acceptance. Therefore, staff recommends that the City Council accept the off-site improvements described below, and authorize release of performance and labor/materials bond associated with EP No. 2016-29 to Buzz Oates.

MARCH 11, 2019 CITY COUNCIL REGULAR MEETING

ACCEPTING OFF-SITE IMPROVEMENTS CONSTRUCTED BY BUZZ OATES CONSTRUCTION, INC., AT 19107, 18551, AND 18601 CHRISTOPHER WAY, AND AUTHORIZED THE RELEASE OF BONDS ASSOCIATED WITH ENCROACHMENT PERMIT NO. 2016-29

<u>Quantity</u>	<u>Unit Price</u>	<u>Total Price</u>
18,800	\$6.00	\$112,800

REASON FOR RECOMMENDATION:

The developer has completed its obligation to construct the off-site frontage improvements on 19107, 18551, and 18601 Christopher Way, staff requests that the City Council accept the off-site improvements and authorize to release the performance bond associated with EP No. 2016-29 to Buzz Oates.

FISCAL IMPACT:

Maintenance costs associated with any potential/future sidewalk repairs will be budgeted for in the corresponding operating budget.

ATTACHMENTS:

- A. A Resolution Accepting Off-Site Improvements Constructed by Buzz Oates Construction, INC., at 19107, 18551 and 18601 Christopher Way, and Authorized the Release of Bonds Associated with Encroachment Permit No. 2016-29
- B. GASB 34 Report

CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
ACCEPTING OFF-SITE IMPROVEMENTS CONSTRUCTED BY BUZZ OATES
CONSTRUCTION, INC., AT 19107, 18551, AND 18601 CHRISTOPHER WAY,
AND AUTHORIZE THE RELEASE OF BONDS ASSOCIATED WITH
ENCROACHMENT PERMIT NO. 2016-29


APPROVALS:



Ken Reed
Senior Construction Manager

3-5-2019

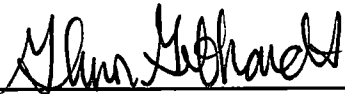
Date



Michael King
Assistant Public Works Director

3-5-19

Date



Glenn Gebhardt
City Engineer

3-5-19

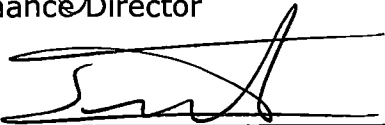
Date



Carl James
Administrative Services &
Finance Director

3/6/19

Date



Salvador Navarrete
City Attorney

3-5-19

Date



Stephen J. Salvatore
City Manager

3.6.19

Date

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
ACCEPTING OFF-SITE IMPROVEMENTS CONSTRUCTED BY BUZZ OATES
CONSTRUCTION, INC., AT 19107, 18551, AND 18601 CHRISTOPHER WAY,
AND AUTHORIZE THE RELEASE OF BONDS ASSOCIATED WITH
ENCROACHMENT PERMIT NO. 2016-29**

WHEREAS, Richland Crossroads, L.P. (Richland), former owner sold the property to Buzz Oates, LLC., pursuant to a Purchase and Sale Agreement dated February 18, 2015; and

WHEREAS, Buzz Oates Construction, Inc. (Buzz Oates), developer for the Christopher Way Project, has completed offsite improvements, in accordance with Encroachment Permit No. 2016-29, and as shown on the civil improvement plans prepared by GHD, Inc., dated June 2016; and

WHEREAS, the project locations are: 19107 Christopher Way (APN 198-13-038), and 18851 Christopher Way (APN 198-13-033), and 18601 Christopher Way (APN 198-13-037); and

WHEREAS, Buzz Oates contracted with Teichert Construction (Teichert), to complete off-site frontage improvements on Christopher Way, and the work has been deemed complete and ready for acceptance by; and

WHEREAS, the required inspected Governmental Accounting Standard Board (GASB 34) report has been submitted; and

WHEREAS, staff recommends that the City Council accept the off-site improvements described below, and authorize release of performance and labor/materials bond to Buzz Oates;

<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Total Price</u>
Sidewalk	SF	18,800	\$6.00	\$112,800

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop accepted off-site improvements completed by Buzz Oates, Inc, and authorizes the release of bonds associated with Encroachment Permit No. 2016-29.

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

AYES:

NOES:

ABSTAIN:

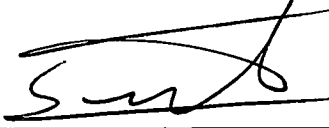
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

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

Date: 3-1-2019

Submitted by: Ken Reed

Tract No.: Buzz Oates/ 19107, 18551, 18601 Christopher Way

<u>Item</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Total Price</u>
Roadway Pavement	SF			
Roadway Pavement	Lane Miles			
Sidewalk	SF	18,800	\$ 6.00	\$ 112,800.00

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

ITEM: APPROVE A REIMBURSEMENT AGREEMENT WITH LIT INDUSTRIAL LIMITED PARTNERSHIP FOR 6" SEWER FORCE MAIN IMPROVEMENTS ON HARLAN ROAD AND STONEBRIDGE LANE

RECOMMENDATION: Adopt a Resolution Approving a Reimbursement Agreement with LIT Industrial Limited Partnership for Design and Construction of a 6" Sewer Force Main in Harlan Road to Stonebridge Lane Associated with the I-5 Logistics Project

SUMMARY:

LN Real Estate, L.L.C., the initial developer for the I-5 Logistics project located at 11800 Harlan Road, was required to construct a 6" diameter sewer force main from 11800 Harlan Road to Stonebridge Lane to accommodate their needs and future flows. These future flows will be contributed by benefiting property owners who connect to the sewer force main from five (5) areas north of 11800 Harlan Road. The project location was bought by LIT Industrial Limited Partnership (LIT) from LN Real Estate, L.L.C., and LIT constructed the sewer force main.

LIT is eligible for partial reimbursement from users who connect to the sewer force main. The proposed reimbursement agreement requires the City to initiate a Capital Facility Fee (CFF) study to ultimately collect appropriate CFF's from those who develop their property and connect to the 6" sewer line.

Staff recommends that City Council adopt a resolution approving the proposed reimbursement agreement to allow the City to initiate the process to establish a fee to reimburse LIT from future developments within the five (5) areas north of 11800 Harlan Road.

BACKGROUND:

On January 22, 2014, the City's Planning Commission approved the developer's site plan for the development of the I-5 Logistics Center project located at 11800 Harlan Road. A condition of the project was to construct an off-site sewer force main from the project site to the Stonebridge subdivision collection system. The sewer main was sized to accommodate the ultimate flows from five (5) areas of benefiting property owners.

**CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
REIMBURSEMENT AGREEMENT WITH LIT INDUSTRIAL LIMITED
PARTNERSHIP FOR 6" SEWER FORCE MAIN IN HARLAN ROAD AND
STONEBRIDGE LANE**

PAGE 2

On February 12, 2018, the City Council accepted the sanitary sewer force main improvements for maintenance and authorized staff to release the performance and the labor and material bonds.

The total cost for design and construction of the sewer force main (\$761,586), paid by LIT, are to be shared by five (5) areas of benefitting property owners as shown in Attachment B. Of this total, LIT's fair share is \$96,557 (unreimbursable costs). The remaining \$665,029 is reimbursable as the fair share of the properties listed in Attachment B. Those benefitting property owners will pay their fair share through the Capital Facility Fees (CFF) to be established.

REASON FOR RECOMMENDATION:

Staff recommends that the City Council approve the reimbursement agreement between LIT and the City to begin the process of establishing a mechanism for LIT to be reimbursed by other benefitting property owners.

FISCAL IMPACT:

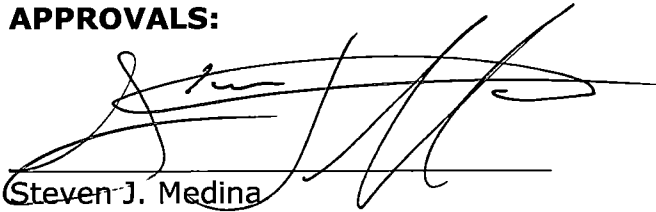
The developer will deposit the necessary cost to cover the establishment of the CFF. Therefore, there is no fiscal impact at this time.

ATTACHMENT:

- A. Resolution of the City Council of the City of Lathrop Approving a Reimbursement Agreement with LIT Industrial Limited Partnership for Design and Construction of 6" Sewer Force Main Improvements on Harlan Road and Stonebridge Lane Associated with the I-5 Logistics Project
- B. Reimbursement Agreement for 6" Sewer Force Main Improvement on Harlan Road and Stonebridge Lane

CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
REIMBURSEMENT AGREEMENT WITH LIT INDUSTRIAL LIMITED
PARTNERSHIP FOR 6" SEWER FORCE MAIN IN HARLAN ROAD AND
STONEBRIDGE LANE

APPROVALS:




Steven J. Medina
Assistant Engineer

3/6/19
Date



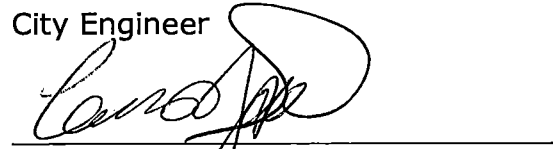
Michael King
Assistant Public Works Director

3-6-19
Date



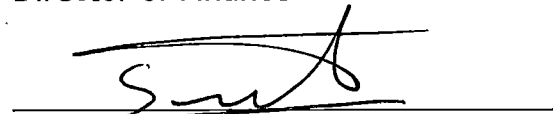
Glenn Gebhardt
City Engineer

3/6/19
Date



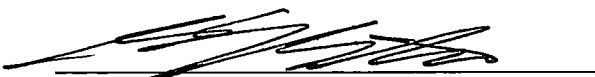
Cari James
Administrative Services &
Director of Finance

3/6/19
Date



Salvador Navarrete
City Attorney

3-6-19
Date



Stephen J. Salvatore
City Manager

3.7.19
Date

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A REIMBURSEMENT AGREEMENT WITH LIT INDUSTRIAL LIMITED PARTNERSHIP FOR DESIGN AND CONSTRUCTION OF A 6" SEWER FORCE MAIN IMPROVEMENT ON HARLAN ROAD AND STONEBRIDGE LANE

WHEREAS, on January 22, 2014, the City's Planning Commission approved the LN Real Estate, L.L.C. site plan for the development of the I-5 Logistics project by Resolution No. 14-1; and

WHEREAS, the initial developer of the I-5 Logistics project, LN Real Estate L.L.C. has since been bought by LIT Industrial Limited Partnership (LIT); and

WHEREAS, a condition of the project was to construct an off-site sewer force main from the project site to the Stonebridge subdivision collection system to accommodate their need and future flows from the five (5) areas north of 11800 Harlan Road; and

WHEREAS, LIT is eligible for partial reimbursement from owners of properties that develop and connect to this sewer line; and

WHEREAS, on February 12, 2018, the City Council of the City of Lathrop accepted the 6" sewer force main improvements installed in conjunction with the I-5 Logistics project as shown on the 11800 Harlan Road Force Main plans dated March 18, 2018, by Kier & Wright Civil Engineers and Surveyors, Inc.; and

WHEREAS, staff recommends City Council approve the reimbursement agreement with LIT to allow the City to initiate the process of establishing a mechanism for LIT to be reimbursed by other benefitting property owners;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby approve the reimbursement agreement with LIT Industrial Limited Partnership for 6" sewer force main improvement on Harlan Road and Stonebridge Lane.

PASSED AND ADOPTED by the City Council of the City of Lathrop this 11th day of March, 2019, by the following vote:

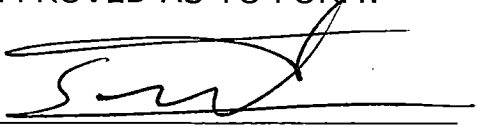
AYES:
NOES:
ABSTAIN:
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

**REIMBURSEMENT AGREEMENT FOR 6" SEWER FORCE MAIN
IMPROVEMENTS ON HARLAN ROAD AND STONEBRIDGE LANE**

This Reimbursement Agreement for the 6-inch Sewer Force Main Improvements on Harlan Road and Stonebridge Lane ("*Agreement*") is made and entered into this 11th day of March 2019, ("*Effective Date*"), by and between the **City of Lathrop** ("*City*"), a municipal corporation of the State of California ("*City*") and **LIT Industrial Limited Partnership**, a California Corporation, ("*Developer*"). City and Developer may be collectively referred to herein as the "*Parties*" or individually as a "*Party*".

RECITALS

WHEREAS, on January 22, 2014, the Planning Commission of the City of Lathrop approved the Site Plan Review (SPR-14-4) which established the conditions for the construction of a warehouse distribution facility at 11800 Harlan Road; and

WHEREAS, the Site Plan Review approval was subject to Public Works Condition of Approval No. 5, "Applicant shall construct an off-site sewer from their property to the Stonebridge Subdivision collection system. The applicant shall size sewer to accommodate the ultimate flows for the surrounding areas. Applicant is eligible for partial reimbursement from users who connect to this line. The applicant shall enter into a reimbursement agreement with the City. The sewer system shall be constructed prior to any occupancy being granted."; and

WHEREAS, pursuant of Lathrop Municipal Code 13.16.190, this Reimbursement Agreement establishes a mechanism to reimburse the Developer for a proportionate share of the incurred cost of oversizing the construction improvements to the 6-inch municipal sewer line extension from 11800 Harlan Road to Stonebridge Lane. Such proportionate share shall be based on area of the land or lands of the future users, the wastewater generation factor as described in Section 5 - Sewer System Standards, City Standards 2014, and the wastewater generation of future users.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and understandings hereinafter set forth, City and Developer hereby set forth their agreement as follows:

AGREEMENT

1. Recitals. The recitals set forth above are true and correct and made a part of this Agreement.
2. Project. The project consists of the construction of a 6-inch municipal sewer line extension from 11800 Harlan Road to Stonebridge Lane as approved by the City Engineer (the "Project"). Developer has designed, funded, and constructed the Project in conformance with City Standards.
3. Reimbursement
 - (a) The Developer has completed the Project. City Council has accepted the improvements, and Developer is eligible to be reimbursed for a portion of the Actual Costs as described in (b) below.

REIMBURSEMENT AGREEMENT FOR 6-INCH SEWER FORCE MAIN IN HARLAN ROAD AND STONEBRIDGE LANE

(b) “Actual Costs” includes those design costs, construction costs, and other costs for a total of \$761,586 as detailed in Exhibit A attached hereto.

(c) The Developer’s unreimbursable expenses associated with the off-site improvements are defined as those expenses associated with 11800 Harlan Road. Specifically, the percent total flow of the wastewater generated multiplied by the Actual Costs calculated as \$96,557 based on parcel area and City wastewater generation factors (“Unreimbursable Sewer Line Expense” as detailed in Exhibit A).

(d) The Developer shall have the right to reimbursement for sums contributed by the Developer based on the Actual Costs minus the Unreimbursable Sewer Line Expense $\$761,586 - \$96,557 = \$665,029$

(e) Lathrop Municipal Code 13.16.19 states:

Where an applicant for sewer service is so located that it is necessary to construct or cause to be constructed a new main, service line, pump, lift station or other sewer facilities, or to expand or replace such facilities, the applicant shall be responsible for such work. The city may require that such work be oversized in order to provide for future use by others of such work, and, in the event the city so requires, the cost of such oversizing shall be determined, and the city may require future users of such facilities to reimburse the original builder for a proportionate share of the cost of such oversizing. Such proportionate share shall be based on frontage of the land or lands of the future user, will be collected at the time of connection to the works, and reimbursed to the original builder within thirty (30) days of collection. In no event shall the city be liable for reimbursement to the original builder unless and until such reimbursement is collected from the new users. In no event shall the city be liable for failure to make such collection. No such collection or reimbursement will be made after ten (10) years from the date of completion of the original work or works.

(f) Lathrop Municipal Code 3.20.040 states:

The fees imposed by the city pursuant to this title shall be used to pay for the cost of providing specified public facilities, as described in implementing resolutions. As described in each implementing resolution, the specified public facilities will be categorized into separate and distinct sets of public facilities based upon the type of public facility to be provided, the geographical area served by the public facility, or other identifying features. Each separate set of specified public facilities described in an implementing resolution shall be referred to in this title as a “public facility category.”

(g) Based on the above, the City shall establish a Capital Facilities Fee (CFF), with all costs to establish the CFF to be paid by the Developer and included in “Actual Costs”, to collect reimbursement from developers of properties benefited by the Project for a period of ten (10) years. The aforementioned ten (10) year period shall begin on the effective date of CFF.

REIMBURSEMENT AGREEMENT FOR 6-INCH SEWER FORCE MAIN IN HARLAN ROAD AND STONEBRIDGE LANE

4. City to Use Best Efforts to Perform Agreement. City agrees to use its best efforts, and take all reasonable and necessary actions, to provide reimbursement fees as mentioned in reimbursement item 3(g) above.
5. Counterparts. This Agreement may be executed in counterparts, and each fully executed counterpart will be considered an original document.
6. Partial Invalidity. If any term or provision of this Agreement shall be deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.
7. Waivers. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.
8. Successors and Assigns. This Agreement is binding upon and insures to the benefit of the permitted successors and assigns of the parties hereto.
9. Entire Agreement. This Agreement constitutes the entire contract between the parties hereto with respect to the subject matter hereof and may not be modified except by an instrument in writing signed by the party to be charged.
10. Time is of the Essence. City and Developer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof.
11. Construction and Survival of Provisions. This Agreement has been prepared jointly by the parties and their professional advisors. City and Developer and their respective advisors believe that this Agreement is the product of all their efforts that expresses their agreement and that it should not be interpreted in favor of or against either Developer or City. The parties further agree that this Agreement will be constructed to effectuate the normal and reasonable expectations of a sophisticated City and Developer.
12. Governing Law. The parties hereto expressly agree that this Agreement will be governed by, interpreted under, and constructed and enforced in accordance with the laws of the State of California.
13. No Recordation. No memorandum or other document relating to this Agreement shall be recorded without the prior written consent of City.

REIMBURSEMENT AGREEMENT FOR 6-INCH SEWER FORCE MAIN IN HARLAN ROAD AND STONEBRIDGE LANE

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the Effective Date.

DEVELOPER

LIT Industrial Limited Partnership, a California Corporation

By: _____ Date: _____

Name: _____

Title: _____

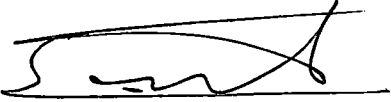
CITY

CITY OF LATHROP, a municipal corporation in the County of San Joaquin, State of California

By: _____ Date: _____

Stephen J. Salvatore
City Manager

APPROVED AS TO FORM:

By:  _____ Date: 3-5-19

Salvador Navarrete
City Attorney

Exhibit A: Harlan Sanitary Sewer Force Main Fair Share Reimbursement

Force Main Cost

\$	726,508.00	Cost taken from United Construction Change Order #8, RCO #6 provided by Seefried Properties.
\$	30,000.00	Design Cost Provided by Seefried Properties
\$	5,078.00	Cost to establish CFF
\$	761,586.00	Actual Total
\$	96,557.23	Unreimbursable
\$	665,029	Reimbursable

Cost Spread Method

Cost will be divided into fair share reimbursements determined by parcel area and City wastewater generation factors for the parcels listed below or any subdivision thereof. The force main was designed to convey the flows from five(5) areas north of 11800 Harlan Road as shown in the Sewer Study Area Map included here in Exhibit A. Wastewater Generation Factors are from Section 5 - Sewer System Standards, City Standards 2014. The unreimbursable amount is based on I-5 Logistics parcel size and generation factor.

Current Parcel Listing and Fair Share Amount

APN	Address	Area (acre)	General Plan Land Use Classification	Wastewater Generation Factor (gpd/acre)	¹ Wastewater Generation (gpd)	² Percent (%) of Total Wastewater Generation	³ Fair Share Cost
Area 1							
19602004	134 ROTH	RD 1.01	Freeway Commercial	1,200	1,212	0.4%	\$ 3,116
19602005	11333 S HARLAN	RD 0.42	Freeway Commercial	1,200	504	0.2%	\$ 1,296
19602006	11338 S HARLAN	RD 1.66	Freeway Commercial	1,200	1,992	0.7%	\$ 5,121
19602007	11299 S HARLAN	RD 0.42	Freeway Commercial	1,200	504	0.2%	\$ 1,296
19602008	11378 S HARLAN	RD 1.72	Freeway Commercial	1,200	2,064	0.7%	\$ 5,306
19602009	11401 S HARLAN	RD 0.59	Freeway Commercial	1,200	711	0.2%	\$ 1,828
19602010	11432 S HARLAN	RD 3.87	Freeway Commercial	1,200	4,644	1.6%	\$ 11,939
19602011	11525 S HARLAN	RD 0.41	Freeway Commercial	1,200	492	0.2%	\$ 1,265
19602012	11500 S HARLAN	RD 3.66	Freeway Commercial	1,200	4,392	1.5%	\$ 11,292
19602013	11550 S HARLAN	RD 3.97	Freeway Commercial	1,200	4,764	1.6%	\$ 12,248
19602014	11616 S HARLAN	RD 3.43	Freeway Commercial	1,200	4,116	1.4%	\$ 10,582
19602015	11674 S HARLAN	RD 0.42	Freeway Commercial	1,200	504	0.2%	\$ 1,296
19602016	11672 S HARLAN	RD 3.88	Freeway Commercial	1,200	4,656	1.6%	\$ 11,970
19602018	11265 S HARLAN	RD 0.64	Freeway Commercial	1,200	773	0.3%	\$ 1,986
19602020	116 ROTH	RD 1.88	Freeway Commercial	1,200	2,252	0.8%	\$ 5,789
19603001	250 ROTH	RD 9.52	Limited Industrial	900	8,568	2.9%	\$ 22,028
19603002	342 ROTH	RD 15.41	Limited Industrial	900	13,869	4.7%	\$ 35,657

Exhibit A: Harlan Sanitary Sewer Force Main Fair Share Reimbursement

APN	Address	Area (acre)	General Plan Land Use Classification	Wastewater Generation Factor (gpd/acre)	¹ Wastewater Generation (gpd)	² Percent (%) of Total Wasterwater Generation	³ Fair Share Cost
							Unreimbursable
19603003	11800 HARLAN RD	41.73	Limited Industrial	900	37,557	12.7%	-\$96,557.2
<i>Subtotal</i>		94.64			93,573	18.9%	\$ 144,015.37
Area 2							
19125009	11401 S MANTHEY RD	6.84	Freeway Commercial	1,200	8,208	2.8%	\$ 21,102
19125010	11555 S MANTHEY RD	0.08	Freeway Commercial	1,200	97	0.03%	\$ 249
19125014	11293 S MANTHEY RD	11.40	Freeway Commercial	1,200	13,680	4.6%	\$ 35,171
<i>Subtotal</i>		18.32			21,985	7.4%	\$ 56,522
Area 3							
19333017	11145 S HARLAN RD	1.18	Freeway Commercial	1,200	1,416	0.5%	\$ 3,640
19333028	10842 S HARLAN RD	28.24	Freeway Commercial	1,200	33,888	11.4%	\$ 87,124
19333030	10998 S HARLAN (Pilot) RD	8.76	Freeway Commercial	1,200	10,512	3.5%	\$ 27,026
19333030	10998 S HARLAN (Beneto) RD	14.88	Freeway Commercial	1,200	17,856	6.0%	\$ 45,907
19333031	10980 S HARLAN RD	1.97	Freeway Commercial	1,200	2,364	0.8%	\$ 6,078
<i>Subtotal</i>		55.03			66,036	22.3%	\$ 169,775

Exhibit A: Harlan Sanitary Sewer Force Main Fair Share Reimbursement

APN	Address	Area (acre)	General Plan Land Use Classification	Wastewater Generation Factor (gpd/acre)	¹ Wastewater Generation (gpd)	² Percent (%) of Total Wastewater Generation	³ Fair Share Cost
Area 4							
19332008	707 ROTH RD	8.85	Limited Industrial	900	7,965	2.7%	\$ 20,478
19332012	755 ROTH RD	8.93	Limited Industrial	900	8,037	2.7%	\$ 20,663
19332013	719 ROTH RD	1.62	Limited Industrial	900	1,458	0.5%	\$ 3,748
19332016	865 ROTH RD	7.37	Limited Industrial	900	6,633	2.2%	\$ 17,053
19332017	889 ROTH RD	3	Limited Industrial	900	2,700	0.9%	\$ 6,942
19332018	801 ROTH RD	9.74	Limited Industrial	900	8,766	3.0%	\$ 22,537
19332019	11160 S MCKINLEY AV	0.54	Limited Industrial	900	486	0.2%	\$ 1,249
19332020	11156 S MCKINLEY AV	2.74	Limited Industrial	900	2,466	0.8%	\$ 6,340
19332021	437 ROTH RD	1.22	Limited Industrial	900	1,098	0.4%	\$ 2,823
19332022	11200 S MCKINLEY AV	0.87	Limited Industrial	900	783	0.3%	\$ 2,013
19332024	11288 S MCKINLEY AV	2.86	Limited Industrial	900	2,574	0.9%	\$ 6,618
19338001	11285 S VALLEJO CT	4	Limited Industrial	900	3,600	1.2%	\$ 9,255
19338002	11191 S VALLEJO CT	4.09	Limited Industrial	900	3,681	1.2%	\$ 9,464
19338003	11180 S VALLEJO CT	4.09	Limited Industrial	900	3,681	1.2%	\$ 9,464
19338004	11290 S VALLEJO CT	4.02	Limited Industrial	900	3,618	1.2%	\$ 9,302
19338005	11150 S VALLEJO CT	1.95	Limited Industrial	900	1,755	0.6%	\$ 4,512
Subtotal		65.89			59,301	20.0%	\$ 152,460
Area 5							
19333011	11199 S MANTHEY RD	0.77	Freeway Commercial	1,200	924	0.3%	\$ 2,376
19333015	10623 S MANTHEY RD	0.52	Freeway Commercial	1,200	624	0.2%	\$ 1,604
19333016	11140 S MANTHEY RD	0.16	Freeway Commercial	1,200	192	0.1%	\$ 494
19333019	10749 S MANTHEY RD	9.22	Freeway Commercial	1,200	11,064	3.7%	\$ 28,445
19333021	11161 S MANTHEY RD	0.97	Freeway Commercial	1,200	1,164	0.4%	\$ 2,993
19333022	11100 S MANTHEY RD	0.50	Freeway Commercial	1,200	600	0.2%	\$ 1,543
19333034	10910 S MANTHEY RD	1.76	Freeway Commercial	1,200	2,112	0.7%	\$ 5,430
19333035	10950 S MANTHEY RD	2.49	Freeway Commercial	1,200	2,988	1.0%	\$ 7,682
19333036	0 BRIGGS/MANTHEY RD	27.60	Freeway Commercial	1,200	33,120	11.2%	\$ 85,150
19333037	124 W BRIGGS RD	1.07	Freeway Commercial	1,200	1,284	0.4%	\$ 3,301
19333038	58 W BRIGGS RD	1.05	Freeway Commercial	1,200	1,260	0.4%	\$ 3,239
Subtotal		46.11			55,332	18.7%	\$ 142,256
							Reimbursable

Exhibit A: Harlan Sanitary Sewer Force Main Fair Share Reimbursement

APN	Address	Area (acre)	General Plan Land Use Classification	Wastewater Generation Factor (gpd/acre)	¹ Wastewater Generation (gpd)	² Percent (%) of Total Wasterwater Generation	³ Fair Share Cost
Total					296,227	87.3%	\$ 665,029

Sample Calculations

¹Wastewater Generation (gpd) = Area (acre) x Wastewater Generation Factor (gpd/acre) = 1.01 acres x 1200 gpd/acre = 1,212 gpd

²Percent (%) of Total Wastewater Generation = Wastewater Generation (gpd) ÷ Total Wastewater Generation = (1212 gpd ÷ 296,227 gpd) x 100 = 0.4%

³Fair Share Cost = Percent (%) of Total Wastewater Generation x Reimbursable = 0.4% x \$ 661,000.00 = \$ 2,704

Areas Corresponding to Exhibit A: Harlan Sanitary Sewer Force Main Fair Share Reimbursement



DATE	REVISION
 KISER & WRIGHT CIVIL ENGINEERS & SURVEYORS, INC. 1111 E. 12th Street, Suite 101 Lincoln, Nebraska 68502 Phone: 402.478.1111 Fax: 402.478.1112	
CALIFORNIA SEWER STUDY AREAS OF NORTH LATHROP FOR CITY OF LATHROP	

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

**ITEM: GENERAL PLAN HOUSING ELEMENT ANNUAL
PROGRESS REPORT FOR CALENDAR YEAR 2018**

**RECOMMENDATION: Adopt a Resolution to Accept the General Plan
Housing Element Annual Progress Report for
Calendar Year 2018 and Authorize Staff to Submit
the Report to the Governor's Office of Planning and
Research and State Department of Housing and
Community Development.**

SUMMARY:

Each year, California cities are required to prepare an annual progress report (APR) on the status of implementing the General Plan Housing Element, and to submit the report to the State Department of Housing and Community Development (HCD) and the Governor's office of Planning and Research (OPR). Using a form provided by HCD, Staff provides data to create a snapshot of housing production across affordability levels, a listing of development applications received, and an update on housing program implementation. The annual progress report must be provided to the City Council for review and authorization prior to sending to the State.

BACKGROUND:

The City Council adopted the City's Housing Element on September 16, 2016 and received certification by HCD on December 2, 2016. The Housing Element is one (1) of seven (7) mandated elements of the City's General Plan and includes information related to the City's existing housing needs, an analysis of the City's population and employment trends, household characteristics, an inventory of land suitable for residential development and goals, policies and programs intended to meet the identified housing needs and state-mandated requirements.

Under California Government Code Section 65400, Planning Staff is required to prepare a General Plan Housing Element Annual Progress Report for review by the City Council and submittal to OPR and HCD by April 1st of each year. The purpose of the APR is to provide the City Council and the State with the City's progress on the General Plan Housing Element's implementation programs and status towards meeting the City's fair share of the Regional Housing Needs Allocation (RHNA).

As part of the update to the City's Housing Element, the City is required to identify sites to accommodate its fair share of the RHNA, as established by HCD and managed by the San Joaquin Council of Governments (SJCOG).

CITY MANAGERS REPORT **PAGE 2**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR
CALENDAR YEAR 2018

In summary, the RHNA process allocates the State’s future housing needs to each County. The State HCD identifies housing needs for each region in response to projected population and household growth, and mandates that each Council of Governments (COG) distribute the RHNA to each jurisdiction (Cities and Counties). The City’s 2016 Housing Element update identified a number of sites that could accommodate the City’s fair share of the RHNA, in all income categories. The following table represents the City’s RHNA (excerpt from the 2015 General Plan Housing Element):

TABLE 31: REGIONAL HOUSING NEEDS ALLOCATION 2014-2023

	Allocated Housing Units	Progress to Date¹	Remaining Allocation
Extremely Low²	526	0	526
Very Low	493	0	493
Low	759	0	759
Moderate	957	10	947
Above Moderate	2,421	319	2,102
TOTAL	5,156	329	4,827

¹ INCLUDES 4 COMPLETED HOMES SOLD AT PRICES AFFORDABLE TO MODERATE INCOME HOUSEHOLD

² INCLUDES 44 COMPLETED HOMES AND 281 HOMES UNDER CONSTRUCTION/PERMITTED

SOURCE: SAN JOAQUIN COUNCIL OF GOVERNMENTS, 2014; ZILLOW.COM; CITY OF LATHROP, 2015

Each income category is defined as a percentage of the Area Median Income (AMI), as established by HCD which is currently \$66,300 for a four-person household. The income categories are then used to calculate housing affordability for rental and owner occupied housing. Each income category is defined as follows:

- Extremely Low Income Households have a combined income at or lower than 30 percent of AMI.
- Very Low Income Households have a combined income between 30 and 50 percent of AMI.
- Low Income Households have a combined income between 50 and 80 percent of AMI.
- Moderate Income Households have a combined income between 80 and 120 percent of AMI.
- Above Moderate Income Households have a combined income greater than 120 percent of AMI

CITY MANAGERS REPORT **PAGE 3**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR
CALENDAR YEAR 2018

The State Income Limits, as illustrated in the City’s 2015 Housing Element are as follows:

TABLE 28: STATE INCOME LIMITS –SAN JOAQUIN COUNTY (2015)

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low	\$13,950	\$15,950	\$20,090	\$24,250	\$28,410	\$32,570	\$36,730	\$39,350
Very Low	\$23,250	\$26,550	\$29,850	\$33,150	\$35,850	\$38,500	\$41,150	\$43,800
Low	\$37,150	\$42,450	\$47,750	\$53,050	\$57,300	\$61,550	\$65,800	\$70,050
Moderate	\$55,700	\$63,650	\$71,600	\$79,550	\$85,900	\$92,300	\$98,650	\$105,000
Above Moderate	\$55,700+	\$63,650+	\$71,600+	\$79,550+	\$85,900+	\$92,300+	\$98,650+	\$105,000+

SOURCE: HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT, 2015

In order to provide an idea of affordable housing costs by income group, affordable home sale prices are estimated for one, two, four, and six person households.

TABLE 30: HOUSING AFFORDABILITY BY INCOME GROUP

	One Person		Two Person		Four Person		Six Person	
	Max. Home Sale Price*	Max. Monthly Rent or Housing Cost	Max. Home Sale Price*	Max. Monthly Rent or Housing Cost	Max. Home Sale Price*	Max. Monthly Rent or Housing Cost	Max. Home Sale Price*	Max. Monthly Rent or Housing Cost
Extremely Low	\$51,821	\$348	\$58,558	\$398	\$86,517	\$606	\$114,543	\$814
Very Low	\$87,979	\$581	\$99,095	\$663	\$121,327	\$828	\$139,349	\$962
Low	\$134,801	\$928	\$152,654	\$1,061	\$188,361	\$1,326	\$216,993	\$1,538
Moderate	\$211,780	\$1,392	\$238,560	\$1,591	\$292,119	\$1,988	\$335,067	\$2,307
Above Moderate	\$211,780+	\$1,392+	\$238,560+	\$1,591+	\$292,119+	\$1,988+	\$335,067+	\$2,307+

** MAXIMUM AFFORDABLE SALES PRICE IS BASED ON THE FOLLOWING ASSUMPTIONS: 4.5% INTEREST RATE, 30-YEAR FIXED LOAN, DOWNPAYMENT: \$5,000 – EXTREMELY LOW, \$10,000 – VERY LOW AND LOW, \$25,000 – MODERATE, 1.25% PROPERTY TAX, UTILITIES, AND HOMEOWNERS INSURANCE.*

SOURCE: DE NOYO PLANNING GROUP, 2015

An excerpt from the City’s 2015 General Plan Housing Element related to RHNA, state income limits, and housing affordability is attached to this Staff Report as Attachment 3.

The forms provided by HCD were originally adopted in 2010 and have recently been updated pursuant to Assembly Bill 879 (AB 879) and Senate Bill 35 (SB35), which now include information related to the number of development applications received and approved and list of sites rezoned to address RHNA shortfall.

CITY MANAGERS REPORT **PAGE 4**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR
CALENDAR YEAR 2018

In summary, the forms require the following information:

- Status of the plan and progress in its implementation
- Progress in meeting its share of the regional housing needs
- The number of housing development applications received in the prior year
- The number of units included in all development applications in the prior year
- The number of units approved and disapproved in the prior year
- The degree to which its approved general plan complies with the adopted General Plan guidelines

The Planning Commission considered the Housing Element Annual Progress Report for Calendar Year 2018 at their February 20, 2019 meeting. At the conclusion of the public meeting, the Planning Commission voted unanimously (5-0) to recommend the City Council accept the Housing Element Annual Progress Report for Calendar Year 2018 and authorize staff to submit the report to OPR and HCD (Attachment 4).

ANALYSIS:

Staff has prepared the 2018 Lathrop Housing Element Annual Progress Report, included as Attachment 2.

New Applications Received and Processed

The City of Lathrop processed six (6) residential entitlement applications for new residential development that may result in 588 new units. The residential development applications received in 2018 are as follows:

- Architectural Design Review No. ADR-18-93 – Van Daele Latitude – Design Review application for the development of seventy-four (74) single-family homes in River Islands.
- Architectural Design Review No. ADR-18-94 – Van Daele Bridgeport – Design Review application for the development of eighty-six (86) single-family homes in River Islands.
- Architectural Design Review No. ADR-18-100 – Richmond American Watermark – Design Review application for the development of 103 single-family homes in River Islands.
- Architectural Design Review No. ADR-18-128 – Anthem United Haven – Design Review application for the development of 128 single-family homes in River Islands.

CITY MANAGERS REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR
CALENDAR YEAR 2018

PAGE 5

- Vesting Tentative Subdivision Map No. VTM-18-46 – Stanford Crossing Phase 2 – Vesting Tentative Subdivision map to subdivide one (1) parcel into 113 single-family residential lots within the Central Lathrop Specific Plan.
- Site Plan Review No. SPR-18-72 – Towne Centre II Apartments – Site Plan Review for the construction of eighty-four (84) multi-family units, located within Mossdale Village.

New Home Construction

The City of Lathrop issued building permits for 383 above moderate residential housing units in 2018, 380 of which were single-family residences and two (2) were for Accessory Dwelling Units (ADU). The majority of the building permits were issued for the River Islands area. The following table shows the breakdown of the location in which the 382 building permits were issued. As shown in Table A2 (Attachment 2), no building permits were issued for very low-, low-, and/or moderate-income categories.

Housing Element Programs

The following General Plan Housing Element programs were implemented in 2018, or are in the process of being implemented:

1. Housing Element Program 2a: Manufactured Housing

This program requires an amendment to the existing Manufactured Housing Chapter in the Lathrop Municipal Code (LMC) (Chapter 17.68) to modify and remove some development standards that may constrain the development of manufactured housing.

Action: Staff is preparing a Zoning Code Text Amendment that removes the minimum floor area requirement, allows manufactured housing in any zoning district that permits residential uses, and removes the minimum width requirement. This program is expected to be completed in 2019.

2. Housing Element Program 5b. Housing Information:

Provide housing information to all interested agencies, developers, residents, and non-profit groups. City staff will assist with Zoning and General Plan inquiries as well as provide contact information between the San Joaquin Urban County Consortium, San Joaquin Housing Authority, housing developers, and non-profit groups.

CITY MANAGERS REPORT **PAGE 6**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR
CALENDAR YEAR 2018

Action: The City’s Community Development Department website was updated in 2017 to include additional information on Specific Plans, information related to the City’s Zoning Map and General Plan Map, Municipal Service Review (MSR) and housing information.

Although this program is ongoing, the update to the City’s website provides additional information related to housing to interested parties. The City continues to update the website with relevant information. For instance, the City processed the Lakeside East Architectural Design Guidelines and Development Standards (DG/DS) for River Islands in 2018. Once adopted by Planning Commission, the DG/DS was uploaded to the City’s website.

Progress Towards Meeting RHNA

As illustrated in Table B of the HCD Forms (Attachment 2), the City has issued 849 building permits for residential development since 2015. The year 2015 is blank because the City has not processed a Housing Element Annual Progress Report for that year. City Staff will work with HCD to update the year 2015 in the RHNA progress form.

Table B
Regional Housing Needs Allocation Progress
Permitted Units Issued by Affordability

Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	1019						1019
	Non-Deed Restricted							
Low	Deed Restricted	769						769
	Non-Deed Restricted							
Moderate	Deed Restricted	957						957
Above Moderate	Non-Deed Restricted	2421		170	297	382	849	1572
Total RHNA		5156						
Total Units 44				170	297	382	849	4307
Note: units serving extremely low-income households are included in the very low-income permitted units totals								
Cells in grey contain auto-calculation formulas								

CITY MANAGERS REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR
CALENDAR YEAR 2018

PAGE 7

CEQA Review:

The proposed Housing Element Annual Progress Report for Calendar Year 2018 is not considered a project as prescribed by the California Environmental Quality Act (CEQA). This report does not authorize construction of any housing. However, the housing units reported as being permitted for construction are subject to their individual environmental review document previously established, reviewed and approved by the City.

RECOMMENDATION:

The Planning Commission and staff recommend that the City Council consider all information provided and submitted, take and consider all public testimony and, if determined to be appropriate, take the following actions:

Adopt the proposed resolution to accept the Housing Element Annual Progress Report for Calendar Year 2018 and authorize staff to submit the report to the OPR and HCD.

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:

Promotes Economic Growth by keeping the General Plan current and in compliance with State Law. The Housing Element is considered to be a primary policy document to guide the development, rehabilitation and preservation of housing for all economic segments of the local population. The Housing Element Annual Progress Report is a report on the City's progress in implementing the policies and programs in the Housing Element as well as the City's Fair Share of the RHNA.

FISCAL IMPACT:

The request has no fiscal impact to the City other than staff time to prepare the report.

ATTACHMENT:

1. Resolution for Housing Element Annual Progress Report for Calendar Year 2018
2. Housing Element Annual Progress Report for Calendar Year 2018
3. Affordability & RHNA Explanation. Excerpt from the City's 2015 General Plan Housing Element
4. Planning Commission Resolution No. 19-02


CITY MANAGERS REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR
CALENDAR YEAR 2018

APPROVALS:



Mark Meissner
Community Development Director

2-26-19
Date



Salvador Navarrete
City Attorney

2-26-19
Date



Stephen J. Salvatore
City Manager

3-5-19
Date

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING THE GENERAL PLAN HOUSING ELEMENT ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2018 AND AUTHORIZING STAFF TO SUBMIT THE REPORT TO THE GOVERNOR'S OFFICE OF PLANNING AND RESEARCH AND THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

WHEREAS, California Government Code Section 65400(2) requires the planning agency to provide an annual report to the City Council, the Governor's Office of Planning and Research and the State Department of Housing and Community Development (HCD) regarding progress toward implementation of the housing element of the general plan; and

WHEREAS, planning staff has prepared an annual progress report for the calendar year 2018, utilizing the prescribed forms and instructions provided by the State Department of Housing and Community Development; and

WHEREAS, the Planning Commission held a public meeting and adopted Resolution No. 19-03, recommending the City Council accept the report and authorize staff to submit the report to the Governor's Office of Planning and Research and the State Department of Housing and Community Development; and

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

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop based on substantial evidence in the administrative record of proceedings, its findings above and pursuant to its independent review and consideration, hereby receives and accepts the annual progress report on the Housing Element, attached and incorporated by reference herein, and authorizes staff to forward the report to the Governor's Office of Planning and Research and the State Department of Housing and Community Development pursuant to Government Code Section 65400(2).

PASSED AND ADOPTED by the City Council of the City of Lathrop at a regular meeting on the 11th day of March, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

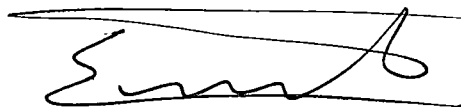
ABSENT:

SONNY DHALIWAL, MAYOR

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

Jurisdiction	Lathrop	
Reporting Year	2018	(Jan. 1 - Dec. 31)

Permitted Units Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	0
Low	Deed Restricted	0
	Non-Deed Restricted	0
Moderate	Deed Restricted	0
	Non-Deed Restricted	0
Above Moderate		383
Total Units 44		383

Note: units serving extremely low-income households are included in the very low-income permitted units totals

Entitlement Summary	
Total Housing Applications Submitted:	6
Number of Proposed Units in All Applications Received:	588
Total Housing Units Approved:	588
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Lathrop
 Reporting Period 1/1/2018 - 12/31/2018

Table C
Program Implementation Status

Program Description (By Housing Element Program Names)	Housing Programs Progress Report - Government Code Section 65583. Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.		
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation
<p>Program 1a. To ensure adequate sites for extremely low, very low, low, moderate and above moderate income housing are available throughout the planning period to meet the City's RHNA, the City will continue to biennially update the inventory of residential sites (Appendix A). The update shall remove sites that have been developed and add any newly designated residential sites.</p>	<p>Goal 1. Promote the available and quality of housing affordable to all income levels and household types, including extremely low, very low, and low income households and special needs groups, through maintaining and inventory of adequate housing sites and supporting funding opportunities.</p>	<p>Update inventory on a biennial basis</p>	<p>The City continues to maintain the inventory of residential sites (Appendix A of the Housing Element). As development occurs, the inventory will be updated and published. Inventory developed as part of the Housing Element will be maintained through the Housing Element Planning Period.</p>
<p>Program 1b. Continue to monitor the amount of land zoned for both single-family and multifamily development and ensure that land use and zoning decisions do not reduce sites available for affordable housing.</p>	<p>Goal 1</p>	<p>Ongoing</p>	<p>This program is ongoing. The City will ensure that land use and zoning decisions do not reduce sites available for affordable housing. The City will discourage high density residential sites from being down-zoned and/or general plan amendments that would result in lower base density. No proposals to down-zone in 2018.</p>
<p>Program 1c. Continue to encourage development of well-designed and innovative projects that provide for the development of compatible residential, commercial, industrial, institutional, and/or public uses with a single project or neighborhood by continuing to implement the West Lathrop and Central Lathrop Specific Plans, which encourage mixed use development as well as a range of uses through allowing higher building intensities, reduced parking requirements, reduced set-back and yard requirements, allow for a higher building height, and greater floor area ratios.</p>	<p>Goal 1</p>	<p>Ongoing</p>	<p>The City continues to encourage well designed and innovative projects within the West Lathrop and Central Lathrop Specific Plans. The West Lathrop Specific Plan continues to be built-out and as development occurs, the City reviews Architecture, Landscaping, and Development Plan for consistency with the West Lathrop Specific Plan and the River Islands Urban Design Concept as well as associated neighborhood specific Architecture Design Guidelines and Standards. The City is encourage that development within the Central Lathrop Specific Plan will begin within the Housing Element Planning Period.</p>
<p>Program 1d. Support affordable or special needs (including senior, disabled, developmentally disabled, farmworker, homeless, large family, and single family head of family) housing projects applications for federal, state, and/or regional programs, including CDBG, HOME, project-based Section 8/211, Low Income Tax Credit, and HCD grant programs, that may be used for the development and on-going affordability of lower income and special needs housing.</p>	<p>Goal 1</p>	<p>Ongoing</p>	<p>The City continues to support affordable or special needs housing projects. As applications for such developments are received, the City will assist applicant(s) in preparing and submitting grant applications for funding. No affordable or special needs housing grants were submitted in 2018.</p>

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Lathrop
 Reporting Period 1/1/2018 - 12/31/2018

Program 1e. Retain available County-administered HOME and CDBG funds to operate a First Time Homebuyer program for low income households.	Goal 1	Biennially (by Dec. 31 st of 2017, 2019, 2121, and 2023	The City, in coordination with the other Jurisdictions in San Joaquin County, receives CDBG funding. The City will use grant monies to fund the First Time Home Buyer program. No Action in 2018.
Program 1f. Continue to consider regional development through working with SJCOG and local jurisdictions to plan for high quality regional development, including adequate affordable housing, and by reviewing SJCOG data and online resources to track regional development.	Goal 1	Ongoing	The City continues to monitor and support development within San Joaquin. The City works closely with the City of Manteca and San Joaquin County to ensure development is compatible with adjacent jurisdictions and uses. The City will continue to encourage regional development. The City commented on three (3) San Joaquin County projects referral in 2018.
Program 1g. Continue to address housing and services for homeless persons on a regional level through participation in the County Continuum of Care.	Goal 1	Ongoing	The City continues to be part of the County Continuum of Care. This program is ongoing.
Program 1h. Actively support efforts of homeless service providers in establishing a short-term bed facility for segments of the homeless population, including specialized groups such as the mentally ill, and chronically disabled, and work with homeless housing/service providers to apply for Emergency Shelter Grant funds, administered through the County Continuum of Care.	Goal 1	Ongoing	The City continues to support efforts of homeless service providers. The City is part of the County Continuum of Care and will assist developers, parties and the County to apply for Emergency Shelter Grant Funds, as needed.
Program 1i. Maintain information regarding homeless shelters and services available to City residents. This information shall be available at City Hall, the Lathrop Community Center, the Library, and on the City's website.	Goal 1	Ongoing	The City maintains information regarding homeless shelters and services available. This information is readily available at City Hall.
Program 1j. Continue to address regional housing issues, including lower income and special housing, in coordination with San Joaquin County and neighboring jurisdictions. The City shall participate with San Joaquin County's efforts to establish a task force or committee to oversee the development of a County Farmworker Housing Plan.	Goal 1	Ongoing	The City will participate in County efforts to develop a Farmworker Housing Plan. No Action in 2018.
Program 1k. Continue to work with the San Joaquin Housing Authority by providing housing information requested by the Housing Authority in a timely manner. Encourage the Housing Authority to issue more vouchers to City residents in need and to make efforts to increase the use of vouchers for rental of single family homes due to the City's limited supply of multifamily housing.	Goal 1	Ongoing	The City will provide any information the San Joaquin County Housing Authority needs and/or requests. No Action in 2018.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Lathrop
Reporting Period 1/1/2018 - 12/31/2018

<p>Program 1l. Continue to permit Planned Development District zoning that promotes a variety of housing types in the City through the utilization of innovative development techniques and flexible standards, such as: zero lot lines, clustering of dwelling units, narrower streets, increased densities, and fewer dedication requirements.</p>	<p align="center">Goal 1</p>	<p align="center">Ongoing</p>	<p>As development occurs and development applications are received, the City will review and make recommendations towards Planned Development Zoning. In addition, as inquiries are received on particular properties, the City will evaluate whether a Planned Development Zoning would benefit the project. No Planned Development Rezone requests were processed in 2018.</p>
<p>Program 1m. Facilitate the development of market rate rental housing and affordable for-sale and rental housing, including housing for extremely low, very low, and low income groups and special needs populations.</p>	<p align="center">Goal 1</p>	<p align="center">Ongoing</p>	<p>The City did not receive an application for market-rate and/or housing for extremely low, very low, and low income groups and special needs populations in 2018.</p>
<p>Program 1n. Through the San Joaquin County consortium, continue to coordinate in contacting developers on a regular basis and provide the Urban County consortium with a list of available sites that are ready for development.</p>	<p align="center">Goal 1</p>	<p align="center">Ongoing</p>	<p>As discussed in Program 1a, the City maintains an inventory of available sites for development. The City has not yet contacted developers to discuss available sites. No Action in 2018.</p>
<p>Program 1o. Encourage a range of housing types for the developmentally disabled through coordination with the Valley Mountain regional Center to identify needed housing types, such as independent living opportunities and group homes and other facilities that provide assistance to residents.</p>	<p align="center">Goal 1</p>	<p align="center">Ongoing</p>	<p align="center">No Action in 2018.</p>
<p>Program 1p. Encourage development of affordable and multifamily housing, including housing for special needs through outreach to affordable housing developers. The City shall contact affordable housing developers on an annual basis to solicit interest in developing affordable and/or special housing.</p>	<p align="center">Goal 1</p>	<p align="center">Annual</p>	<p>This program was not completed in 2018. City staff will reach out to affordable housing developers in 2019.</p>
<p>Program 2a. Continue to offer pre-application meetings to all developers with various City staff representing numerous City departments (e.g. planning, building, engineering, etc.) to discuss project design, city standards, necessary public improvements, and funding strategies.</p>	<p>Goal 2. Remove constraints that hinder the development of housing, including housing for extremely low, very low, low, and moderate income households, and housing for special needs groups, including senior, disabled, developmentally disabled, single parent, large family, farmworkers, and homeless populations.</p>	<p align="center">Ongoing</p>	<p>The City continues to offer and conduct pre-application reviews of development projects within the City. This program has been successful. The City conducted five (5) Pre-Application meetings in 2018.</p>
<p>Program 2b. Provide incentives to encourage the development of special needs and affordable housing.</p>	<p align="center">Goal 2</p>	<p align="center">Ongoing</p>	<p>As development applications are received, the City will evaluate the possible incentives that may be provided to reduce the cost of the affordable housing development. No affordable housing development applications were received in 2018.</p>

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Lathrop
 Reporting Period 1/1/2018 - 12/31/2018

<p>Program 2c. Continue to monitor average processing times for discretionary development permits on a biennial basis and regularly review the Zoning Code and the City's development project processing procedures to identify changes to further reduce housing costs and average permit processing time. Where changes are feasible to implement, update the Zoning Code and amend the City's processing procedures to reduce housing costs and processing times.</p>	Goal 2	<p>Review project processing and zoning code on a biennial basis</p>	<p>The City continues to monitor processing times for each type of entitlement application. As needed, the City will update the Zoning Code to amend procedures. No Action in 2018.</p>
<p>Program 2d. Review affordable housing and in-fill projects for eligible CEQA exemptions and exempt those projects that are eligible from further CEQA review.</p>	Goal 2	Ongoing	<p>The City evaluates each Project, as defined by the CEQA Guidelines for possible exemptions. This program is ongoing and is evaluated on a case-by-case basis.</p>
<p>Program 2e. Review all updates and revisions to the City's ordinances, codes, policies, and procedures to ensure that they do not constrain "reasonable accommodation" for disabled persons.</p>	Goal 2	Biennial basis	<p>Staff continues to monitor updates and revisions to the City's ordinances, codes, policies, and procedures. No update in 2018 constrained reasonable accommodation for disabled persons.</p>
<p>Program 2f. Amend Title 17 to allow for the location of Single Room Occupancy (SRO) uses as a conditional use in Multiple Family Residential (RM) district and adopt development standards that allow and accommodate the inclusion of new SRO's.</p>	Goal 2	Concurrent with HE	<p>This program was completed in 2016.</p>
<p>Program 2g. Continue to encourage developers to include second dwelling units as an integral part of their project and to plan for second dwelling units in the design of their projects.</p>	Goal 2	Ongoing	<p>The City continues to encourage second dwelling units (now known as Accessory Dwelling Units). On December 18, 2018, the City Council adopted Ordinance No. 18-384, amending the Zoning Code to be consistent with State Law. This program is ongoing.</p>
<p>Program 2h. Encourage developers to take advantage of density bonuses and incentives for affordable housing and senior housing projects that are provided by the City consistent with the requirements of State law. The City's Zoning Code shall be reviewed and where necessary brought into conformance with Government Code Section 65915 pertaining to granting of density bonuses.</p>	Goal 2	Ongoing and adopt revisions concurrent with HE	<p>The Zoning amendment portion of the program has been completed (2016). No density bonuses were granted in 2018.</p>
<p>Program 2i. Amend the Zoning code to allow emergency shelters by right in the City's Multiple Family Residential (RM) and Professional Office (PO) zone districts without discretionary action.</p>	Goal 2	Adopt revisions concurrent with HE	<p>This program was completed in 2016.</p>
<p>Program 2k. Address the special housing needs of large families to alleviate overcrowding in the City by facilitating the construction of housing that includes 3- and 4-bedroom units affordable to extremely low-, very low-, and low-income families.</p>	Goal 2	Ongoing	<p>As development applications are received, the City will encourage the development of 3- and 4- bedroom units affordable to extremely low-, very low-, and low-income families. No affordable housing applications were received in 2018.</p>

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Lathrop
 Reporting Period 1/1/2018 - 12/31/2018

Program 2l. Support female-headed households with the permitting of child day care facilities as outlined in Chapter 17 of the Municipal Code	Goal 2	Ongoing	This program was completed in 2016.
Program 2m. Amend the Municipal Code to develop formal procedures for reasonable accommodation for housing and persons with disabilities in accordance with fair housing and disability laws.	Goal 2	Adopt revisions concurrent with HE	This program was completed in 2016.
Program 2n. Require developers of new housing to use the HCD New Home Universal Design Option Checklist to disclose to buyers accessible	Goal 2	Ongoing	No Action in 2018.
Program 2o. Revise the Zoning Code to allow manufactured housing to be constructed on a permanent foundation in all zoning districts that allow residential uses and to remove the minimum floor area and minimum width requirements from Section 17.68.020.	Goal 2	Adopt revisions concurrent with HE	The City is currently processing a Code Amendment to implement this Program. It is expected to be completed in 2019.
Program 2p. Revise the Zoning Code to accommodate employee housing, including housing for agricultural employees consistent with State law.	Goal 2	Adopt revisions concurrent with HE	This program was completed in 2016.
Program 2q. Revise the Zoning Code to allow the approving party (Community Development Director for permitted uses, Planning Commission for conditional uses) to reduce parking requirements for projects serving disabled persons where there is a demonstrated reduction in parking need.	Goal 2	Adopt revisions concurrent with HE	This program was completed in 2016.
Program 2r. Revise the Zoning Code to define "family" as two or more related persons living in a dwelling unit or a group of individuals living together in a dwelling unit as the functional equivalent of a family where the residents may share living expenses and responsibilities.	Goal 2	Adopt revisions concurrent with HE	This program was completed in 2016.
Program 2s. In compliance with State law (Government Code Section 65589.7), the City will establish written policies and procedures that grant priority for water and sewer to proposed development that includes housing affordable to lower-income households.	Goal 2	Adopt procedures within 18 months of Housing Element adoption.	The City has not established written policies and procedures that grant priority for water and sewer to proposed development that includes housing affordable to lower-income households. This program was not completed in 2018.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Lathrop
 Reporting Period 1/1/2018 - 12/31/2018

Program 2t. Update the West Lathrop Specific Plan to permit heights of up to 40 feet in the RM-MV zone.	Goal 2	Within 18 months of Housing Element adoption.	No Action in 2018.
Program 2u. Support multifamily housing on sites that accommodate lower income households by revising the Zoning Ordinance to only permit development of single family units on lower income sites, including all of the sites identified in Table 62.	Goal 2	Within 18 months of Housing Element adoption	No Action in 2018.
Program 3a. Continue to participate in the San Joaquin Urban county consortium to receive and use HOME and CDBG funds to provide housing rehabilitation loans and emergency repair loans or grants, administered through the San Joaquin county Rehabilitation Program, for lower income households and to provide services for lower income populations, including extremely low income, homeless/at-risk of homelessness, seniors, and youth.	Goal 3: Preserve the availability of existing housing opportunities and to conserve as well as enhance the quality of existing dwelling units and residential neighborhoods.	Annual review of CDBG and Home fund allocations; ongoing distribution of materials	The City continues to participate in the San Joaquin urban county consortium to receive and use HOME and CDBG funds. Program is ongoing.
Program 3b. Review the Zoning Code and potential funding sources to identify methods of providing incentives for rehabilitation of existing residential units and to encourage re-investment in the Historic Lathrop Overlay District and in older neighborhoods east of I-5.	Goal 3	Implement within 18 months of Housing Element adoption	No Action in 2018. This program is expected to be completed within the program timeframe.
Program 3c. Continue to employ a full-time code compliance officer who will vigorously enforce the building and zoning codes in locations where dilapidation, blight, and/or health and safety violations may be occurring.	Goal 3	Ongoing	The City has hired a contract Code Enforcement Officer part-time. The Community Development Department, Planning Division works closely with the Code Enforcement Office as it relates to Zoning Code violations.
Program 3d. Continue to coordinate the housing rehabilitation program with code compliance efforts to encourage property owners to maintain dwelling units in safe and habitable conditions. Regularly review housing conditions and update the housing stock condition data gathered for the Housing Element Update to determine specific locations or neighborhoods require targeted code enforcement and work to provide, when funding is available, targeted rehabilitation or replacement assistance.	Goal 3	Ongoing coordination; biennial review of housing conditions	The City will coordinate with the Code Enforcement Officer as needed. The City will review housing conditions as rehabilitation programs are completed and rehabilitation proposals are reviewed.

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction City of Lathrop
 Reporting Period 1/1/2018 - 12/31/2018

<p>Program 3e. Continue to participate in the San Joaquin Urban County consortium to provide funding and support for the rehabilitation of mobile homes, when adequate funds are available.</p>	<p align="center">Goal 3</p>	<p align="center">Ongoing</p>	<p align="center">No Action in 2018.</p>
<p>Program 3f. Support the application of multifamily housing owners for federal or state funds to rehabilitate existing dwelling units. When appropriate and feasible, provide technical assistance to the project applicant with the funding applications.</p>	<p align="center">Goal 3</p>	<p align="center">Ongoing</p>	<p>This program will be implemented on a case-by-case basis. As applications are received, City staff will work with affordable housing developers to secure grant funding for rehabilitation efforts.</p>
<p>Program 3g. Regularly review the City's eligibility for Federal and State home repair, renovation, and replacement programs annually and apply for programs, as appropriate.</p>	<p align="center">Goal 3</p>	<p align="center">Ongoing</p>	<p>The city will regularly review the City's eligibility for Federal and State home repair, renovation, and replacement programs. This will be an ongoing program.</p>
<p>Program 4a. Continue to encourage the enforcement of federal and state fair housing standards. The City will provide fair housing information to interested citizens and will make fair housing materials from the California Department of Fair Housing and Employment and the federal Office of Fair Housing and Equal Opportunity available at City Hall, the Library, the Community Center, and on the City's website in both English and Spanish.</p>	<p>Goal 4. Ensure that all existing and future housing opportunities are open and available to all members of the community without discrimination on the basis of race, color, religion, sex, national origin or ancestry, marital status, age, household composition or size, or any other arbitrary factors.</p>	<p align="center">Ongoing</p>	<p>Fair housing information is available for citizens. As additional information is received, the City will update the fair housing information that is available.</p>
<p>Program 4b. Require all recipients of locally administered housing funds to acknowledge their understanding of fair housing law, affirm their commitment to the law, and to provide fair housing opportunities for all persons.</p>	<p align="center">Goal 4</p>	<p align="center">Ongoing</p>	<p>As housing projects are completed, this program will be implemented. No locally administered housing funds were used in 2018.</p>
<p>Program 5a. Continue to maintain membership in the San Joaquin Housing Authority to qualify City residents for Section 8 Housing Choice Vouchers and other assistance administered by the Housing Authority. The City shall provide information on the availability of Housing Authority programs to interested parties.</p>	<p>Goal 5. Coordinate local housing efforts with appropriate federal, state, regional, and local governments and/or agencies and to cooperate in the implementation of intergovernmental housing programs to ensure maximum effectiveness in solving local and regional housing problems.</p>	<p align="center">Ongoing</p>	<p>This program is ongoing. The City will continue to maintain membership in the San Joaquin Housing Authority and will encourage additional Section 8 Housing Choice Vouchers and other assistance administered by the Housing Authority.</p>
<p>Program 5b. Provide housing information to all interested agencies, developers, residents, and non-profit groups. City staff will assist with Zoning and General Plan inquiries as well as provide contact information between the San Joaquin Urban County Consortium, San Joaquin Housing Authority, housing developers, and non-profit groups.</p>	<p align="center">Goal 5</p>	<p align="center">Ongoing</p>	<p>Housing information is readily available to all interested agencies, developers, residents and non-profit groups. The City's CDD Website was update din 2018 and includes additional information related to housing availability, vacant sites, etc.</p>

TABLE 26: RENTAL COSTS (2013)

Rent Range	Number	Percent
Less than \$200	0	-
\$200 to \$299	0	-
\$300 to \$499	14	1.3%
\$500 to \$749	94	8.5%
\$750 to \$999	73	6.6%
\$1,000 to \$1,499	358	32.5%
\$1,500 or more	562	51.0%
Median (dollars)	1,514	

SOURCE: 2009-2013 ACS

TABLE 27: UNITS FOR RENT (2015)

Bedroom Type	Rent Range (2015)	Median Rent (2015)
1 bed/2 bed	-	-
3 bed	\$1,600 - \$2,200	\$2,525
4 bed	\$1,595 - \$1,900	\$2,900
Total	-	Median Rent: \$1,638

SOURCE: ZILLOW.COM, CRAIGSLIST.COM, RENTJUNGLE.COM, REVIEWED SEPTEMBER, 2015

Housing Affordability

Income Groups

The California Department of Housing and Community Development (HCD) publishes household income data annually for areas in California. Table 28 shows the maximum annual income level for each income group adjusted for household size for San Joaquin County. The maximum annual income data is then utilized to calculate the maximum affordable housing payments for different households (varying by income level) and their eligibility for housing assistance programs.

- *Extremely Low Income Households* have a combined income at or lower than 30 percent of area median income (AMI), as established by the state Department of Housing and Community Development (HCD).
- *Very Low Income Households* have a combined income between 30 and 50 percent of AMI, as established by HCD.
- *Low Income Households* have a combined income between 50 and 80 percent of AMI, as established by HCD.
- *Moderate Income Households* have a combined income between 80 and 120 percent of AMI, as established by HCD.
- *Above Moderate Income Households* have a combined income greater than 120 percent of AMI, as established by HCD.

TABLE 28: STATE INCOME LIMITS –SAN JOAQUIN COUNTY (2015)

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low	\$13,950	\$15,950	\$20,090	\$24,250	\$28,410	\$32,570	\$36,730	\$39,350
Very Low	\$23,250	\$26,550	\$29,850	\$33,150	\$35,850	\$38,500	\$41,150	\$43,800
Low	\$37,150	\$42,450	\$47,750	\$53,050	\$57,300	\$61,550	\$65,800	\$70,050
Moderate	\$55,700	\$63,650	\$71,600	\$79,550	\$85,900	\$92,300	\$98,650	\$105,000
Above Moderate	\$55,700+	\$63,650+	\$71,600+	\$79,550+	\$85,900+	\$92,300+	\$98,650+	\$105,000+

SOURCE: HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT, 2015

Housing Affordability

Table 29 shows the maximum rents and sales prices, respectively, that are affordable to very low, low, moderate, and above moderate-income households. Affordability is based on a household spending 30 percent or less of their total household income for shelter. Affordability is based on the maximum household income levels established by HCD (Table 28). The annual income limits established by HCD are similar to those used by the US Department of Housing and Urban Development (HUD) for administering various affordable housing programs.

Comparing the maximum affordable housing costs in Table 29 to the rental rates in Tables 26 and 27, rental rates in Lathrop are generally affordable to moderate income households of two or more persons and to above moderate income households. While there are some units affordable to extremely low, very low, and low income households, there is a very limited number of the more affordable units. The median rental rate reported by 2009-2013 ACS is \$1,591, which is in the affordability range of moderate and above moderate income households. There are limited smaller rental units in Lathrop that are affordable to very low and low income households. The 2009-13 ACS data indicates that 14 households pay The lower ranges of one and two bedroom units are affordable to very low income households but there are limited units available at these rates. Moderate and above moderate income households can afford a broad range of available housing.

Similarly, homes for sale in Lathrop are affordable to moderate and above moderate income households, based on a comparison of Tables 25 and 30. There is a small number of units affordable to larger lower income households. Current home sales prices are not affordable to extremely low and very low income households.

TABLE 29: MAXIMUM MONTHLY HOUSING COSTS – SAN JOAQUIN COUNTY (2015)

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Extremely Low	\$348	\$398	\$502	\$606	\$710	\$814	\$918	\$983
Very Low	\$581	\$663	\$746	\$828	\$896	\$962	\$1,028	\$1,095
Low	\$928	\$1,061	\$1,193	\$1,326	\$1,432	\$1,538	\$1,645	\$1,751
Moderate	\$1,392	\$1,591	\$1,790	\$1,988	\$2,147	\$2,307	\$2,466	\$2,625
Above Moderate	\$1,392+	\$1,591+	\$1,790+	\$1,988 +	\$2,147+	\$2,307+	\$2,466+	\$2,625+

SOURCE: DE NOVO PLANNING GROUP, 2015

In order to provide an idea of affordable housing costs by income group, affordable home sales prices are estimated for one, two, four, and six person households (see Table 29). Maximum affordable sales price is based generally on the following assumptions: 4.5 percent interest rate, 30-year fixed loan, downpayment that varies with income level, closing costs, and homeowners insurance.

TABLE 30: HOUSING AFFORDABILITY BY INCOME GROUP

	One Person		Two Person		Four Person		Six Person	
	Max. Home Sale Price*	Max. Monthly Rent or Housing Cost	Max. Home Sale Price*	Max. Monthly Rent or Housing Cost	Max. Home Sale Price*	Max. Monthly Rent or Housing Cost	Max. Home Sale Price*	Max. Monthly Rent or Housing Cost
Extremely Low	\$51,821	\$348	\$58,558	\$398	\$86,517	\$606	\$114,543	\$814
Very Low	\$87,979	\$581	\$99,095	\$663	\$121,327	\$828	\$139,349	\$962
Low	\$134,801	\$928	\$152,654	\$1,061	\$188,361	\$1,326	\$216,993	\$1,538
Moderate	\$211,780	\$1,392	\$238,560	\$1,591	\$292,119	\$1,988	\$335,067	\$2,307
Above Moderate	\$211,780+	\$1,392+	\$238,560+	\$1,591+	\$292,119+	\$1,988+	\$335,067+	\$2,307+

* MAXIMUM AFFORDABLE SALES PRICE IS BASED ON THE FOLLOWING ASSUMPTIONS: 4.5% INTEREST RATE, 30-YEAR FIXED LOAN, DOWNPAYMENT: \$5,000 – EXTREMELY LOW, \$10,000 – VERY LOW AND LOW, \$25,000 – MODERATE, 1.25% PROPERTY TAX, UTILITIES, AND HOMEOWNERS INSURANCE.

SOURCE: DE NOVO PLANNING GROUP, 2015

**CITY OF LATHROP
PLANNING COMMISSION RESOLUTION NO. 19-02**

**A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF LATHROP
RECOMMENDING CITY COUNCIL RECEIVE AND ACCEPT THE HOUSING
ELEMENT ANNUAL PROGRESS REPORT FOR CALENDAR YEAR 2018 AND
AUTHORIZE STAFF TO SUBMIT THE REPORT TO THE GOVERNOR'S OFFICE OF
PLANNING AND RESEARCH AND THE CALIFORNIA DEPARTMENT OF
HOUSING AND COMMUNITY DEVELOPMENT**

WHEREAS, California Government Code Section 65400(2) requires the planning agency to provide an annual report to the City Council, the Governor's Office of Planning and Research (OPR), and the State Department of Housing and Community Development (HCD) regarding progress toward implementation of the housing element of the general plan; and

WHEREAS, planning staff has prepared an annual progress report for the calendar year 2018, utilizing the prescribed forms and instructions provided by HCD; and

WHEREAS, the Planning Commission has reviewed all written evidence and oral testimony presented to date.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the City of Lathrop based on substantial evidence in the administrative record of proceedings and pursuant to its independent review and consideration, does hereby recommend the City Council receive and accept the annual progress report on the Housing Element, attached and incorporated by reference herein, and authorize staff to forward the report to the Governor's Office of Planning and Research and the State Department of Housing and Community Development pursuant to Government Code Section 65400(2).

PASSED AND ADOPTED by the Planning Commission of the City of Lathrop at a regular meeting on the 20th day of February, 2019 by the following vote:

AYES: Ishihara, Gatto, Ralmilay, Rhodes, Dresser

NOES: None

ABSTAIN: None


ABSENT: None



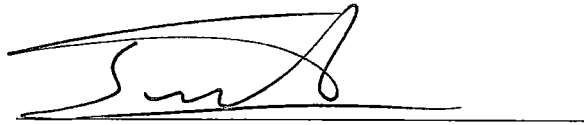
Tosh Ishihara, Chair

ATTEST:

APPROVED AS TO FORM:



Mark Meissner, Secretary



Salvador Navarrete, City Attorney

**CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING****ITEM: PLANNING FEE WAIVER REQUEST BY NEW LIFE CHURCH (TUP-19-20)****RECOMMENDATION: Consider Adoption of a Resolution to Waive the Temporary Use Permit Application Processing and Document Retention Fees for New Life Church in the Combined Amount of \$392**

SUMMARY:

New Life Church in Lathrop is hosting two (2) events in 2019 and will be utilizing the Kelly Business Park parking lot in front of New Life Church (89 D'Arcy Parkway) as the venue for the events. The events include:

- EggSplosion, on Saturday, April 20, 2019; and
- SummerBASH, on Sunday, July 28, 2019

New Life Church has submitted a letter (Attachment 2) requesting the City waive the Temporary Use Permit (TUP) application processing fee of \$382, and the document retention fee of \$10 (\$392) for the two events.

BACKGROUND:

New Life Church has submitted a Temporary Use Permit application for their 2019 events. The events are as follows:

- Easter EggSplosion – Event includes amenities for guests, including three (3) bounce houses, zippy pets go cart style track, face painting, pony rides, multiple carnival style games, 52' inflatable obstacle course and egg coloring. The event hours are from 10:00 A.M. to 1:00 P.M. This is a free event for the community.
- SummerBASH – Event includes amenities for guests, including three (3) bounce houses, petting zoo, face painting, pony rides, multiple carnival style games, 52' inflatable obstacle course, and dunk tank. Live bands will perform in the New Life Church auditorium. Event hours are from 9:00 A.M. to 1:00 P.M. This is a free event for the community.

Last year, the City approved TUP-18-7, permitting three (3) events to be held in the New Life Church parking lot (Kelly Business Park): The Explosion, SummerFest and the Live Nativity events. In 2018, the City Council adopted Resolution 18-4358, waiving the \$392, including both application processing and document retention fees, for their Temporary Use Permit in 2018.

REASON FOR RECOMMENDATION:

Staff recommends the City Council adopt a resolution to waive the Temporary Use Permit Application and Document Retention Fees, and make findings that the fee waiver supports a public benefit to the community, and that the amount of the fee waiver is de-minimis in nature, and is not subsidized by other facility fees.

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:

The proposed resolution promotes community values by supporting activities that benefit local non-profit organizations, and promotes team work between the public, Council, and City staff that supports local community activities.

FISCAL IMPACT:

The requested fee waiver is \$392.

ATTACHMENTS:

1. Resolution approving the fee waiver request
2. Applicant fee waiver request letter
3. Vicinity map

**CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
NEW LIFE CHURCH FEE WAIVER**

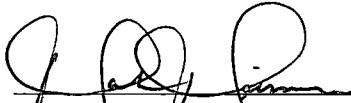
APPROVALS:



David Niskanen
Contract Planner

2/21/19

Date



Mark Meissner
Community Development Director

2/21/19

Date



Cari James
Finance Director

2/21/19

Date



Salvador Navarrete
City Attorney

2-26-19

Date



Stephen Salvatore
City Manager

3-5-19

Date

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO WAIVE THE TEMPORARY USE APPLICATION PROCESSING AND DOCUMENT RETENTION FEES FOR THE NEW LIFE CHURCH 2019 EVENTS IN THE COMBINED AMOUNT OF \$392

WHEREAS, on March 11, 2019, the City Council of the City of Lathrop considered a request by New Life Church to waive the \$382 Temporary Use Permit Fee and the \$10 Document Retention Fee for the two (2) events held in 2019 at the Kelly Business Park in Lathrop; and

WHEREAS, the New Life Church has planned and organized community events annually and has provided the citizens of Lathrop and neighboring areas a place to celebrate Easter and Summer; and

WHEREAS, the City Council finds that this request provides a public benefit to the community, and that the amount of the request is de minimis in nature and not subsidized from other facility fees.

NOW, THEREFORE, BE IT RESOLVED, that in view of the direct public benefit that will be provided by the New Life Church Eggspllosion Easter event and SummerBASH event within the City of Lathrop, the City Council of the City of Lathrop does hereby waive the Temporary Use Permit Application Fee in the amount of \$382 and Document Retention Fee in the amount of \$10 for a total of \$392.

PASSED AND ADOPTED this 11th day of March 2019, by the following vote:

AYES:

NOES:

ABSENT:

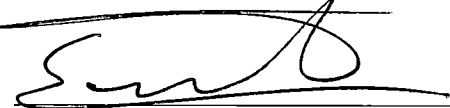
ABSTAIN:

SONNY DHALIWAL, MAYOR

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney



January 10, 2019

Dear Distinguished Lathrop City Council Members,

RECEIVED

FEB 14 2019

CITY OF LATHROP
COM. DEV. DEPT.

It is with great enthusiasm that I share with you New Life Church, a 501c3 non-profit, will again this year be hosting our community Easter Egg Hunt and Festival which we call "Easter EGGsplosion." This year's festival, which we anticipate will draw nearly 1,500 people, will be held on Saturday, April 20th from 10:00 a.m. – 1:00 p.m. Our event will be held at our Lathrop New Life campus and will feature a 20,000 egg hunt, multiple inflatables, zippy pets go-cart style track, egg coloring, face painting, pony rides and many other carnival style games along with a visit from the Easter Bunny...all for FREE! In addition, we are thrilled to share that we will be hosting one more 2018 free community events as follows:

1. Summer Bash – Sunday, July 28 from 6:00-10:00 p.m.
 - a. This event will feature inflatables, dunk tank, summer carnival games, live bands performing in our auditorium and much more. We anticipate hundreds of people in attendance.

In order to host events of this magnitude, we mobilize nearly 100 volunteers from our church family per event, the majority of whom live in Lathrop. In addition, New Life invests a significant portion of our annual budget on these quality events. It is our sincere hope to encourage and inspire the families in our great city.

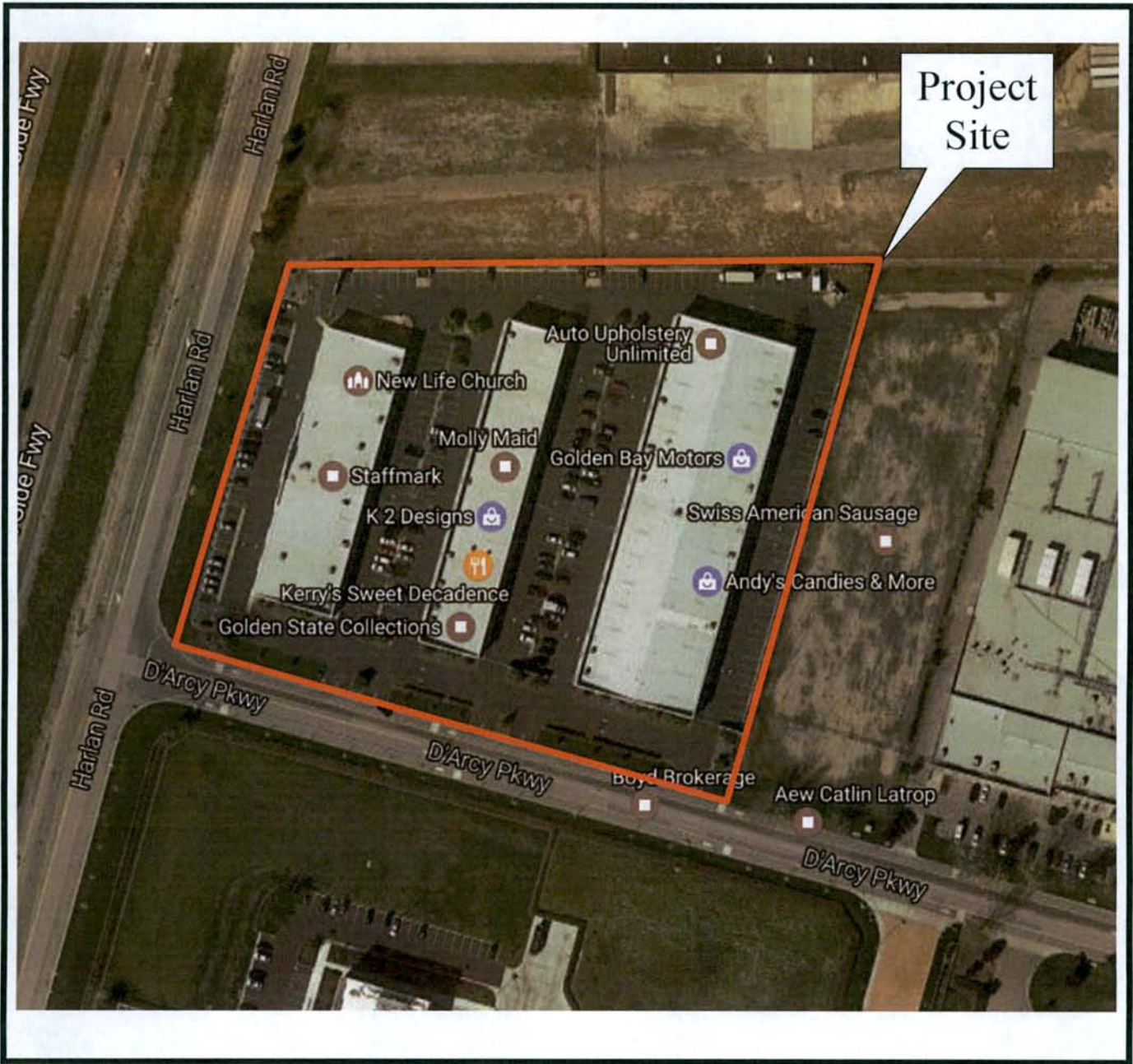
The point of this letter is to humbly request that the City Council waive our \$392.00 event permit fee. Should the reimbursement be granted, we will redirect the funds into these events.

Thank you for your kind consideration! If any of you are available, I would love to see you at any or all of these free community events.

Sincerely,

Rev. Troy Stein
Lead Pastor
New Life Church

107 D'Arcy Parkway
Lathrop, CA 95330 USA
(209) 858-8377
www.NewLifeLathrop.com



PLANNING DIVISION
Vicinity Map

	<p>TUP-19-20 Temporary Use Permit New Life Church 2019 Events 89 D'Arcy Parkway APN: 198-240-49</p>	<p>(Not to Scale)</p>
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**CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING**

ITEM: **APPROVAL OF CONSTRUCTION CONTRACT FOR
CIP PK 19-06 VALVERDE PARKING LOT
REPAIRS**

RECOMMENDATION: **Adopt Resolution Approving a Construction
Contract with Cavanaugh Paving and Grading
for the Valverde Parking Lot Repairs, CIP PK
19-06**

SUMMARY:

Staff requests that Council review and approve a construction contract with Cavanaugh Paving and Grading for repairs to the Valverde parking lot associated with CIP PK 19-06.

BACKGROUND:

At its February 11, 2019 meeting, Council approved the creation of CIP PK 19-06 and budgetted \$98,900 from Measure C for design services, curb and gutter re-alignment, and asphalt repairs at Valverde Park. This project will repair the damage caused by tree roots that have lifted the asphalt, curb and gutter in several areas of the parking lot at Valverde Park thereby preventing the lot from draining properly. These improvements include the removal of the asphalt, curb and gutter to expose damaging tree roots and the removal of these tree roots from the effected areas. Following the removal of the tree roots, the contractor will replace the asphalt, curb and gutter to allow water to drain from the parking lot as it was designed.

Staff solicited bids for these repairs and received two bids. Of the bids received, Cavanaugh Paving and Grading submitted the lowest bid for the requested services. Therefore, staff recommends Council approve the construction contract for CIP PK 19-06 with Cavanaugh Paving and Grading for a total bid of \$84,255.50.

REASON FOR RECOMMENDATION:

The repairs will insure the proper drainage of the parking lot, eliminate potential trip hazards, and remove invasive roots to minimize future damage to the parking lot

COUNCIL GOALS ADVANCED BY THIS AGENDA ITEM:

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

CITY MANAGER'S REPORT **PAGE 2**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
CONSTRUCTION CONTRACT FOR CIP PK 19-06 VALVERDE PARKING LOT
REPAIRS

FISCAL IMPACT:

Sufficient funding was budgeted by Council on February 11, 2019 for these repairs.

ATTACHMENTS:

- A. Resolution Approving Construction Contract with Cavanaugh Paving and Grading for parking lot repairs, curb and gutter re-alignment at Valverde Park.
- B. Construction Contract with Cavanaugh Paving and Grading

CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
CONSTRUCTION CONTRACT FOR CIP PK 19-06 VALVERDE PARKING LOT
REPAIRS

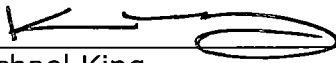
APPROVALS:



Ken Reed
Construction Manager

3-7-2019

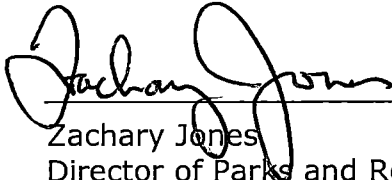
Date



Michael King
Assistant Director of Public Works

3-7-19

Date



Zachary Jones
Director of Parks and Recreation

March 6, 2019

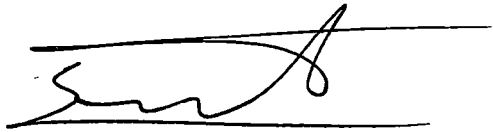
Date

for Vanessa R. FNTW.

Cari James
Director of Finance

3-7-19

Date



Salvador Navarrete
City Attorney

3.6-19

Date



Stephen J. Salvatore
City Manager

3-7-19

Date

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING A CONSTRUCTION CONTRACT WITH CAVANAUGH PAVING AND
GRADING FOR PARKING LOT REPAIRS, CURB AND GUTTER RE-ALIGNMENT
AT VALVERDE PARK**

WHEREAS, on February 11, 2019 City Council approved the creation of Capital Improvement Project (CIP) PK 19-06 for parking lot repairs, curb and gutter re-alignment, at Valverde Park; and

WHEREAS, on February 11, 2019 City Council approved a budget amendment of \$ 98,900 from Measure C funds, as reviewed and recommended for funding by the Measure C Committee at it's January 29th meeting; and

WHEREAS, staff solicited bids for these repairs and received two bids. Of the bids received Cavanaugh Paving and Grading submitted the lowest bid for requested services. Therefore, staff recommends the award of contract to Cavanaugh Paving and Grading as the lowest responsive bidder for the requested services;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop approves the construction contract with Cavanaugh Paving and Grading for parking lot improvements at Valverde Park in the amount of \$84,255.50 as detailed therein and authorize the use of the CIP contingency as necessary to complete the repair.

The foregoing resolution was passed and adopted this 11TH day of March 2019, by the following vote of:

AYES:

NOES:

ABSTAIN:

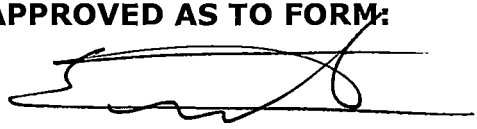
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

**CONSTRUCTION CONTRACT BETWEEN THE CITY OF LATHROP AND
CAVANAUGH PAVING AND GRADING FOR
PARKING LOT IMPROVEMENTS AT VALVERDE PARK – PK 19-06**

THIS CONSTRUCTION CONTRACT (hereinafter “Contract”) is made on March 11, 2019, by and between the **City of Lathrop** (hereinafter “City”) and Cavanaugh Paving and Grading (hereinafter “Contractor”).

For and in consideration of the following covenants, terms and conditions, City and Contractor (the parties) agree:

SCOPE OF WORK

The Contractor agrees to furnish all work, labor, tools, materials, transportation, equipment and services necessary to complete the scope of work submitted by the Contractor, attached as Exhibit “A” and incorporated herein by reference. Contractor agrees to complete the work to the satisfaction of City and subject to inspection, of its representatives.

CONTRACT PRICE

The City agrees to pay and the Contractor agrees to accept, in full payment for the work above agreed to be done, the sum of \$84,255.50

TIME FOR PERFORMANCE

The Contractor shall commence work within ten (10) days of the Notice to Proceed, and diligently prosecute the work to completion within 60 total working days of Notice to Proceed.

PERMITS; COMPLIANCE WITH LAW

The Contractor shall, at its expense, obtain all necessary permits, licenses, easements, etc., for the construction of the project, give necessary notices, pay all fees required by law, and comply with all laws, ordinances, rules and regulations relating to the work and to the preservation of the public health and safety.

INSPECTION BY CITY

The Contractor shall at all times maintain proper facilities and provide safe access for inspection by the City to all parts of the work, and to the shops wherein the work is in preparation. Where the Specifications require work to be specially tested or approved, it shall not be tested or covered up without timely, written approval by the City. Should any such work be covered up without such notice, approval, or consent, it must, if required by City, be uncovered for examination at the Contractor’s expense.

**CONSTRUCTION CONTRACT
CAVANAUGH PAGING AND GRADING**

NOTICE

Any notice from one party to the other under the Contract shall be in writing and shall be dated and signed by the party giving such notice or by a duly authorized representative of such party. Any such notice shall not be effective for any purpose whatsoever unless served in the following manner.

- (a) If the notice is given to the City, by personal delivery thereof to the City's Director of Public Works, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to the City's Director of Public Works, postage prepaid and certified;
- (b) If the notice is given to the Contractor, by personal delivery thereof to said Contractor or to its duly authorized representative at the site of the project, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to the Contractor at the address set forth in the Contractor's Bid postage prepaid and certified; or
- (c) If the notice is given to the surety or any other person, by personal delivery to such surety or other person, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to such surety or other person, as the case may be, at the address of such surety or person last communicated by it to the party giving the notice, postage prepaid and certified.

ACCIDENT PREVENTION

Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Occupational Safety and Health Standards Board of the State of California.

CONTRACTOR'S WARRANTY

The City shall not, in any way or manner, be answerable or suffer loss, damage, expense or liability for any loss or damage that may happen to said building, work, or equipment or any part thereof, or in, on, or about the same during its construction and before acceptance. Contractor unqualifiedly warrants all work and materials to be free of defects whether performed or installed by it or by any subcontractor or supplier in the project which is the subject of this Contract.

**CONSTRUCTION CONTRACT
CAVANAUGH PAGING AND GRADING**

APPRENTICES

- (d) The Contractor's attention is directed to the provisions of Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code concerning employment of apprentices by the Contractor or any subcontractor under him. In addition, Contractor shall obtain a certificate of apprenticeship before employing any apprentice pursuant to Sections 1777.5, 1777.6 and 1777.7 of the California Labor Code.
- (e) Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of Industrial Relations, ex officio the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices.
- (f) Knowing violations of Section 1777.5 will result in forfeiture not to exceed one hundred dollars (\$100) for each calendar day of non-compliance pursuant to Section 1777.7.

HOURS OF WORK

Eight (8) hours of work in any calendar day shall constitute a legal day's work. The Contractor and each subcontractor shall forfeit, as penalty to the City, twenty-five dollars (\$25) for each worker employed in the execution of work on the Project by the Contractor or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any calendar week in violation of the provisions of the Labor Code, and in particular, Section 1810 to Section 1815, thereof, inclusive, except that work performed by employees of the Contractor and his subcontractors in excess of eight hours per day at not less than one and one half times the basic rate of pay, as provided in Labor Code section 1815.

PAYROLL RECORDS

Pursuant to Labor Code section 1776, as amended from time to time, the Contractor and each subcontractor shall keep records showing the name, address, social security number, work classification, straight time and overtime hours paid each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by him or her in connection with the work.

The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division.

The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:

**CONSTRUCTION CONTRACT
CAVANAUGH PAGING AND GRADING**

- (g) A certified copy of the employee's payroll records shall be made available for inspection or furnished to such employee or his or her authorized representative on request.
- (h) A certified copy of all payroll records shall be made available for inspection or furnished upon request, or as required by Labor Code section 1771.7 to the City, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations.
- (i) A certified copy of all payroll records shall be made available upon request to the public for inspection or copies thereof made; provided, however, that if request by the public shall be made through either the City, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, if as requested, payroll records have been provided pursuant to paragraph (b), the requesting party shall, prior to being provided the records, reimburse the cost of preparation by the Contractor, subcontractors and the entity through which the request was made. The public shall not be given access to such records at the principal office of the Contractor.

The Contractor shall file a certified copy of the payroll records with the entity that requested such records within ten (10) calendar days after receipt of a written request.

Any copy of records made available for inspection as copies and furnished upon request to the public or the City, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of the Contractor or any subcontractor performing work on the Project shall not be marked or obliterated.

The Contractor shall inform the City of the location of the payroll records, including the street address, city and county, and shall, within five (5) calendar days, provide a notice of a change of location and address.

In the event of noncompliance with the requirements of this section, the Contractor shall have ten (10) calendar days in which to comply subsequent to receipt of written notice specifying in what respects the Contractor must comply with this section. Should noncompliance still be evident after such ten (10) calendar day period, the Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each calendar day, or portion thereof, for each worker until strict compliance is effectuated.

Upon the request of the Division of Labor Standards Enforcement, such penalties shall be withheld from payments due Contractor.

**CONSTRUCTION CONTRACT
CAVANAUGH PAGING AND GRADING**

PREVAILING WAGES

- (j) The Contractor is aware of the requirements of California Labor Code Sections 1720 *et seq.* and 1770 *et seq.*, as well as California Code of Regulations, Title 8, section 16000 *et seq.* ("Prevailing Wage Laws") which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since this Contract involves an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. The Contractor shall obtain a copy of the prevailing rates of per diem wages applicable to the work to be performed by subcontractors from the website of the Division of Labor Statistics and Research of the Department of Industrial Relations located at <http://www.dir.ca.gov/dlsr/PWD/index.htm>. In the alternative, the City shall provide Contractor with a copy of the prevailing rates of per diem wages applicable to the work to be performed by subcontractors. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to perform work on the Project available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the Project site.

Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or allege failure to comply with the Prevailing Wage Laws.

- (k) The Contractor and each subcontractor shall forfeit as a penalty to the City not more than fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the stipulated prevailing rate for any work done by him, or by any subcontract under him, in violation of the provisions of the California Labor Code. The difference between such stipulated prevailing wage rate and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the stipulated prevailing wage rate shall be paid to each worker by the Contractor.

**CONSTRUCTION CONTRACT
CAVANAUGH PAGING AND GRADING**

INDEMNIFICATION

Contractor agrees to protect, defend, indemnify and hold City, its City Council members, officers, employees, engineer, and consultants harmless from and against any and all claims, demands, liabilities, losses, damages, costs, expenses, liens, penalties, suits, or judgments, arising in whole or in part, directly or indirectly, at any time from any injury to or death of persons or damage to property as a result of the willful or negligent act or omission of Contractor, or which results from Contractor's noncompliance with any Law respecting the condition, use, occupation or safety of the Project site, or any part thereof, or which arises from Contractor's failure to do anything required under this Contract or for doing anything which Contractor is required not to do under this Contract, or which arises from conduct for which any Law imposes strict liability on Contractor in the performance of or failure to perform the terms and conditions of this Contract, except as may arise from the sole willful or negligent act or omission of City or any of its City Council members, officers, employees.

This indemnification shall extend to any and all claims, demands, or liens made or filed by reason of any construction, renovation, or remodeling work performed by Contractor under this Contract at any time during the term of this Contract, or arising thereafter.

SEVERABILITY

Nothing contained in the Contract shall be construed so as to require the commission of any act contrary to law. Should a conflict arise between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract or act, the latter shall prevail and the provision of this Contract which is affected shall be curtailed and limited but only to the extent necessary to bring it within the requirements of the law. If such curtailment or limitation is not possible, the affected provision shall be of no force and effect. Except as aforesaid, such illegality shall not affect the validity of this Contract.

COMPLETE AGREEMENT

This Contract supersedes any and all agreements, either oral or in writing, between the Parties with respect to the subject matter herein. Each party to this Contract acknowledges that no representation by any party which is not embodied herein or any other agreement, statement, or promise not contained in this Contract shall be valid and binding.

**CONSTRUCTION CONTRACT
CAVANAUGH PAGING AND GRADING**

INTERPRETATION

- (l) The parties hereto acknowledge and agree that each has been given the opportunity to independently review this Contract with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions of the Contract.
- (m) In the event of a controversy or dispute between the parties concerning the provisions herein, this document shall be interpreted according to the provisions herein and no presumption shall arise concerning the draftsmanship of such provision.

APPLICABLE LAW

- (n) The parties hereto understand and agree that the terms of this Contract, and its Exhibits, have been negotiated and executed within the State of California and shall be governed by and construed under the laws of the State of California.
- (o) In the event of a dispute concerning the terms of this Contract, the parties hereto expressly agree that the venue for any legal action shall be with the appropriate court in the County of San Joaquin, State of California.

SIGNATURES

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

**CONSTRUCTION CONTRACT
CAVANAUGH PAGING AND GRADING**

Approved as to Form: City of Lathrop
City Attorney

Salvador Navarrete Date

Recommended for Approval: City of Lathrop
Assistant Director of Public Works

Michael King Date

Accepted By
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen Salvatore Date
City Manager

CONTRACTOR: Cavanaugh Paving and Grading
1848 Burgundy Drive
Escalon, CA 95320

209-665-5531

Fed ID # _____
Bus Licenses # _____

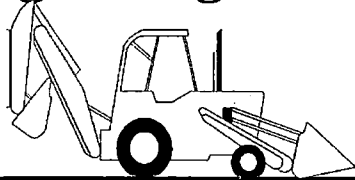
Signature Date

(Print Name and Title)

EXHIBIT A

"We Sell Service First"

Cavanaugh Paving and Grading



1848 Burgundy Drive
Escalon, CA 95320
(209) 665-5531

License #988300

15-Jan-19

Proposal Submitted To:		Work To Be Performed At:	
Name:	City of Lathrop	Name:	Valverde Park
Address:	390 Towne Centre Dr.	Address:	15557 Fifth Street
City:	Lathrop, CA 95330	City:	Lathrop, CA
Phone:		Phone:	Zach Jones
Fax:		Contact:	(209) 941-7385

Item: Asphalt Work and Concrete Replacement

ITEM	UNITS	U/M	CPU	TOTAL
Concrete Curb and Gutter - Sawcut, excavate and haul away C&G in identified areas. - Remove roots in work area. - Grade and compact subbase. - Form and pour new gutter to match existing. - Haul away all trash and debris generated by work.	475	l.f.	70.11	\$ 33,302.25
Asphalt Repairs - Sawcut, excavate and haul away asphalt in identified areas. - Remove roots in work area. - Grade and compact subbase. - Pave 3" of new hot-mix asphalt throughout. - Haul away all trash and debris generated by work.	8,075	sq. ft.	6.31	\$ 50,953.25
TOTAL BID:				\$ 84,255.50

Notes

- Does not includes any items that are not identified in this quote.

All accounts over 30 days will be charged interest at 2% per month on balance.

Acceptance of Proposal: The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment made as outlined. In the event it is necessary to employ an attorney to enforce the terms of the contract, the customer agrees to pay all legal/court costs.

Upon acceptance, please sign and return to our office. Please retain a copy for your files.

Authorized Signature Gerald Cavanaugh

Gerald Cavanaugh

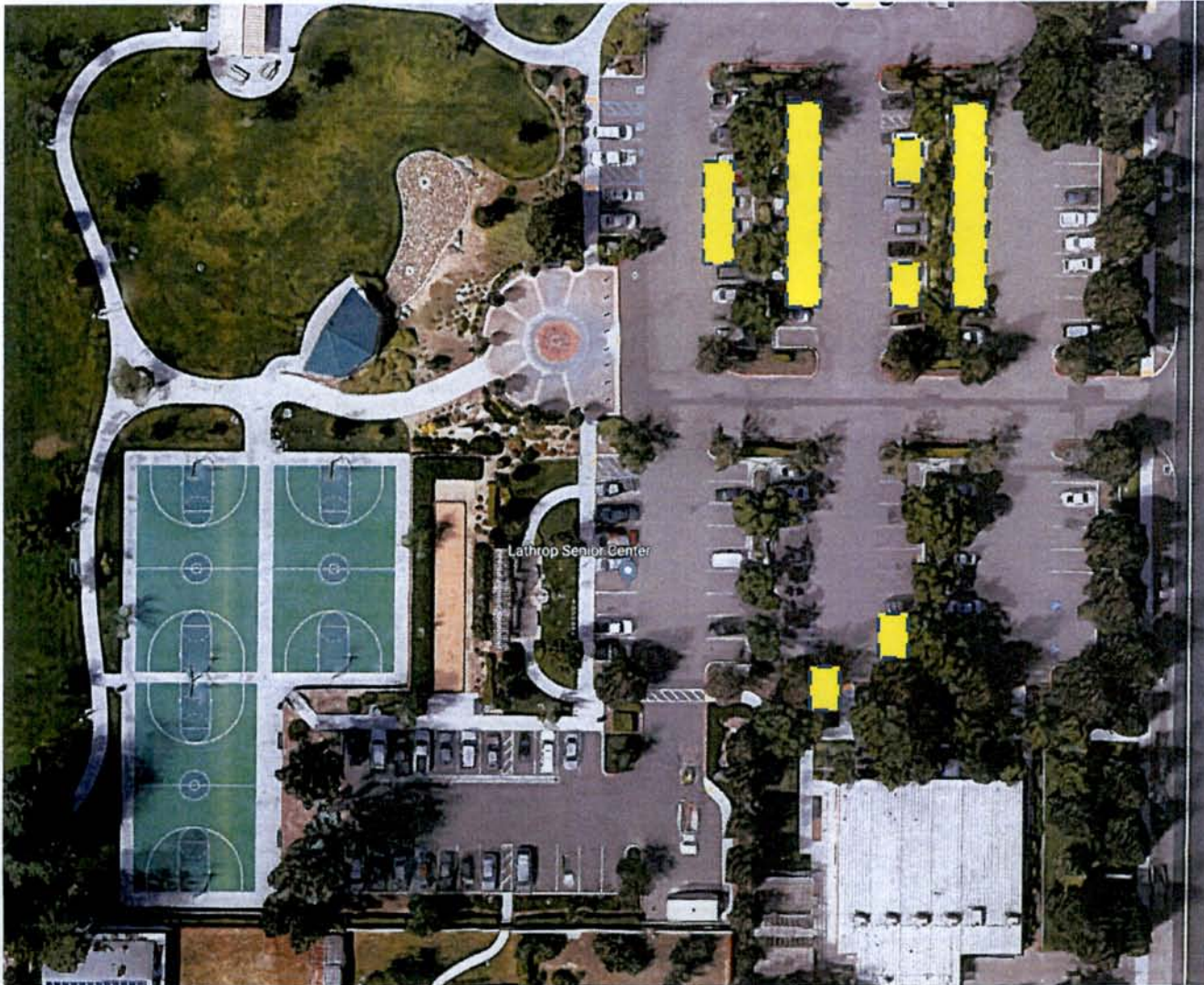
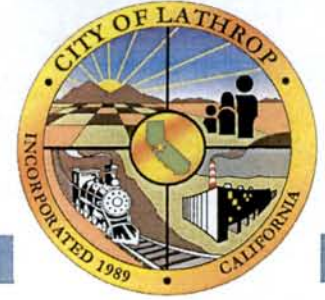
NOTE: This proposal may be withdrawn by us if not accepted within 15 days.

Signature _____

Title _____

Date of Acceptance _____

Valverde Parking Lot Repairs – CIP PK 19-06



The Asphalt, curb, and gutters will be removed in areas as indicated.

Once removed the invasive tree roots will be removed to ensure the proper drainage of the parking lot, eliminate potential trip hazards, and minimize future damage to the parking lot.

Following this removal the asphalt, curb, and gutters will be replaced to allow parking lot to drain as designed.

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

ITEM: **CITY OF LATHROP COMMUNITY FACILITIES DISTRICT 2019-1 (SOUTH LATHROP CITY SERVICES) INTENT TO LEVY**

RECOMMENDATION: **Adopt a Resolution Declaring Intention to Establish Community Facilities District 2019-1 (South Lathrop City Services) and Setting a Public Hearing Date for April 8, 2019**

SUMMARY:

As part of their development agreement requirements, master developers are required to submit to the City an analysis of the costs of maintaining public improvements in their development. The purpose of the analysis is to identify annual and periodic costs of maintenance required for public improvements that the City will maintain.

Over the last several months, Staff has worked with South Lathrop Land, LLC ("SLL") to complete a maintenance plan for their project. In order for the City to ensure that development continues to pay its own way, a Community Facilities District (CFD) needs to be formed to cover the maintenance needs of the development.

It is recommended Council authorize the attached Resolution of Intention to establish the City of Lathrop Community Facilities District No. 2019-1 (South Lathrop City Services) (the "District") and to levy a special tax to finance the costs of maintenance and services of benefit to the properties within the District.

BACKGROUND:

The South Lathrop Commerce Center (SLCC) is an industrial park currently being developed by SLL in the City. SLCC is entitled for approximately 4.8 million square feet of light industrial development. The first building is currently under construction and has been preleased to Wayfair as one of their western US hubs for distribution and fulfillment. Occupancy of the Wayfair building is anticipated for Summer of 2019.

City Staff, the Financing Team and the Developer have had several discussions to help formulate the proposed District and the Special Tax to be levied, which has been approved by the Developer and will be calculated and levied as set forth in the Rate & Method of the Special Tax (Exhibit B of Attachment A).

CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
SOUTH LATHROP CITY SERVICES COMMUNITY FACILITIES DISTRICT
2019-1 INTENT TO LEVY

PAGE 2

The District will have a single tax rate formula ("Special Tax"), for the purpose of funding maintenance and services in the District.

The description of the maintenance and services authorized to be paid for by the Special Tax, are described in the "Description of Services" (Exhibit A of Attachment A). The services shall include:

Services

- Maintenance and operation of public roads and streets;
- Frontage improvements such as curbs, gutters, paths, sidewalks, driveways, bus pads, ADA ramps, and street signs;
- Drainage facilities;
- Standby charges related to the ongoing maintenance and operation of public improvements and facilities;
- Personnel necessary to provide the maintenance, operations and services;
- Insurance costs and other related expenses and the provision of reserves for repairs and replacement;

The City Council has four documents for consideration:

1. *The District Boundary Map (Attachment B)* – Details the legal parcels which will make up the properties within the boundaries of the District, showing the area to be taxed.
2. *List of Services and Facilities (Exhibit A of Attachment A)* – Lists the services and projects that are authorized to be funded from special tax revenues generated within the District.
3. *The Rate & Method of the Special Tax (Exhibit B of Attachment A)* is a key document in that it provides for the security for the funding of the District. This document presents how the revenues from the District are to be collected and also sets forth the purpose and level of the taxes from the various different types of properties.
4. *The Resolution of Intention (Attachment A)* - The resolution sets forth the intention to establish the District, designates the name of the District, identifies the services and facilities to be funded, and states the City's intention to levy a special tax to pay for the services and in the future to pay for the acquisition, construction, and associated costs of the public facilities. The Resolution also sets April 8, 2019 as the date for a hearing on the matters set forth therein.

Today's resolution sets the public hearing date at which time the City Council will hear a presentation on the proposed District. At the same time, the election of the property owners is expected to be completed. Staff expects election result to unanimously favor the District formation because the Developer has requested the formation is the only

CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
SOUTH LATHROP CITY SERVICES COMMUNITY FACILITIES DISTRICT
2019-1 INTENT TO LEVY

PAGE 3

property owner within the District boundaries. It is expected that the Developer will waive a number of noticing and election procedures that make it possible for the proposed district to be formed in a relatively short period of time.

At the public hearing on the District, protests against the establishment of the District, the extent of the District, or the furnishing of specified types of public facilities or services within the District may be made orally or in writing by any interested persons or taxpayers. Any protests pertaining to the regularity or sufficiency of the proceedings shall be made in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the hearing. The City Council may waive any irregularities in the form or content of any written protest and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing. If the City Council determines at the conclusion of the hearings to proceed with the establishment of the District, the proposed voting procedure shall be by landowners voting in accordance with the Mello-Roos Community Facilities District Act of 1982, as there are less than twelve registered electors residing within the proposed district boundaries.

Notice of the Public Hearing will be published in the same manner as the City's other public hearing notifications at least seven days prior to the hearing date. Furthermore, a notice of the hearing will be mailed to each property owner and registered voter within the proposed District boundaries (unless otherwise waived given that there is only one property owner in this District).

REASON FOR RECOMMENDATION:

Over the last several months, Staff has worked with SLL to complete a Maintenance Plan analysis for their project. In order for the City to ensure that development continues to pay its own way, a Community Facilities District (CFD) needs to be formed to cover the cost of maintaining the public facilities in the SLCC Development.

The first step to form the CFD, is Council adoption of a Resolution of Intention.

FISCAL IMPACT:

SLL has funded the cost to form the CFD.

ATTACHMENTS:

- A. Resolution of Intention to Establish Community Facilities District
Exhibits to Attachment A:
 - A. Description of Authorized Services and Facilities
 - B. Rate and Method of Apportionment of Special Tax
- B. Community Facilities District No. 2019-1 Boundary Map

**CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
SOUTH LATHROP CITY SERVICES COMMUNITY FACILITIES DISTRICT
2019-1 INTENT TO LEVY**

APPROVALS:



Cari James
Director of Finance

3/5/19

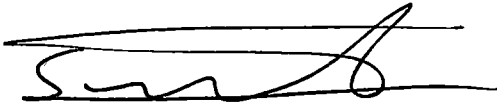
Date



Glenn Gebhardt
City Engineer

3/5/19

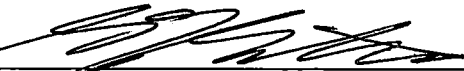
Date



Salvador Navarrete
City Attorney

3-5-19

Date



Stephen J. Salvatore
City Manager

3-7-19

Date

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING A RESOLUTION OF INTENTION TO ESTABLISH CITY OF
LATHROP COMMUNITY FACILITIES DISTRICT NO. 2019-1 (SOUTH
LATHROP CITY SERVICES) TO FINANCE PUBLIC SERVICES**

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") is authorized to establish a community facilities district and to act as its legislative body; and

WHEREAS, this Council, having received a request from the owner of the area of developing land proposed to be included in the proposed community facilities district within the City, now desires to proceed with the establishment of such community facilities district to finance costs of certain public services required to meet the demands of new development of such land;

NOW, THEREFORE, IT IS RESOLVED as follows:

1. Authority. This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Act.
2. Name of CFD. The name proposed for the community facilities district is "City of Lathrop Community Facilities District No. 2019-1 (South Lathrop City Services)" (the "CFD").
3. Boundaries Described. The proposed boundaries of the CFD are as shown on the map of them on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the CFD in the office of the County Recorder within 15 days of the date of adoption of this Resolution.
4. Services. The type of services proposed to be financed by the CFD and pursuant to the Act shall consist of those listed in Exhibit A hereto and hereby incorporated herein (the "Services"). The Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within the area of the CFD. The Services are in addition to those provided in the territory of the CFD as of the date hereof and will not supplant services already available within the territory of the CFD as of the date hereof.

5. Special Tax. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto and hereby incorporated herein (the "Rate and Method"). This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

6. Exempt Property. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California, the County and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the Services and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax.

7. Election and Unanimous Approval. The levy of the Special Tax in the CFD shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD.

8. CFD Report. The City Manager (or deputy or designee thereof) is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing (the "CFD Report"), which shall be a part of the record of the public hearing hereinafter specified and which report shall present the following:

(a) A description of the Services that will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith, and all other related costs.

The CFD Report shall be made a part of the record of the public hearing specified below.

9. Public Hearing. Monday, April 8, 2019, at 7:00 p.m. or as soon thereafter as possible in the City Council Chambers located at 390 Town Center Drive, Lathrop, California 95330, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD and the levy of the Special Tax.

10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD. The publication shall be completed at least 7 days before the date of the public hearing specified above. The City Clerk may also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's address as it appears on the most recent tax records of the County or as otherwise known to the City Clerk to be correct. Such mailing shall be completed not less than 15 days before the date of the public hearing. The notice of the public hearing shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

11. Further Action. The Mayor, City Manager, Finance Director, Treasurer, City Attorney, City Clerk and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

12. Effective Date. This resolution shall take effect upon its adoption.

* * * * *

The foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 11th day of March, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:


ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT A

CITY OF LATHROP City of Lathrop Community Facilities District No. 2019-1 (South Lathrop City Services)

DESCRIPTION OF SERVICES

The services to be funded, in whole or in part, by the community facilities district (the "District") include all direct and incidental costs related to providing for the maintenance and operation of public infrastructure within, adjacent to and in the vicinity of the District.

More specifically, the services shall include, but not be limited to: ongoing maintenance and operation of public roads and streets, bike lanes, medians, street lights, traffic signal, traffic signs, striping and legends, frontage improvements such as curbs, gutters, sidewalks, driveways (within the public right-of-way), bus pads, ADA ramps (within the public right-of-way), street signs; landscaping (within the public right-of-way); drainage facilities including detention & retention ponds, storm drain pump station, sanitary sewer pump station, regional outfall structure, underground storm drainage pipes, underground sanitary sewer pipes; and the provision of any other public services authorized to be funded under Section 53313 of the California Government Code, including with respect to such services obtaining, constructing, furnishing, operating and maintaining equipment, apparatus or facilities related to providing the services and/ or equipment, apparatus, facilities or fixtures in areas to be maintained, as well as standby charges related to the ongoing maintenance and operation of the described public improvements and facilities as described above and services related thereto, paying the salaries and benefits of personnel necessary or convenient to provide the maintenance, operation and services, payment of insurance costs and other related expenses and the provision of reserves for repairs and replacements and for the future provision of services. It is expected that the services will be provided by the City, either with its own employees or by contract with third parties, or any combination thereof.

The services also include administrative expenses related to the District including but not limited to the payment or reimbursement to the City (or to property owners in the District) all costs actually incurred in connection with the establishment and administration of the District, the direct expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of attorneys, any fees of the County of San Joaquin related to the District or the collection of special taxes, an allocable share of the salaries of the City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the District or the services authorized to be financed by the District, and expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the District.

**CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2019-1
(SOUTH LATHROP CITY SERVICES)**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax shall be levied and collected in City of Lathrop Community Facilities District No. 2019-1 (South Lathrop City Services) (the "District") each fiscal year, in an amount determined by the application of the procedures described below. All of the Taxable Property (as defined below) in the District, unless exempted by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

I. DEFINITIONS

The terms used herein shall have the following meanings:

"Acre or Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map or in the Assessor's Data for each Assessor's Parcel. In the event the Assessor's Parcel Map or Assessor's Data shows no acreage, the Acreage for any Assessor's parcel shall be determined by the District Administrator based upon the applicable final map, parcel map, condominium plan, or other recorded County parcel map or calculated using available spatial data and GIS.

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Act of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of the District: the costs of computing the Annual Special Tax Requirement and the annual Special Tax and of preparing the annual Special Tax collection schedules; the costs of collecting the Special Taxes, including any charges levied by the County Auditor's Office, Tax Collector's Office or Treasurer's Office; the costs of the City or designee in complying with the disclosure requirements of the California Government Code (including the Act), including public inquiries regarding the Special Taxes; the costs of the City or designee related to an appeal of the Special Tax; and the costs of commencing and pursuing to completion any foreclosure action arising from delinquent Special Taxes in the District. Administrative Expenses shall also include costs related to the formation of the District and of annexing territory to the District as well as any amounts advanced by the City for any administrative purposes of the District and an allocable share of the salaries of City staff and an allocable portion of City overhead costs relating to the foregoing, or costs of the City in any way related to the establishment or administration of the District.

"Annual Services Costs" means the amounts required to fund services authorized to be funded by the District.

"Annual Special Tax Requirement" means that amount with respect to the District

EXHIBIT B

determined by the Council or designee as required in any Fiscal Year to pay: (1) the Administrative Expenses, (2) the Annual Services Costs, (3) any amount required to establish or replenish any reserve or replacement fund established in connection with the District, and (4) reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous Fiscal Year.

"Assessor's Data" means Acreage or other Parcel information contained in the records of the County Assessor.

"Assessor's Parcel" means a lot or parcel shown in an Assessor's Parcel Map with an assigned Assessor's Parcel number.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

"Building Permit" means a permit for new construction of a Non-Residential structure.

"City" means the City of Lathrop, County of San Joaquin.

"Council" means the City Council of the City, acting as the legislative body of the District.

"County" means the County of San Joaquin, California.

"Developed Property" means, for each Fiscal Year, all Taxable Property for which a Building Permit was issued on or before June 1 of the prior Fiscal Year. For example, Taxable Property for which a Building Permit was issued on or before June 1 of the prior Fiscal Year (i.e., June 1, 2019), would be treated as Developed Property for Fiscal Year 2019/20.

"District" means the City of Lathrop Community Facilities District No. 2019-1 (South Lathrop City Services).

"District Administrator" means an official of the City, or designee or agent or consultant, responsible for determining the Annual Special Tax Requirement and providing for the levy and collection of Special Taxes each Fiscal Year.

"Exempt Property" means all property located within the boundaries of the District which is exempt from the Special Tax pursuant to Section V below.

"Finance Director" means the official of the City who is the chief financial officer or other comparable officer of the City or designee thereof.

"Fiscal Year" means the period starting July 1 and ending on the following June 30.

"GIS" means a geographic information system.

EXHIBIT B

“Maximum Special Tax” means the maximum Special Tax authorized for levy in any Fiscal Year that may apply to Taxable Property as described in Section III.

“Non-Residential Property” means all property that is not used for people to live in, and does not include Public Property.

“Parcel” means a lot or parcel with a parcel number assigned by the Assessor of the County.

“Proportionately” means that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels.

“Public Property” means property within the boundaries of the District owned by, irrevocably offered or dedicated to, or for which an easement for purposes of public right-of-way has been granted to the federal government, the State, the County, or any local government or other public agency, provided that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

“Special Tax” means the amount levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property to fund the Annual Special Tax Requirement.

“Taxable Property” means all Non-Residential Property within the boundary of the District that are not Exempt Property, exempt from the Special Tax pursuant to the Act or Section V below.

“Undeveloped Property” means all property for which a building permit has not been issued.

II. DETERMINATION OF TAXABLE PARCELS

On July 1 of each Fiscal Year, the District Administrator shall determine the valid Assessor’s Parcel Numbers for the current Fiscal Year for all Taxable Property within the District. If any Parcel numbers are no longer valid from the previous Fiscal Year, the District Administrator shall determine the new Parcel number or numbers that are in effect for the current Fiscal Year. To the extent a Parcel or Parcels of Taxable Property are subdivided, consolidated or otherwise reconfigured, the Special Tax rates shall be assigned to the new Assessor’s Parcels pursuant to Section III.

III. ANNUAL SPECIAL TAX - METHOD OF APPORTIONMENT

All Taxable Property shall be subject to a Special Tax defined as follows.

The Special Tax shall be levied each Fiscal Year by the District Administrator. The Annual Special Tax Requirement shall be apportioned to each Parcel of Taxable Property within the District by the method shown below.

EXHIBIT B

- First. Determine the Annual Special Tax Requirement.
- Second. Levy the Special Tax on each Parcel of Developed Property Proportionately, up to the Maximum Special Tax described in Table 1 to satisfy the Annual Special Tax Requirement.
- Third. If additional revenue is needed to meet the Annual Special Tax Requirement after the Second step, levy the Special Tax on each Parcel of Undeveloped Property Proportionately, up to the Maximum Special Tax described in Table 1 to satisfy the Annual Special Tax Requirement.

**TABLE 1
MAXIMUM SPECIAL TAXES
FISCAL YEAR 2018/19**

Property Type	Rate	Per
Developed Non-Residential Property	\$2,315.00	Acre
Undeveloped Non-Residential Property	\$2,315.00	Acre

On each July 1, commencing on July 1, 2019, the Maximum Special Tax rate shall be increased by 2%.

IV. FORMULA FOR PREPAYMENT OF SPECIAL TAX OBLIGATIONS

The Special Tax may not be prepaid.

V. EXEMPTIONS

Notwithstanding any other provision of this Rate and Method of Apportionment of Special Tax, no Special Taxes shall be levied on Public Property, except as otherwise provided in Sections 53317.3 and 53317.5 of the Act.

VI. INTERPRETATION OF RATE AND METHOD OF APPORTIONMENT

The City reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning the Special Tax. In addition, the interpretation and application of any section of this document shall be at the City's discretion. Interpretations may be made by the City by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this Rate and Method of Apportionment of Special Tax.

VII. MANNER AND DURATION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided that the City may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner

EXHIBIT B

if needed to meet the financial obligations of the District, and may collect delinquent Special Taxes through foreclosure or other available methods.

A Special Tax shall continue to be levied and collected within the District to fund the Annual Special Tax Requirement in perpetuity.

VIII. APPEAL OF SPECIAL TAX LEVY

Any property owner may file a written appeal of the Special Tax with the District Administrator claiming that the amount or application of the Special Tax is not correct. The appeal must be filed not later than one calendar year after having paid the Special Taxes that are disputed, and the appellant must be current in all payments of Special Taxes. In addition, during the term of the appeal process, all Special Taxes levied must be paid on or before the payment date established when the levy was made.

The appeal must specify the reasons why the appellant claims the Special Taxes are in error. The District Administrator shall review the appeal, meet with the appellant if the District Administrator deems necessary, and advise the appellant of its determination.

If the property owner disagrees with the District Administrator's decision relative to the appeal, the owner may then file a written appeal with the City Council whose subsequent decision shall be final and binding on all interested parties. If the decision of the District Administrator or subsequent decision by the City Council requires the Special Taxes to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Taxes, but an adjustment shall be made to credit future Special Taxes.

This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to filing any legal action by such owner.

MAP OF PROPOSED BOUNDARIES OF
CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2019-1
(SOUTH LATHROP CITY SERVICES)

CITY OF LATHROP
COUNTY OF SAN JOAQUIN
STATE OF CALIFORNIA

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LATHROP THIS ____ DAY OF _____, 20__.

CITY CLERK _____

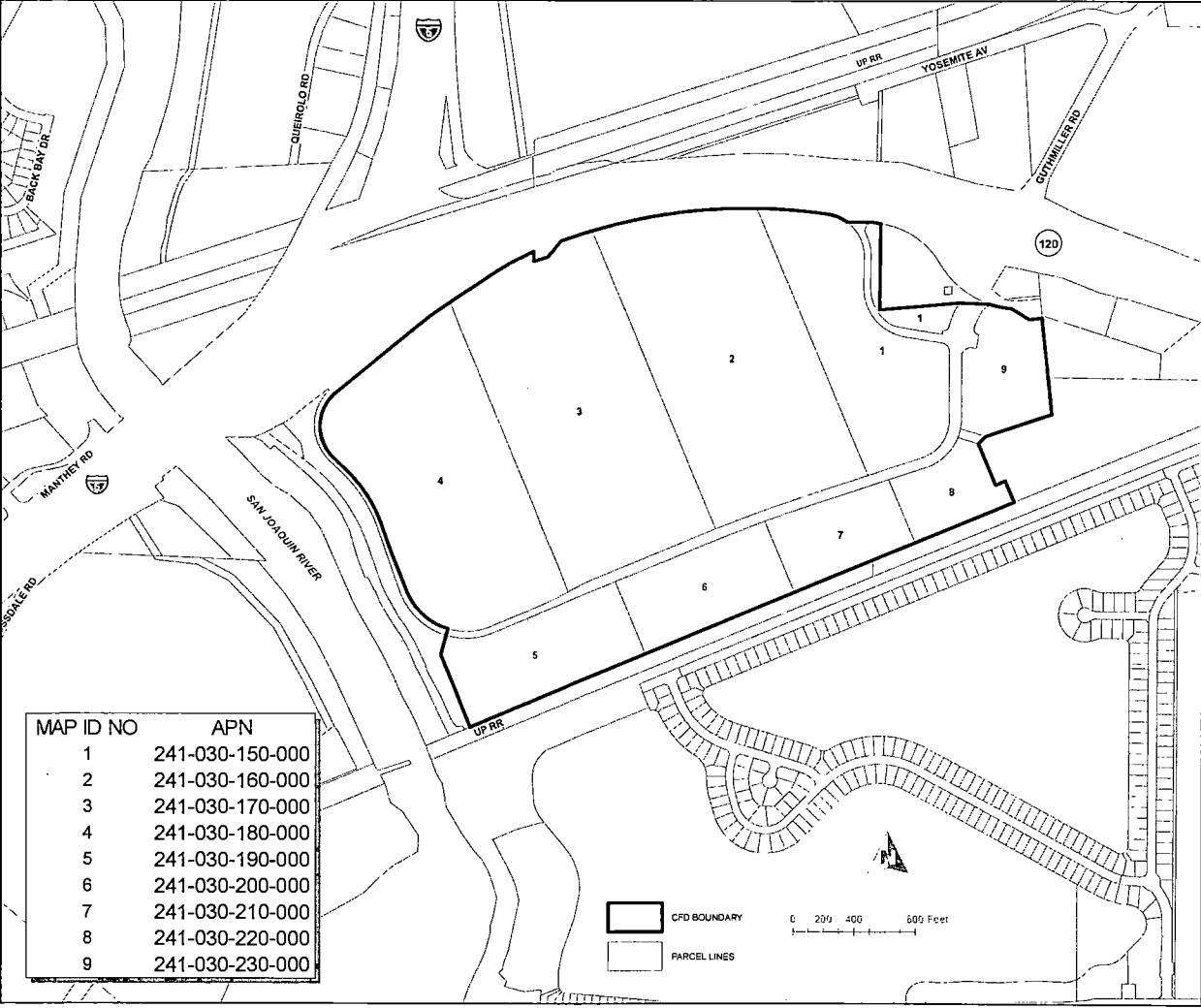
I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF THE CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2019-1 (SOUTH LATHROP CITY SERVICES), COUNTY OF SAN JOAQUIN,
STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LATHROP, AT A MEETING THEREOF,
HELD ON THE ____ DAY OF _____, 20__, BY ITS RESOLUTION NO. ____.

CITY CLERK _____

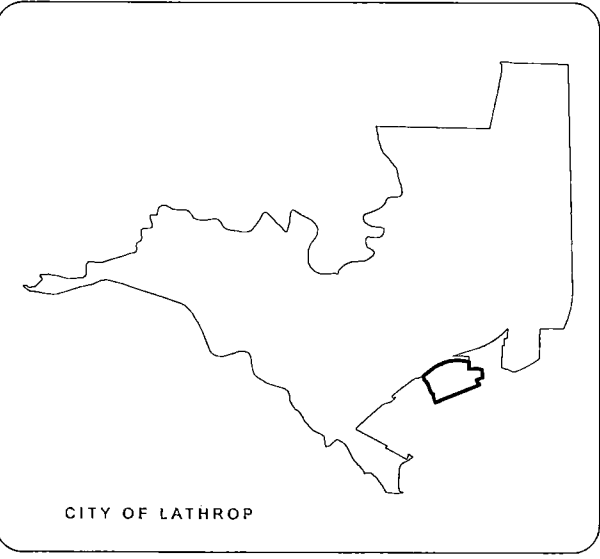
FILED THIS ____ DAY OF _____, 20__, AT THE HOUR OF ____ O'CLOCK __M., IN BOOK ____ OF MAPS OF
ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, AT PAGE ____ IN THE OFFICE OF THE COUNTY
RECORDER IN THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF SAN JOAQUIN

FOR PARTICULARS OF THE LINES AND DIMENSIONS OF DISTRICT PARCELS, REFERENCE IS MADE TO THE MAPS
OF THE ASSESSOR, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.



MAP ID NO	APN
1	241-030-150-000
2	241-030-160-000
3	241-030-170-000
4	241-030-180-000
5	241-030-190-000
6	241-030-200-000
7	241-030-210-000
8	241-030-220-000
9	241-030-230-000



Source: San Joaquin County GIS
Geographic Coordinate Reference: GCS North American 1983
Projection: NAD 1983 StatePlane California VI FIPS 0403 Feet



ATTACHMENT "B"

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

ITEM: **COMMUNITY FACILITIES DISTRICT 2019-2
(CENTRAL LATHROP CITY SERVICES)
FORMATION**

RECOMMENDATION: **Adopt a Resolution Declaring Intention to
Establish Community Facilities District 2019-2
(Central Lathrop City Services) and Setting a
Public Hearing Date for April 8, 2019**

SUMMARY:

As part of their development agreement requirements, master developers are required to submit to the City a fiscal impact analysis. The purpose of a fiscal impact analysis is to estimate the overall financial impacts a development will have on the City. This analysis enables the City to estimate the difference between the costs of providing services to a new development and the revenue the new development will generate.

Over the last several months, Staff has worked with Saybrook Fund Advisors (Saybrook) to complete a fiscal impact analysis for their project (Stanford Crossings). The fiscal impact analysis has determined that the Stanford Crossings development will produce a shortfall to the City's General Fund. In order for the City to ensure that development continues to pay its own way, a Community Facilities District (CFD) needs to be formed to cover the shortfalls.

It is recommended Council authorize the attached Resolution of Intention to establish the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) (the "District") and to levy a special tax to finance the costs of certain public services of benefit to the properties within the District.

BACKGROUND:

City Staff, the Financing Team and the Developer have had several discussions to help formulate the proposed District and the Special Tax to be levied, which has been approved by the developer and will be calculated and levied as set forth in the Rate & Method of the Special Tax (attached to the Resolution of Intention (Attachment A)).

The District will include approximately 1,576 planned homes, 274 high density residential units and 951,350 square feet of office and retail/commercial space, and is setup with the contemplation that additional land areas (the Future Annexation Area") will be annexed into the District in the future upon the consent of the then owner/developer as the area develops.

The District will have a single tax rate formula, for the levy of the “Special Tax”, for the purpose of funding services. The description of the services authorized to be paid for by the Special Tax are described in the “List of Services” (Exhibit A of Attachment A). The services shall include:

Services

- A. Parks, Parkways, and Open Space, including but not limited to:
 - 1. Maintenance of parkway landscaping and bus shelters
 - 2. Operation and maintenance of parkway streetlights and traffic signals
 - 3. Maintenance and repair of sound walls along parkways
 - 4. Reserve for regular replacement of plants and materials
 - 5. Maintenance of community, neighborhood, and linear parks
 - 6. Maintenance of c pedestrian/bike paths
 - 7. Operation and maintenance of park lighting
- B. Flood and Storm Protection, including but not limited to:
 - 1. Maintenance of the storm drain system and detention basins
 - 2. Operation and maintenance of the outfall structure and the pump lift stations for the detention basins
 - 3. Implementation of NPDES Storm Water Management Plan requirements
 - 4. Reserve for replacement of structures and pumps
- C. Police Protection, including but not limited to:
 - 1. Police services, including animal control
 - 2. Reserve for replacement of vehicles and equipment
- D. Fire Protection, including but not limited to:
 - 1. Fire services provided by the Lathrop-Manteca Fire Protection District
 - 2. Reserve for replacement of vehicles and equipment

The City Council has four documents for consideration:

1. *The District Boundary Map (Attachment B)* – Details the legal parcels which will make up the properties within the boundaries of the District, showing the area initially to be taxed and the area later to be taxed as the “Future Annexation Area.”
2. *List of Services and Facilities (Exhibit A of Attachment A)* – Lists the services and projects that are authorized to be funded from special tax revenues generated within the District.
3. *The Rate & Method of the Special Tax (Exhibit B of Attachment A)* is a key document in that it provides how the revenues from the District are to be collected and also sets forth the purpose and level of the taxes from the various different types of properties. The District special taxes are secured by a lien on the property, levied and payable similarly to property taxes.

4. *The Resolution of Intention* (Attachment A) - The resolution sets forth the intention to establish the District, designates the name of the District, identifies the services to be funded, and states the City's intention to levy a special tax to pay for the services and in the future to pay for the public services. The Resolution also sets April 8, 2019 as the date for a hearing on the matters set forth therein.

Today's resolution sets the public hearing date at which time the City Council will hear a presentation on the proposed District. At the same time, the election of the property owners is expected to be completed. Staff expects election results to unanimously favor the District formation because the Developer has requested the formation and is the only property owner within the District boundaries. It is expected that the Developer will waive a number of noticing and election procedures that make it possible for the proposed district to be formed in a relatively short period of time.

At the public hearing on the District, protests against the establishment of the District, the extent of the District, or the furnishing of specified types of public facilities or services within the District may be made orally or in writing by any interested persons or taxpayers. Any protests pertaining to the regularity or sufficiency of the proceedings shall be made in writing and shall clearly set forth the irregularities and defects to which objection is made. All written protests shall be filed with the City Clerk on or before the time fixed for the hearing. The City Council may waive any irregularities in the form or content of any written protest and at the hearing may correct minor defects in the proceedings. Written protests may be withdrawn in writing at any time before the conclusion of the hearing. If the City Council determines at the conclusion of the hearings to proceed with the establishment of the District, the proposed voting procedure shall be by landowners voting in accordance with the Mello-Roos Community Facilities District Act of 1982, as there are less than twelve registered electors residing within the proposed district boundaries.

Notice of the Public Hearing will be published in the same manner as the City's other public hearing notifications at least seven days prior to the hearing date. Furthermore, a notice of the hearing will be mailed to each property owner and registered voter within the proposed District boundaries (unless otherwise waived given that there is only one property owner in the District).

REASON FOR RECOMMENDATION:

Over the last several months, Staff has worked with Saybrook to complete a fiscal impact analysis for their project. The fiscal impact analysis has determined that the Stanford Crossings development will produce a shortfall to the City's General Fund. In order for the City to ensure that development continues to pay its own way, a Community Facilities District (CFD) needs to be formed to cover the shortfalls.

The first step to form the CFD is Council adoption of a Resolution of Intention.

CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
CENTRAL LATHROP CITY SERVICES COMMUNITY FACILITIES DISTRICT
2019-2 INTENT TO LEVY

FISCAL IMPACT:

Saybrook has funded the forming of the CFD.

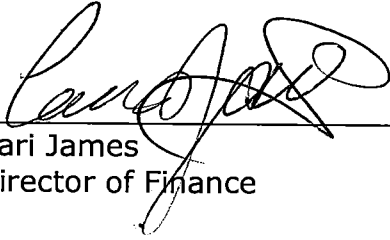
ATTACHMENTS:

- A. Resolution of Intention to Establish Community Facilities District
Exhibits to Attachment A:
 - A. Description of Authorized Services and Facilities
 - B. Rate and Method of Apportionment of Special Tax

- B. Community Facilities District No. 2019-2 Boundary Map

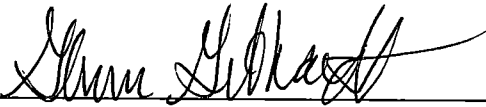
CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
CENTRAL LATHROP CITY SERVICES COMMUNITY FACILITIES DISTRICT
2019-2 INTENT TO LEVY

APPROVALS:



Cari James
Director of Finance

3/5/19
Date



Glenn Gebhardt
City Engineer

3/5/19
Date



Salvador Navarrete
City Attorney

3-5-19
Date



Stephen J. Salvatore
City Manager

3-7-19
Date

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
APPROVING A RESOLUTION OF INTENTION TO ESTABLISH COMMUNITY
FACILITIES DISTRICT NO. 2019-2 (CENTRAL LATHROP CITY SERVICES)
AND FUTURE ANNEXATION AREA**

WHEREAS, under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing at Section 53311, of the California Government Code (the "Act"), the City Council (the "Council") of the City of Lathrop (the "City") is authorized to establish a community facilities district and to act as its legislative body; and

WHEREAS, this Council, having received a request from the owner of the area of land proposed to be included in the proposed community facilities district, now desires to proceed with the establishment of such community facilities district to finance costs of public safety services required to meet the demands of development of lands in the City; and

WHEREAS, pursuant to Section 53339.2 of the Act, this Council further desires to undertake proceedings to provide for future annexation of territory to the proposed community facilities district.

NOW, THEREFORE, be it resolved by the City Council of the City of Lathrop:

1. Authority. This Council proposes to conduct proceedings to establish a community facilities district pursuant to the Act, and hereby determines that public convenience and necessity require that a future annexation area be established pursuant to the Act.

2. Name of CFD; Future Annexation Area. The name proposed for the community facilities district is "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services)" (the "CFD").

The name proposed for the territory proposed to be annexed into the CFD in the future is "City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) (Future Annexation Area)" (the "Future Annexation Area").

3. Boundaries Described. The proposed boundaries of the CFD and the Future Annexation Area are as shown on the map of them on file with the City Clerk, which boundaries are hereby preliminarily approved and to which map reference is hereby made for further particulars. The City Clerk is hereby directed to record, or cause to be recorded, the map of the boundaries of the CFD and the Future Annexation Area in the office of the County Recorder within 15 days of the date of adoption of this Resolution.

Parcels within the Future Annexation Area shall be annexed to the CFD only with the unanimous approval (each, a "Unanimous Approval") of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.

4. Services. The type of services proposed to be financed by the CFD and the Future Annexation Area and pursuant to the Act shall consist of those listed in Exhibit A hereto and hereby incorporated herein (the "Services"). The Council hereby determines that the Services are necessary to meet increased demands for such services placed upon local agencies as the result of development occurring within the area of the CFD and the Future Annexation Area.

The Services are in addition to those provided in the territory of the CFD and the Future Annexation Area as of the date hereof and will not supplant services already available within the territory of the CFD and the Future Annexation Area as of the date hereof. The City intends to provide the Services on an equal basis in the original territory of the CFD and, when it has been annexed to the CFD, the Future Annexation Area.

5. Special Tax. Except to the extent that funds are otherwise available to the CFD to pay for the Services, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by recordation of a continuing lien against all non-exempt real property in the CFD, will be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes, or in such other manner as this Council or its designee shall determine, including direct billing of the affected property owners. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are described in Exhibit B attached hereto and hereby incorporated herein (the "Rate and Method"). This Council hereby finds that the provisions of Section 53313.6, 53313.7 and 53313.9 of the Act (relating to adjustments to ad valorem property taxes and schools financed by a community facilities district) are inapplicable to the proposed CFD.

As required by Section 53339.3(d) of the Act, the Council hereby determines that the special tax proposed to pay for Services to be supplied within the Future Annexation Area shall be equal to any special tax levied to pay for the same Services in the existing CFD, except that a higher or lower tax may be levied within the Future Annexation Area to the extent that the actual cost of providing the Services in the Future Annexation Area is higher or lower than the cost of providing those Services in the existing CFD. In so finding, the Council does not intend to limit its ability to levy a special tax within the Future Annexation Area to provide new or additional services beyond those supplied within the existing CFD.

6. Exempt Property. Except as may otherwise be provided by law or by the rate and method of apportionment of the Special Tax for the CFD, all lands owned by any public entity, including the United States, the State of California, the County and/or the City, or any departments or political subdivisions thereof, shall be omitted from the levy of the Special Tax to be made to cover the costs and expenses of the Services and the CFD. In the event that a portion of the property within the CFD shall become for any reason exempt, wholly or in part, from the levy of the Special Tax, this Council will, on behalf of the CFD, increase the levy to the extent necessary upon the remaining property within the CFD which is not exempt in order to yield the annual expenses of the CFD, if any, subject to the provisions of the rate and method of apportionment of the Special Tax.

7. Election and Unanimous Approval. The levy of the Special Tax in the CFD shall be subject to the approval of the qualified electors of the CFD at a special election. The proposed voting procedure shall be by mailed or hand-delivered ballot among the landowners in the proposed CFD, with each owner having one vote for each acre or portion of an acre such owner owns in the CFD.

A special tax shall be levied in the Future Annexation Area only with the Unanimous Approval of the owner or owners of each parcel or parcels at the time that parcel or those parcels are annexed, without any requirement for further public hearings or additional proceedings.

8. CFD Report. The City Manager (or deputy or designee thereof) is hereby directed to study the proposed Services and to make, or cause to be made, and file with the City Clerk a report in writing (the "CFD Report"), which shall be a part of the record of the public hearing hereinafter specified and which report shall present the following:

(a) A description of the Services that will be required to adequately meet the needs of the CFD.

(b) An estimate of the fair and reasonable cost of the Services and incidental expenses in connection therewith, and all other related costs.

The CFD Report shall be made a part of the record of the public hearing specified below.

9. Public Hearing. Monday, April 8, 2019, at 7:00 p.m. or as soon thereafter as possible in the City Council Chambers located at 390 Town Center Drive, Lathrop, California 95330, be, and the same are hereby appointed and fixed as the time and place when and where this Council, as legislative body for the CFD, will conduct a public hearing on the establishment of the CFD and consider and finally determine whether the public interest, convenience and necessity require the formation of the CFD, the Future Annexation Area and the levy of the Special Tax.

10. Notice of Hearing. The City Clerk is hereby directed to cause notice of the public hearing to be given by publication one time in a newspaper published in the area of the CFD and the Future Annexation Area. The publication shall be completed at least 7 days before the date of the public hearing specified above. The City Clerk may also cause notice of the hearing to be given to each property owner within the CFD by first class mail, postage prepaid, to each such owner's address as it appears on the most recent tax records of the County or as otherwise known to the City Clerk to be correct. Such mailing shall be completed not less than 15 days before the date of the public hearing. The notice of the public hearing shall be substantially in the form specified in Section 53322 of the Act, with the form summarizing the provisions hereof hereby specifically approved.

11. Further Action. The Mayor, City Manager, Finance Director, Treasurer, City Attorney, City Clerk and all other officers and agents of the City are hereby authorized and directed to take all actions necessary or advisable to give effect to the transactions contemplated by this Resolution.

12. Effective Date. This resolution shall take effect upon its adoption.

* * * * *

The foregoing Resolution was regularly introduced and adopted by the City Council of the City of Lathrop at a meeting held on the 11th day of March, 2019, by the following vote:

AYES:

NOES:

ABSTAIN:

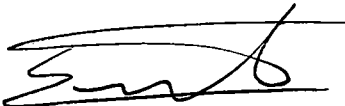
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

EXHIBIT A

CITY OF LATHROP City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services)

DESCRIPTION OF SERVICES

The following, including all related administrative costs and expenses, shall be the "Services" to be financed, in whole or in part by the captioned CFD:

- A. Parks, Parkways, and Open Space, including but not limited to:
 - 1. Maintenance of parkway landscaping and bus shelters
 - 2. Operation and maintenance of parkway streetlights and traffic signals
 - 3. Maintenance and repair of sound walls along parkways
 - 4. Reserve for regular replacement of plants and materials
 - 5. Maintenance of community, neighborhood, and linear parks
 - 6. Maintenance of c pedestrian/bike paths
 - 7. Operation and maintenance of park lighting

- B. Flood and Storm Protection, including but not limited to:
 - 1. Maintenance of the storm drain system and detention basins
 - 2. Operation and maintenance of the outfall structure and the pump lift stations for the detention basins
 - 3. Implementation of NPDES Storm Water Management Plan requirements
 - 4. Reserve for replacement of structures and pumps

- C. Police Protection, including but not limited to:
 - 1. Police services, including animal control
 - 2. Reserve for replacement of vehicles and equipment

- D. Fire Protection, including but not limited to:
 - 1. Fire services provided by the Lathrop-Manteca Fire Protection District
 - 2. Reserve for replacement of vehicles and equipment

The services also include administrative expenses related to the District including but not limited to the payment or reimbursement to the City (or to property owners in the District) all costs actually incurred in connection with the establishment and administration of the District, the direct and indirect expenses incurred by the City in carrying out its duties with respect to the District (including, but not limited to, the levy and collection of the special taxes) including the fees and expenses of

attorneys, any fees of the County of San Joaquin related to the District or the collection of special taxes, an allocable share of the salaries of the City staff directly related thereto and a proportionate amount of the City's general administrative overhead related thereto, any amounts paid by the City from its general fund with respect to the District or the services authorized to be financed by the District, and expenses incurred by the City in undertaking action to foreclose on properties for which the payment of special taxes is delinquent, and all other costs and expenses of the City in any way related to the District.

EXHIBIT B

CITY OF LATHROP COMMUNITY FACILITIES DISTRICT NO. 2019-2 (CENTRAL LATHROP CITY SERVICES)

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Assessor's Parcel in the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services) shall be levied and collected according to the tax liability determined by the City or its designee, through the application of the appropriate amount or rate for Taxable Property, as described below. All of the property in the CFD, unless exempted by law or by the provisions of Section F below, shall be taxed for the purposes, to the extent, and in the manner herein provided, including property subsequently annexed to the CFD unless a separate rate and method of apportionment of special tax is adopted for the annexation area.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

“Accessory Unit” means a second residential unit of limited size (e.g., granny cottage, second unit) that shares a Parcel with a single-family detached unit.

“Acre” means one acre of the land area of an Assessor's Parcel as shown on an Assessor's Parcel map or, if the land area is not shown on an Assessor's Parcel map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County map.

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

“Administrative Expenses” means any or all of the following: expenses of the City in carrying out its duties with respect to the CFD, including, but not limited to, the levy and collection of Special Taxes, the fees and expenses of its legal counsel, charges levied by the County in connection with the levy and collection of the Special Tax, costs related to property owner inquiries regarding the Special Tax, costs associated with appeals or requests for interpretation associated with the Special Tax and this RMA, costs associated with foreclosure and collection of delinquent Special Taxes and all other costs and expenses of the City and County in any way related to the establishment or administration of the CFD.

“Administrator” means the person or firm designated by the City to administer the Special Tax according to this RMA.

“Assessor's Parcel” or “Parcel” means a lot or parcel shown on a County Assessor's Parcel map with an assigned County Assessor's Parcel number.

“Authorized Services” means those services that are authorized to be funded by Special Taxes collected within the CFD, pursuant to the documents adopted by the City Council at CFD Formation.

“CFD” means the City of Lathrop Community Facilities District No. 2019-2 (Central Lathrop City Services).

“CFD Formation” means the date on which the Resolution of Formation to form the CFD was adopted by the City Council.

“City” means the City of Lathrop.

“City Council” means the City Council of the City of Lathrop.

“County” means the County of San Joaquin.

“Developed Property” means, in any Fiscal Year, the following:

- for Single Family Detached Property, all Parcels of Taxable Property for which a Final Map was recorded on or prior to June 30 of the preceding Fiscal Year
- for Multi-Family Property and Single Family Attached Property, all Parcels of Taxable Property for which a building permit for new construction of a residential structure was issued on or prior to June 30 of the preceding Fiscal Year
- for Non-Residential Property, all Parcels of Taxable Property for which a building permit for new construction of a structure was issued on or prior to June 30 of the preceding Fiscal Year.

“Development Class” means, individually, Developed Property and Undeveloped Property.

“Escalation Factor” means, in any Fiscal Year, the lesser of (i) the increase from the prior Fiscal Year, if any, in the Local Consumer Price Index (CPI) for the San Francisco-Oakland-Hayward Area for All Urban Consumers, or (ii) four percent (4%). The CPI used shall be as determined by the Bureau of Labor Statistics from April to April beginning with the period from April 2018 to April 2019.

“Final Map” means a final map, or portion thereof, approved by the City and recorded by the County pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq) that creates SFD Lots. The term “Final Map” shall not include any large lot subdivision map, Assessor’s Parcel Map, or subdivision map or portion thereof, that does not create SFD Lots, including Assessor’s Parcels that are designated as remainder parcels.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Maximum Special Tax” means the greatest amount of Special Tax that can be levied on a Parcel in any Fiscal Year, as determined in accordance with Section C below.

“Multi-Family Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit or use permit has been issued or is expected to be issued for construction of a residential structure with five or more Units that share a single Assessor’s Parcel number, are offered for rent to the general public, and cannot be purchased by individual homebuyers.

“Non-Residential Property” means, collectively, Office Property and Retail Property. If a building includes both non-residential uses and Units, Section C.1 below sets forth the process to estimate the acreage of Non-Residential Property for purposes of this RMA.

“Proportionately” means, for each Development Class, that the ratio of the actual Special Tax levied in any Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Parcels assigned to the Development Class.

“Public Property” means any property within the boundaries of the CFD that is owned by or irrevocably offered for dedication to the federal government, State of California, County, City, or other local governments or public agencies.

“Office Property” means any Parcel of Developed Property that is designated for office space to be used for professional, banking, insurance, real estate, administrative, in-office medical or dental activities, or any other non-residential use that does not fall within the definition of Retail Property, as determined by the City.

“Residential Property” means, collectively, Single Family Detached Property, Single Family Attached Property, and Multi-Family Property. If a building includes both Units and non-residential uses, the Units within the building shall be categorized as Residential Property for purposes of this RMA.

“Retail Property” means any Parcel of Developed Property designated for a commercial establishment which sells general merchandise, hard goods, personal services, and other items directly to consumers, including, but not limited to, travel agencies, hardware stores, grocery stores, automotive dealers, service stations, home furnishing stores, restaurants, bars, banks, repair shops, movie theatres, day care centers, and art galleries. The City shall make the final determination as to whether a Parcel is Retail Property.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“SFD Lot” means an individual residential lot, identified and numbered on a recorded Final Map, on which a building permit was or is permitted to be issued for construction of a single family detached unit without further subdivision of the lot and for which no further subdivision of the lot is anticipated pursuant to an approved tentative map.

“Single Family Attached Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was or is expected to be issued for construction of a residential structure consisting of two or more Units that share common walls, have separate Assessor’s Parcel numbers assigned to them (except for a duplex unit, which may share an Assessor’s Parcel with another duplex unit), and may be purchased by individual homebuyers (which shall still be the case even if the Units are purchased and subsequently offered for rent by the owner of the unit), including such

residential structures that meet the statutory definition of a condominium contained in Civil Code Section 1351.

“Single Family Detached Property” means, in any Fiscal Year, all Parcels of Taxable Property for which a building permit was or is expected to be issued for construction of a Unit that does not share a common wall with another Unit. An Accessory Unit that shares a Parcel with a single-family detached unit shall not be considered a separate Unit for purposes of this RMA.

“Special Tax” means a special tax levied in any Fiscal Year to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount of revenue needed in any Fiscal Year to pay for: (i) Authorized Services, (ii) Administrative Expenses, and (iii) amounts needed to cure any delinquencies in the payment of Special Taxes which have occurred or (based on delinquency rates in prior years) may be expected to occur in the Fiscal Year in which the tax will be collected. In any Fiscal Year, the Special Tax Requirement shall be reduced by surplus amounts available (as determined by the City) from the levy of the Special Tax in prior Fiscal Years, including revenues from the collection of delinquent Special Taxes and associated penalties and interest.

“Taxable Property” means all of the Assessor’s Parcels within the boundaries of the CFD which are not exempt from the Special Tax pursuant to law or Section F below.

“Tax Zone” means a mutually exclusive geographic area within which the Special Tax may be levied pursuant to this RMA. *All of the property within the CFD at the time of CFD Formation is within Tax Zone 1.* Additional Tax Zones may be created when property is annexed to the CFD, and separate Maximum Special Taxes shall be identified for property within the new Tax Zone at the time of such annexation. The Assessor’s Parcels included within a new Tax Zone established when such Parcels are annexed to the CFD shall be identified by Assessor’s Parcel number in the Unanimous Approval Form that is signed by the owner(s) of the Parcels at the time of annexation.

“Unanimous Approval Form” means that form executed by the record owner of fee title to a Parcel or Parcels annexed into the CFD that constitutes the property owner’s approval and unanimous vote in favor of annexing into the CFD and the levy of the Special Tax against his/her Parcel or Parcels pursuant to this RMA.

“Undeveloped Property” means, in any Fiscal Year, all Parcels of Taxable Property that are not yet Developed Property.

“Unit” means a single family detached unit or an individual unit within a duplex, triplex, halfplex, fourplex, condominium, townhome, live/work, or apartment structure.

B. DATA FOR ADMINISTRATION OF THE SPECIAL TAX

On or about July 1 of each Fiscal Year, the Administrator shall identify the current Assessor’s Parcel numbers for all Parcels of Taxable Property within the CFD. The Administrator shall also determine: (i) within which Tax Zone each Parcel is located; (ii) which Parcels of Developed Property are Residential Property and Non-Residential Property; (iii) which Parcels of Residential

Property are Single Family Detached Property, Single Family Attached Property, and Multi-Family Property; (iv) which Parcels of Non-Residential Property are Office Property and Retail Property; (v) by reference to the condominium plan, site plan, or other document, the number of Units on each Parcel of Single Family Attached Property and Multi-Family Property; and (vi) the Special Tax Requirement for the Fiscal Year.

In any Fiscal Year, if it is determined that: (i) a parcel map for property in the CFD was recorded after January 1 of the prior Fiscal Year (or any other date after which the Assessor will not incorporate the newly-created parcels into the then current tax roll), (ii) because of the date the parcel map was recorded, the Assessor does not yet recognize the new parcels created by the parcel map, and (iii) a building permit was issued on or prior to June 30 of the prior Fiscal Year for development on one or more of the newly-created parcels, the Administrator shall calculate the Special Tax for Units, Non-Residential Property, and/or Undeveloped Property within the subdivided area and levy such Special Taxes on the master Parcel that was subdivided by recordation of the parcel map.

C. MAXIMUM SPECIAL TAX

1. Developed Property

Table 1 below identifies the Maximum Special Tax for Developed Property within Tax Zone 1; different Maximum Special Taxes may be identified for property that annexes into the CFD and is part of a separate Tax Zone.

**TABLE 1
MAXIMUM SPECIAL TAX
TAX ZONE 1**

<i>Type of Property</i>	<i>Maximum Special Tax in Tax Zone 1 (Fiscal Year 2019-20)*</i>
<u>Residential Property</u> Single Family Detached Property Single Family Attached Property Multi-Family Property	\$1,200 per Unit \$1,200 per Unit \$700 per Unit
<u>Non-Residential Property</u> Office Property Retail Property	\$2,000 per Acre \$1,500 per Acre

** On July 1, 2020 and on each July 1 thereafter, all figures shown in Table 1 above shall be increased by the Escalation Factor.*

If, in any Fiscal Year, the Administrator determines that a Parcel of Developed Property is built or proposed to be built with both Units and non-residential uses, the Maximum Special Tax for the Parcel shall be the sum of: (i) the aggregate Maximum Special Tax for all Units on the Parcel, and (ii) the Maximum Special Tax determined for Non-Residential Property on the Parcel, the acreage of which shall be determined by dividing the net leasable or net saleable square footage of non-residential uses on the Parcel (as determined by the Administrator) by the aggregate net saleable and net leasable square footage in the building built or expected to be built on the Parcel (as determined by the Administrator), then multiplying the quotient by the acreage of the underlying land Parcel.

2. *Undeveloped Property*

The Maximum Special Tax for Undeveloped Property in Fiscal Year 2019-20 is \$3,393 per Acre, which amount shall, on July 1, 2020 and each July 1 thereafter, be increased by the Escalation Factor.

D. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. A Special Tax shall then be levied according to the following steps:

Step 1: The Special Tax shall be levied Proportionately on each Parcel of Developed Property up to 100% of the Maximum Special Tax for Developed Property until the amount levied is equal to the Special Tax Requirement.

Step 2: If additional revenue is needed after Step 1 in order to meet the Special Tax Requirement, the Special Tax shall be levied Proportionately on each Parcel of Undeveloped Property up to 100% of the Maximum Special Tax for Undeveloped Property until the amount levied is equal to the Special Tax Requirement.

E. MANNER OF COLLECTION OF SPECIAL TAX

The Special Tax shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the City may directly bill, collect at a different time or in a different manner, and/or collect delinquent Special Taxes through foreclosure or other available methods. The Special Tax may be levied and collected in perpetuity.

F. EXEMPTIONS

No Special Taxes shall be levied on Public Property or any other Parcels in the CFD that are not Residential Property or Non-Residential Property, as defined herein.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The City may interpret, clarify, and/or revise this RMA to correct any inconsistency, vagueness or ambiguity as it relates to the Special Tax rate, the method of apportionment, the classification of properties or any definition applicable to the CFD, by resolution or ordinance. The City, upon the request of an owner of land within the CFD which is not Developed Property, may also amend this RMA in any manner acceptable to the City, by resolution or ordinance following a public hearing, upon the affirmative vote of such owner to such amendment and without the vote of owners of any other land within the CFD, provided such amendment only affects such owner's land.

CITY OF LATHROP
COMMUNITY FACILITIES DISTRICT NO. 2019-2
 (CENTRAL LATHROP CITY SERVICES)
 SAN JOAQUIN COUNTY, STATE OF CALIFORNIA

CITY OF LATHROP CERTIFICATE

1. FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA THIS _____ DAY OF _____, 2019.

 CITY CLERK, CITY OF LATHROP

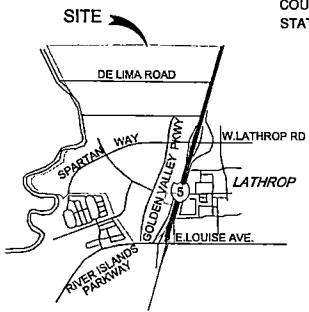
2. I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 2019-2 (CENTRAL LATHROP CITY SERVICES) CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF LATHROP, AT A MEETING THEREOF, HELD ON THE _____ DAY OF _____, 2019, BY ITS RESOLUTION NO. _____.

 CITY CLERK, CITY OF LATHROP

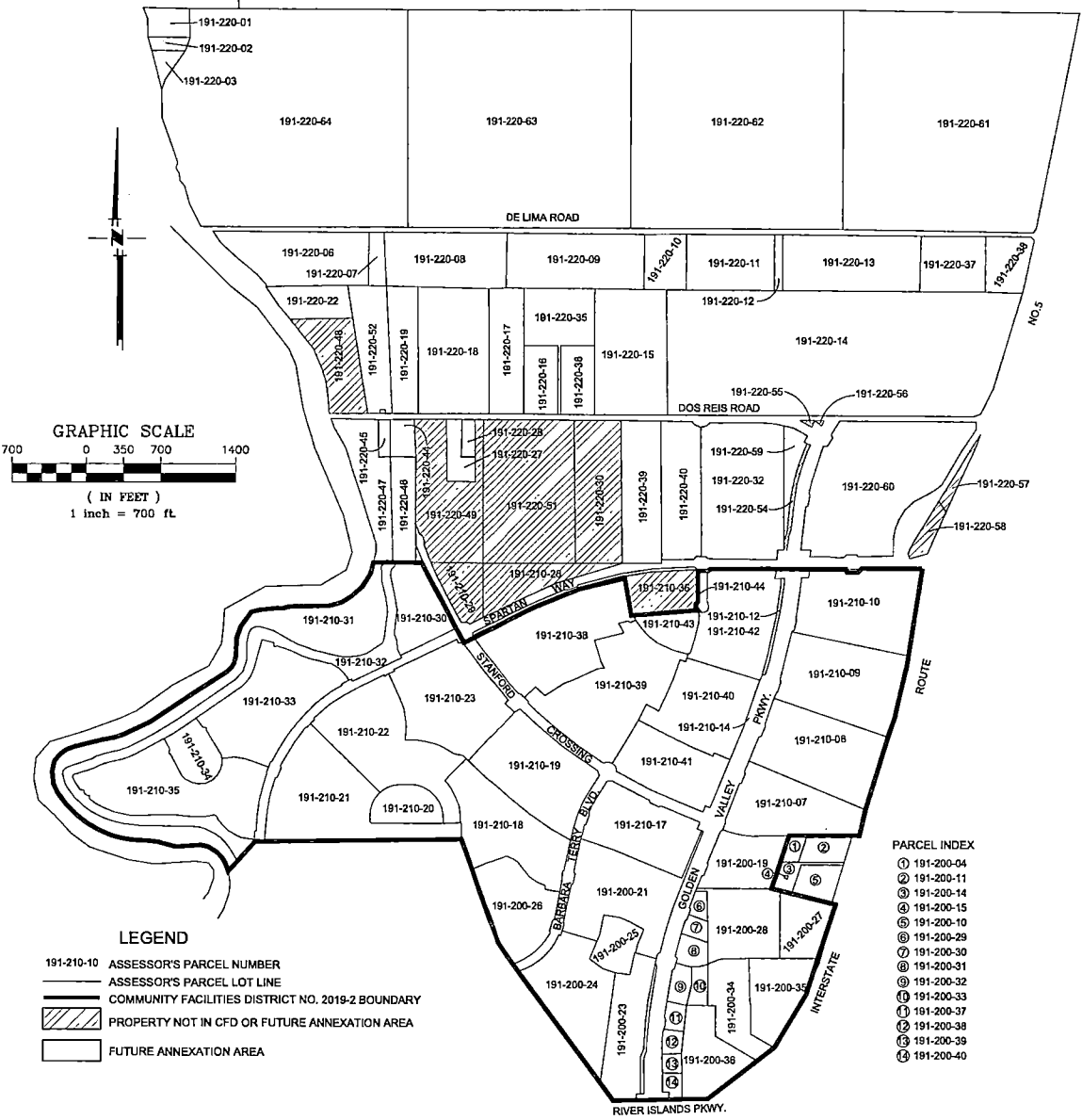
SAN JOAQUIN COUNTY RECORDER CERTIFICATE

FILED THIS _____ DAY OF _____, 2019, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE _____ IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA.

 COUNTY RECORDER
 COUNTY OF SAN JOAQUIN,
 STATE OF CALIFORNIA



VICINITY MAP
 N.T.S.



LEGEND
 191-210-10 ASSESSOR'S PARCEL NUMBER
 ASSESSOR'S PARCEL LOT LINE
 COMMUNITY FACILITIES DISTRICT NO. 2019-2 BOUNDARY
 PROPERTY NOT IN CFD OR FUTURE ANNEXATION AREA
 FUTURE ANNEXATION AREA

PARCEL INDEX
 ① 191-200-04
 ② 191-200-11
 ③ 191-200-14
 ④ 191-200-15
 ⑤ 191-200-10
 ⑥ 191-200-29
 ⑦ 191-200-30
 ⑧ 191-200-31
 ⑨ 191-200-32
 ⑩ 191-200-33
 ⑪ 191-200-37
 ⑫ 191-200-38
 ⑬ 191-200-39
 ⑭ 191-200-40

ATTACHMENT "B"

GCG
 GOODWIN CONSULTING GROUP

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

ITEM: ACCEPTANCE OF FRONTAGE IMPROVEMENTS CONSTRUCTED BY TEICHERT & SONS, DBA TEICHERT CONSTRUCTION, AT 2131 & 2301 E. LOUISE AVENUE AND APPROVE A REIMBURSEMENT AGREEMENT WITH DPIF CA 1 LATHROP, LLC, FOR GRAVITY SEWER MAIN IN E. LOUISE AVENUE AND MCKINLEY AVENUE ASSOCIATED WITH THE LOGISTICENTER PROJECT

RECOMMENDATION: Adopt a Resolution Accepting the Frontage Improvements Constructed by Teichert & Sons, DBA Teichert Construction, at 2131 & 2301 E. Louise Avenue and Approve a Reimbursement Agreement with DPIF CA 1 Lathrop, LLC, for Design and Construction of a 10-inch and 12-inch Gravity Sewer Main in E. Louise Avenue and McKinley Avenue Associated with the Logisticenter Project

SUMMARY:

DPIF CA 1 Lathrop, LLC (DPIF), the developer for the Logisticenter (formerly Exel Warehouse Distribution Center) project located at 2131 & 2301 E. Louise Avenue, contracted with Teichert & Sons, DBA Teichert Construction (Teichert), to construct a 10-inch gravity sewer main on E. Louise Avenue from the Logisticenter to McKinley Avenue and a 12 inch gravity sewer main from the intersection of E. Louise Avenue and McKinley Avenue to the McKinley Sewer Pump Station to accommodate their needs as well as future flows from other benefitted properties. Teichert has completed construction of the gravity sewer main in accordance with Encroachment Permit No. 2016-36, as shown on the Sewer Improvement Plans for Logisticenter dated August 2016, by Kier & Wright Civil Engineers and Surveyors, Inc. The gravity sewer main was inspected by City staff, deemed complete and was accepted by City Council on February 11, 2019.

DPIF is eligible for partial reimbursement from users who connect to the gravity sewer main. The proposed reimbursement agreement requires the City to initiate a Capital Facility Fee (CFF) study to ultimately collect appropriate CFF's from those who develop their property and connect to the gravity sewer line.

Staff recommends that City Council approve the proposed reimbursement agreement with DPIF to initiate a CFF study to ultimately collect appropriate CFF's from those who develop their property and connect to the gravity sewer line in E. Louise Avenue and McKinley Avenue.

MARCH 11, 2019, CITY COUNCIL REGULAR MEETING**APPROVE REIMBURSEMENT AGREEMENT WITH DPIF CA 1 LATHROP, LLC,
FOR GRAVITY SEWER MAIN IN E. LOUISE AVENUE AND MCKINLEY AVENUE**

In addition, DPIF contracted with Teichert & Sons, DBA Teichert Construction (Teichert), to construct frontage improvements along the project location. These improvements included asphalt concrete overlay, curb and gutter, ADA compliant ramps, striping and markings, the relocation of street lights and fire hydrant assemblies. These frontage improvements were inspected by City staff and deemed complete.

Staff has received an Unconditional Waiver and Release for the work performed by Teichert Construction for the frontage improvements. Therefore, staff recommends that City Council accept these frontage improvements and authorize City staff to release the Frontage Improvements Performance Bond No. 800012900 for DPIF in the amount of \$603,000.00 in association with Encroachment Permit 2016-36.

BACKGROUND:

On May 11, 2016, the City's Planning Commission approved the developer's site plan for the development of the Logisticenter project by Resolution No. 16-10. The project site is located at 2131 and 2301 E. Louise Avenue. A condition of the project was to construct an off-site gravity sewer main from the project site to the McKinley Avenue pump station. The gravity sewer main was sized to accommodate the ultimate flows for the surrounding area.

On February 11, 2019, City Council accepted the gravity sewer main improvements for maintenance and authorized staff to release Off-Site Sewer Performance Bond No. 800012899 for DPIF CA 1 Lathrop, LLC, in association with Encroachment Permit No. 2016-36.

The total cost for design and construction of the gravity sewer main (\$1,091,557), paid by DPIF, are to be shared by areas of benefitting property owners as shown in Attachment B. In addition, in order for other benefitting properties to connect to the gravity main constructed by DPIF, a future gravity main will need to be constructed from the railroad tracks, to the west, to the intersection of E. Louise Avenue and McKinley Avenue. Of this total, DPIF's fair share is \$272,509 (unreimbursable costs). The remaining \$819,048 is reimbursable as the fair share of the properties listed in Attachment B. Those benefitting property owners will pay their fair share through the established CFF.

In addition, a condition of the project required the construction of frontage improvements from 2131 to 2301 E. Louise Avenue. These improvements were inspected by staff and deemed complete.

CITY MANAGER'S REPORT **PAGE 3**
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVE REIMBURSEMENT AGREEMENT WITH DPIF CA 1 LATHROP, LLC,
FOR GRAVITY SEWER MAIN IN E. LOUISE AVENUE AND MCKINLEY AVENUE

REASON FOR RECOMMENDATION:

Staff recommends that City Council accept the frontage improvements, approve the reimbursement agreement with DPIF for the gravity sewer line, and authorize the release of Frontage Improvements Performance Bond No. 800012900, in association with Encroachment Permit No. 2016-36.

FISCAL IMPACT:

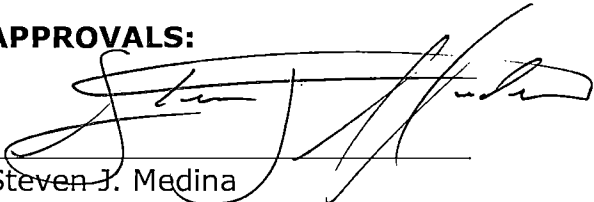
The developer will deposit the necessary cost to cover the establishment of the CFF. The frontage improvements are covered by the streets operational and maintenance fund. Therefore, there is no fiscal impact at this time.

ATTACHMENT:

- A. Resolution of the City Council of the City of Lathrop Accepting the Frontage Improvements Constructed by Teichert & Sons, DBA Teichert Construction, and Approving a Reimbursement Agreement with DPIF CA 1 Lathrop, LLC, for Design and Construction of Gravity Sewer Main in E. Louise Avenue and McKinley Avenue Associated with the Logisticcenter Project
- B. Reimbursement Agreement for Gravity Sewer Main in E. Louise Avenue and McKinley Avenue
- C. GASB 34 Report for Frontage Improvements

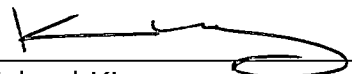
CITY MANAGER'S REPORT **PAGE 4**
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVE REIMBURSEMENT AGREEMENT WITH DPIF CA 1 LATHROP, LLC,
FOR GRAVITY SEWER MAIN IN E. LOUISE AVENUE AND MCKINLEY AVENUE

APPROVALS:



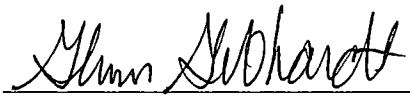
Steven J. Medina
Assistant Engineer

3/7/19
Date



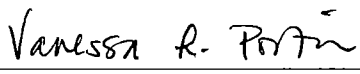
Michael King
Assistant Public Works Director

3-7-19
Date



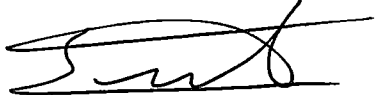
Glenn Gebhardt
City Engineer

3-7-19
Date

for 

Cari James
Administrative Services &
Director of Finance

3.7.19
Date



Salvador Navarrete
City Attorney

3-7-19
Date



Stephen J. Salvatore
City Manager

3.7.19
Date

RESOLUTION NO. 19-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING THE FRONTAGE IMPROVEMENTS CONSTRUCTED BY TEICHERT & SONS, DBA TEICHERT CONSTRUCTION, AND APPROVE A REIMBURSEMENT AGREEMENT WITH DPIF CA 1 LATHROP, LLC, FOR DESIGN AND CONSTRUCTION OF GRAVITY SEWER MAIN IN E. LOUISE AVENUE AND MCKINLEY AVENUE ASSOCIATED WITH THE LOGISTICENTER PROJECT

WHEREAS, on May 11, 2016, the City's Planning Commission approved the developer's site plan for the development of the Logisticenter project by Resolution No. 16-10; and

WHEREAS, as a part of the Conditions of Approval, DPIF CA 1 Lathrop, LLC (DPIF), was required to construct certain off-site improvements; and

WHEREAS, one condition of the project was to construct an off-site gravity sewer main from the project site to the McKinley Avenue Pump Station to accommodate their need and future flows from benefitting properties; and

WHEREAS, DPIF is eligible for partial reimbursement from owners of properties that develop and connect to this sewer line; and

WHEREAS, another condition of the project was to construct frontage improvements in accordance with Encroachment Permit No. 2016-36; and

WHEREAS, the frontage improvements have been inspected by staff and deemed complete; and

WHEREAS, staff recommends City Council approve the reimbursement agreement with DPIF and the City to establish a mechanism for DPIF to be reimbursed by other benefitting property owners, accept the frontage improvements for maintenance and authorize City staff to release the Frontage Improvements Performance Bond submitted by DPIF in the amount of \$603,000;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the frontage improvements, and authorize City staff to release the Frontage Improvements Performance Bond in association with Encroachment Permit 2016-36.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby approve the reimbursement agreement for the gravity sewer main with DPIF CA 1 Lathrop, LLC.

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

AYES:

NOES:

ABSTAIN:

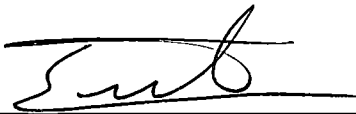
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

Exhibit A: E. Louise Sanitary Sewer Gravity Sewer Main

Gravity Main Cost

\$	1,089,214.00	Costs based on paid invoices
\$	2,343.00	Cost to establish CFF ✓
\$	-1,091,557.00	Actual Total
\$	195,320.90	Unreimbursable
\$	896,236	Reimbursable ✓

Cost Spread Method

Cost will be divided into fair share reimbursements as determined by parcel area and City wastewater generation factors for the parcels listed below or any subdivision thereof. The gravity main was designed to convey the flows from parcels that have frontage along the gravity main included here in Exhibit A. Wastewater Generation Factors are from Section 5 - Sewer System Standards, City Standards 2014. The unreimbursable amount is based on Pilot Travel Center's parcel size and generation factor.

Current Parcel Listing and Fair Share Amount

APN	Address	Dir	Street	Des	Area (acre)	General Plan Land Use Classification	Wastewater Generation Factor (gpd/acre)	¹ Wastewater Generation (gpd)	² Percent (%) of Total Wastewater Generation	³ Fair Share Cost
19808032	16178 S		McKinley	AV	0.88	Commercial Service	1200	\$ 1,056	0.6%	\$ 7,093
19808033	16188 S		McKinley	AV	0.08	Commercial Service	1200	\$ 99	0.1%	\$ 666
19810001	16175 S		McKinley	AV	2.12	Commercial Service	1200	\$ 2,544	1.6%	\$ 17,088
19810002	16263 S		McKinley	AV	5.00	Commercial Service	1200	\$ 6,000	3.7%	\$ 40,301
19810003	16351 S		McKinley	AV	6.33	Commercial Service	1200	\$ 7,596	4.7%	\$ 51,022
19810004	1631 E		Louise	AV	1.51	Commercial Service	1200	\$ 1,812	1.1%	\$ 12,171
19810005	1629 E		Louise	AV	1.50	Commercial Service	1200	\$ 1,800	1.1%	\$ 12,090
19810006	1683 E		Louise	AV	1.62	Commercial Service	1200	\$ 1,941	1.2%	\$ 13,040
19810007	1695 E		Louise	AV	1.90	Commercial Service	1200	\$ 2,286	1.4%	\$ 15,352
19810009	16490 S		McKinley	AV	0.15	Commercial Service	1200	\$ 180	0.1%	\$ 1,209
19810010	1909 E		Louise	AV	3.45	Commercial Service	1200	\$ 4,140	2.5%	\$ 27,808
19810011	16300 S		McKinley	AV	5.00	Commercial Service	1200	\$ 6,000	3.7%	\$ 40,301
19810012	16200 S		McKinley	AV	5.89	Commercial Service	1200	\$ 7,068	4.3%	\$ 47,475
19810013	16190 S		McKinley	AV	4.08	Commercial Service	1200	\$ 4,896	3.0%	\$ 32,886
19810015	2075 E		Louise	AV	0.16	Commercial Service	1200	\$ 191	0.1%	\$ 1,282
19810018	2445 E		Louise	AV	16.45	Limited Industrial	900	\$ 14,805	9.1%	\$ 99,444
19810019	2001 E		Louise	AV	6.78	Commercial Service	1200	\$ 8,136	5.0%	\$ 54,649
19810020	1919 E		Louise	AV	2.12	Commercial Service	1200	\$ 2,544	1.6%	\$ 17,088
										Unreimbursable
19810023	2131 E		Louise (Logisticcenter)	AV	32.31	Limited Industrial	900	\$ 29,079	17.9%	-\$195,321
19814013	1700 E		Louise	AV	9.68	Commercial Service	1200	\$ 11,616	7.1%	\$ 78,024
19814014	1644 E		Louise	AV	3.13	Commercial Service	1200	\$ 3,756	2.3%	\$ 25,229
19814015	1608 E		Louise	AV	3.23	Commercial Service	1200	\$ 3,876	2.4%	\$ 26,035
19816001	1850 E		Louise	AV	13.74	Commercial Service	1200	\$ 16,488	10.1%	\$ 110,748
19816002	2050 E		Louise	AV	20.50	Commercial Service	1200	\$ 24,600	15.1%	\$ 165,236
Total					147.61			162,509	82%	\$ 896,236

Exhibit A: E. Louise Sanitary Sewer Gravity Sewer Main

Total Gravity Main Cost - Present and Future

Total amount due upon connecting to the gravity sewer main in E. Louise Avenue.

Current Parcel Listing and Fair Share Amount

APN	Address	Dir	Street	Des	Total Cost
19808032	16178 S		McKinley	AV	\$ 9,896
19808033	16188 S		McKinley	AV	\$ 929
19810001	16175 S		McKinley	AV	\$ 23,841
19810002	16263 S		McKinley	AV	\$ 56,228
19810003	16351 S		McKinley	AV	\$ 71,185
19810004	1631 E		Louise	AV	\$ 16,981
19810005	1629 E		Louise	AV	\$ 16,868
19810006	1683 E		Louise	AV	\$ 18,193
19810007	1695 E		Louise	AV	\$ 21,418
19810009	16490 S		McKinley	AV	\$ 1,687
19810010	1909 E		Louise	AV	\$ 38,797
19810011	16300 S		McKinley	AV	\$ 56,228
19810012	16200 S		McKinley	AV	\$ 66,237
19810013	16190 S		McKinley	AV	\$ 45,882
19810015	2075 E		Louise	AV	\$ 1,789
19810018	2445 E		Louise	AV	\$ 138,742
19810019	2001 E		Louise	AV	\$ 76,245
19810020	1919 E		Louise	AV	\$ 23,841
					Total Unreimbursable
19810023	2131 E		Louise (Logisticcenter)	AV	-\$272,509
19814013	1700 E		Louise	AV	\$ 108,857
19814014	1644 E		Louise	AV	\$ 35,199
19814015	1608 E		Louise	AV	\$ 10,289
19816001	1850 E		Louise	AV	\$ 154,514
19816002	2050 E		Louise	AV	\$ 230,535

Total Reimbursable for Logisticcenter Project

=	-\$272,509	+	\$1,091,557	=	\$819,048
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Areas Corresponding to Exhibit A: E. Louise Avenue Sanitary Sewer Gravity Sewer Main



Note: Extent of Parcels Used to convey Flows to McKinley Sewer Pump Station via E. Louise Avenue and McKinley Avenue Gravity Sewer Main

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

Date 02/26/19

Invoice Item	Description	Cost
	Saw Cut AC; Fine grade Ep to RW; Class 2 AB; 7-inch AC pavement; 2-inch minimum overlay Curb & gutter detail R7A (ADD for additional PCC) Commercial driveways; Handicap ramps; 10-feet PCC sidewalk Striping and markings Relocate existing 25-foot decorative street lights Fire hydrant assemblies Traffic control	
	Total	\$ 297,807.00

Attachment C

**REIMBURSEMENT AGREEMENT FOR GRAVITY SEWER MAIN IN E.
LOUISE AVENUE AND MCKINLEY AVENUE**

This Reimbursement Agreement for the Gravity Sewer Main (“*Agreement*”) is made and entered into this 11th day of March 2019, (“*Effective Date*”) by and between the City of Lathrop (“*City*”), a municipal corporation of the State of California (“*City*”) and DPIF CA 1 Lathrop, LLC, a California Limited Liability Company, (“*Developer*”). City and Developer may be collectively referred to herein as the “*Parties*” or individually as a “*Party*”.

RECITALS

WHEREAS, on May 11, 2016, the Planning Commission of the City of Lathrop approved the Site Plan Review (SPR-15-79) which established the conditions for the construction of a warehouse distribution facility at 2131 E. Louise Avenue; and

WHEREAS, SPR-15-79 approval was subject to Public Works Condition of Approval No. 5, “Applicant shall construct an off-site sewer from the project property to the McKinley Avenue pump station; the method of sewer tie-in shall be via gravity sewer main or a combination of gravity and force sewer mains. The Applicant shall size all gravity sewer mains to accommodate the ultimate flows for the surrounding areas. Applicant is eligible for partial reimbursement from users who connect to this line. The Applicant shall enter into a reimbursement agreement with the City. The sewer system shall be constructed prior to any occupancy being granted.”; and

WHEREAS, pursuant of Lathrop Municipal Code 13.16.190, this Reimbursement Agreement establishes a mechanism to reimburse the Developer for a proportionate share of the incurred cost of oversizing the construction improvements to the Gravity Sewer Main in E. Louise Avenue and McKinley Avenue. Such proportionate share shall be based on area of the land or lands of the future users, the wastewater generation factor as described in Section 5 - Sewer System Standards, City Standards 2014, and the wastewater generation of future users.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and understandings hereinafter set forth, City and Developer hereby set forth their agreement as follows:

AGREEMENT

1. Recitals. The recitals set forth above are true and correct and made a part of this Agreement.
2. Project. The Project consists of the construction of a Gravity Sewer Main in E. Louise Avenue and McKinley Avenue as approved by the City Engineer (“*Project*”). Developer has designed, funded and constructed the Project in conformance with City Standards.
3. Reimbursement

(a) The Developer has completed the Project. City Council has accepted the improvements, Developer is eligible to be reimbursed for a portion of the Actual Costs as described in (b) below.

REIMBURSEMENT AGREEMENT FOR GRAVITY SEWER MAIN IN E. LOUISE AVENUE AND MCKINLEY AVENUE

(b) "Actual Costs" includes those design costs, construction costs, and other costs for a total of **\$1,091,557** as detailed in Exhibit A attached hereto.

(c) The Developer's unreimbursable expenses associated with the off-site improvements are defined as those expenses associated with Gravity Sewer Main in E. McKinley Avenue and McKinley Avenue. Specifically, the percent total flow of the wastewater generated multiplied by the Actual Costs calculated as **\$272,509** based on parcel area and City wastewater generation factors ("Unreimbursable Sewer Line Expense" as detailed in Exhibit A).

(d) The Developer shall not have the right to reimbursement for sums contributed by the Developer in excess of the Actual Costs minus the Unreimbursable Sewer Line Expense **\$1,091,557 - \$272,509 = \$819,048**

(e) Lathrop Municipal Code 13.16.19 states:

Where an applicant for sewer service is so located that it is necessary to construct or cause to be constructed a new main, service line, pump, lift station or other sewer facilities, or to expand or replace such facilities, the applicant shall be responsible for such work. The city may require that such work be oversized in order to provide for future use by others of such work, and, in the event the city so requires, the cost of such oversizing shall be determined, and the city may require future users of such facilities to reimburse the original builder for a proportionate share of the cost of such oversizing. Such proportionate share shall be based on frontage of the land or lands of the future user, will be collected at the time of connection to the works, and reimbursed to the original builder within thirty (30) days of collection. In no event shall the city be liable for reimbursement to the original builder unless and until such reimbursement is collected from the new users. In no event shall the city be liable for failure to make such collection. No such collection or reimbursement will be made after ten (10) years from the date of completion of the original work or works.

(f) Lathrop Municipal Code 3.20.040 states:

The fees imposed by the city pursuant to this title shall be used to pay for the cost of providing specified public facilities, as described in implementing resolutions. As described in each implementing resolution, the specified public facilities will be categorized into separate and distinct sets of public facilities based upon the type of public facility to be provided, the geographical area served by the public facility, or other identifying features. Each separate set of specified public facilities described in an implementing resolution shall be referred to in this title as a "public facility category."

(g) Based on the above, the City shall establish a Capital Facilities Fee (CFF), with all costs to establish the CFF to be paid by the Developer and included in "Actual Costs" above, to collect reimbursement from developers of properties benefited by the Project for a period of ten (10) years. The aforementioned ten (10) year period shall begin

**REIMBURSEMENT AGREEMENT FOR GRAVITY SEWER MAIN IN E. LOUISE AVENUE
AND MCKINLEY AVENUE**

on the effective date of CFF.

4. City to Use Best Efforts to Perform Agreement. City agrees to use its best efforts, and take all reasonable and necessary actions to provide reimbursement fees as mentioned in reimbursement item 5(g), above.
5. Counterparts. This Agreement may be executed in counterparts, and each fully executed counterpart will be considered an original document.
6. Partial Invalidation. If any term or provision of this Agreement shall be deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.
7. Waivers. No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.
8. Successors and Assigns. This Agreement is binding upon and insures to the benefit of the permitted successors and assigns of the parties hereto.
9. Entire Agreement. This Agreement constitutes the entire contract between the parties hereto with respect to the subject matter hereof and may not be modified except by an instrument in writing signed by the party to be charged.
10. Time is of the Essence. City and Developer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof.
11. Construction and Survival of Provisions. This Agreement has been prepared jointly by the parties and their professional advisors. City and Developer and their respective advisors believe that this Agreement is the product of all their efforts that expresses their agreement and that it should not be interpreted in favor of or against either Developer or City. The parties further agree that this Agreement will be constructed to effectuate the normal and reasonable expectations of a sophisticated City and Developer.
12. Governing Law. The parties hereto expressly agree that this Agreement will be governed by, interpreted under, and constructed and enforced in accordance with the laws of the State of California.
13. No Recordation. No memorandum or other document relating to this Agreement shall be recorded without the prior written consent of City.

REIMBURSEMENT AGREEMENT FOR GRAVITY SEWER MAIN IN E. LOUISE AVENUE AND MCKINLEY AVENUE

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the Effective Date.

DEVELOPER

DPIF CA 1 Lathrop, LLC.

By: _____ Date: _____

Name: _____

Title: _____

CITY

CITY OF LATHROP, a municipal corporation in the County of San Joaquin, State of California

By: _____ Date: _____

Stephen J. Salvatore
City Manager

APPROVED AS TO FORM:

By: _____ Date: _____

Salvador Navarrete
City Attorney

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

ITEM: APPROVAL OF PUBLIC ACCESS AND UTILITIES EASEMENTS TO SERVE LATHROP-MANTECA FIRE DISTRICT STATION NO. 35

RECOMMENDATION: Adopt Resolution Approving Access and Utility Easements, Rejecting Irrevocable Offers of Street Dedication and Approving an Improvement Agreement for Frontage Improvements to Lathrop-Manteca Fire District Fire Station No. 35

SUMMARY:

Pursuant to an agreement between River Islands Development, LLC ("RID") dated July 17, 2018 and the Lathrop-Manteca Fire District ("LMFD") and Conditional Use Permit 15-86, approved on March 23, 2016, by the Lathrop Planning Commission, to construct a new fire station within the employment center district of the River Islands at Lathrop has been substantially completed to serve the residents of River Islands and the surrounding area.

This new station, Station 35 as named by LMFD, has been constructed at the southwest corner of future Somerston Parkway and Golden Valley Parkway on a 1.98-acre site, as shown on Attachment B to this report. The actual parcel being created for dedication by RID to LMFD is shown on Attachment C.

While the Station 35 location is ideal for both near term and future access, it is the first permanent use within the River Islands Employment Center District (Business Park) and interim utilities and access roads are necessary to serve the site until other development in the Business Park extends permanent utilities and roadway improvements. An interim extension of Somerston Parkway has been constructed to serve as the public access to Station 35. Also, an emergency vehicle access easement or "EVAE" is being provided along the future alignment of Golden Valley Parkway to allow an existing all-weather roadway (compacted gravel) to be used for LMFD trucks and personnel to access Lakeside Drive and Stewart Road and utility Manthey Road and Interstate 5.

RID is also offering for dedication the utility rights of way necessary for both Somerston Parkway and Golden Valley Parkway. This will give the City the ability to accept the full right of way of these major streets when full improvements are constructed or guaranteed.

Finally, half street improvements are being guaranteed with an Improvement Agreement and guarantee bonds. Attachment D depicts the various easements and access points necessary to serve Station 35.

**CITY MANAGER'S REPORT
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVAL OF PUBLIC ACCESS AND UTILITIES EASEMENTS TO SERVE
LATHROP MANTECA FIRE DISTRICT STATION NO. 35**

PAGE 2

The resolution, included as Attachment A to this report, if approved, would approve and direct the City Clerk to accept, execute and record interim access and utility easements associated with Station 35, would reject the irrevocable offers of dedication for Somerston Way and Golden Valley Parkway, and would approve the Improvement Agreement to guarantee half street improvements on the frontages of the Fire Station 35.

BACKGROUND:

Since the River Islands project began construction in 2012, the LMFD has been tracking response times to the various uses and neighborhoods within River Islands. The location of Station 35 was chosen by the LMFD Chief to provide access to a large portion of the River Islands Community quickly, including all of the Phase 1 development area. LMFD is planning a second station within River Islands Phase 2 area in the future when development patterns and response times warrant it. An agreement between RID and LMFD provides the terms and conditions to which Station 35 was funded for construction and operation. The 12,836 square foot facility includes living quarters for LMFD firefighters, administrative offices for the Chief, Battalion Chiefs and other administrative personnel, a reception area for the public, a conference room, apparatus bay for fire trucks and equipment and a community meeting room that will be used by the LMFD Board of Directors for their public meetings. The conference room can also be used by other community groups and organizations.

The site for Station 35 was chosen due to its close proximity to major east-west and north-south arterial streets in River Islands that can provide quick access to all existing and future areas of the River Islands development, as well as other areas of the City and the LMFD service boundary. Nearby freeways are also accessible by utilizing an emergency vehicle access easement to Lakeside Drive/Stewart Road/Manthey Road.

During the design of Station 35, LMFD applied for and received a conditional approval of the station with the Planning Commission's approval of Conditional Use Permit 15-86. The conditions of approval require River Islands to extend public access and utilities to the site and to guarantee frontage improvements associated with Golden Valley Parkway and Somerston Parkway. This extension includes two paved travel lanes, shoulders and a paved ADA access (sidewalk) to provide pedestrian access to Station 35 from existing neighborhoods in River Islands. It also includes interim water, sewer, storm drainage and telecommunications services to the site.

As previously mentioned, a number of interim and permanent easements and offers of dedication are required for Station 35. It should be noted that the station is ready for temporary occupancy at this time, but issuance of final certificate of occupancy by the Building official cannot be provided without legal public access established.

CITY MANAGER'S REPORT **PAGE 3**
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVAL OF PUBLIC ACCESS AND UTILITIES EASEMENTS TO SERVE
LATHROP MANTECA FIRE DISTRICT STATION NO. 35

In addition to the required easements, the conditional use permit for Station 35 required improvements associated with roadways adjacent to the fire station site to be either completed or guaranteed. Because the full improvements associated with Golden Valley Parkway and Somerston Parkway extend major utility lines to serve the entire Employment Center area, fully extending these arterial roadways is not feasible at this time to serve only Station 35. RID has guaranteed construction of half of the street on Somerston Way and Golden Valley Parkway associated with the frontage of Station 35 site. This was satisfied with a performance bond and labor and materials bond. An Improvement Agreement included as Exhibit C to Attachment D was drafted to bind RID to the guarantee and set the amount and conditions for the bonds.

If RID fails to construct the frontage improvements adjacent to Fire Station 35 in the future, the City needs to construct the improvements within City right of way. For that reason, in addition to the interim access and utility improvements constructed by RID, RID also provided an Irrevocable Offer of Dedication of Somerston Way and Golden Valley Parkway. However, the City would not typically accept dedication of public streets until the improvements are constructed. For that reason, staff is recommending that the Council reject the Irrevocable Offers of Dedication, but record those offers so the City Council can accept them in the future either once the improvements are constructed, or in order to allow the City to construct them. The Irrevocable Offers of Dedication remain open, and can be accepted by the City at any time in the future.

The attached resolution directs that the easements dedications in Exhibit A be approved, that the irrevocable offers of dedication in Exhibit B be rejected, and that the Improvement Agreement in Exhibit C be approved, as shown on Attachment D to this report:

- Exhibit A:** Easement 1: Interim Public Access Easement (PAE) and Public Utilities Easement (PUE) for Somerston Parkway and for Golden Valley Parkway Adjacent to the Fire Station to provide interim public access to Station 35.
Easement 2: PUE for a water service
Easement 3: PUE for a fire service
Easement 4: PAE for expansion of Somerston cul-de-sac
Easement 5: Emergency Vehicle Access Easement (EVAE) along Golden Valley Parkway alignment from Station 35 to Stewart Road/Lakeside Drive.
- Exhibit B:** Easement 1, 2 and 3: Offer of Dedication for the utility right of way for Somerston Parkway
Easement 4 and 5: Offer of Dedication for utility right of way for Golden Valley Parkway
- Exhibit C:** Improvement Agreement for half streets for Somerston and Golden Valley associated with the frontage of Station 35 site.

CITY MANAGER'S REPORT **PAGE 4**
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVAL OF PUBLIC ACCESS AND UTILITIES EASEMENTS TO SERVE
LATHROP MANTECA FIRE DISTRICT STATION NO. 35

Upon Council action, the City Clerk can accept and record the easements, The City Clerk can reject and record the irrevocable offers of dedication, and the City Manager can execute the Improvement Agreement.

REASON FOR RECOMMENDATION:

Staff recommends accepting the access and utility easements, rejecting the irrevocable offers of dedication and approving the Improvement Agreement to provide public access and utilities to the LMFD Station 35 site by approving the resolution provided as Attachment A to this report.

BUDGET IMPACT:

There is no budget impact to the City. All City costs are covered by the developer. River Islands is also providing funds necessary to defray any staff time required to process their request.

ATTACHMENTS:

- A. A Resolution of the City Council of the City of Lathrop Approving Certain Easements and Offers of Easements for Access and Utilities and Approving an Improvement Agreement for Frontage Improvements to Lathrop Manteca Fire District Fire Station No. 35
- B. Vicinity Map of Fire Station 35
- C. For the proposed Fire Station 35 Parcel
- D. Map of all easements, Right-of-Way dedication and Offers of Dedication for Fire Station 35


Exhibit A: Easement 1: Interim Public Access Easement (PAE) and Public Utilities Easement (PUE) for Somerston Parkway and for Golden Valley Parkway Adjacent to the Fire Station to provide interim public access to Station 35.
Easement 2: PUE for a water service
Easement 3: PUE for a fire service
Easement 4: PAE for expansion of Somerston cul-de-sac
Easement 5: Emergency Vehicle Access Easement (EVAE) along Golden Valley Parkway alignment from Station 35 to Stewart Road/Lakeside Drive.

Exhibit B: Easement 1, 2 and 3: Offer of Dedication for the utility right of way for Somerston Parkway
Easement 4 and 5: Offer of Dedication for utility right of way for Golden Valley Parkway

Exhibit C: Improvement Agreement for half streets for Somerston and Golden Valley associated with the frontage of Station 35 site.

CITY MANAGER'S REPORT **PAGE 5**
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVAL OF PUBLIC ACCESS AND UTILITIES EASEMENTS TO SERVE
LATHROP MANTECA FIRE DISTRICT STATION NO. 35

APPROVALS



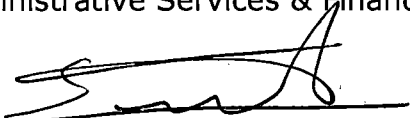
Glenn Gebhardt
City Engineer 3/7/19

Date

for 


Cari James
Administrative Services & Finance Director 3.7.19

Date



Salvador Navarrete
City Attorney 3.7-19

Date



Stephen J. Salvatore
City Manager 3.7.19

Date

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING ACCESS AND UTILITY EASEMENTS, REJECTING IRREVOCABLE OFFERS OF STREET DEDICATION AND APPROVING AN IMPROVEMENT AGREEMENT FOR FRONTAGE IMPROVEMENTS TO LATHROP MANTECA FIRE DISTRICT FIRE STATION NO. 35

WHEREAS, on March 23, 2016, the Lathrop Planning Commission approved Conditional Use Permit 15-86 (CUP-15-86), which allows for the construction and operation of Lathrop Manteca Fire District ("LMFD") Fire Station No. 35 ("Station 35"); and

WHEREAS, CUP-15-86 provides a number of conditions of approval necessary for the orderly development of Station 35, including the provision of public utilities, access and the guarantee of frontage improvements to the Station 35 site; and

WHEREAS, River Islands Development, LLC ("RID") entered into an agreement with LMFD for mitigation of impacts associated with the River Islands at Lathrop development, including financing of Station 35 and provision of the real property associated with Station 35; and

WHEREAS, RID has accepted responsibility for the provisions of public utilities and access necessary for Station 35 and its consultants and engineers have drafted the necessary legal descriptions, plats, deeds and related documents to establish the legal basis for the various easements, irrevocable offers of dedication and Improvement Agreement associated with Station 35, with such documents transmitted with the City Manager's Report entitled "Approval of Public Access and Utilities to Serve Lathrop Manteca Fire District Station Number 35" for the March 11, 2019 Council meeting as Exhibits "A" through "C" of Attachment D, and these documents are included and incorporated herein; and

WHEREAS, RID has entered into an Improvement Agreement and has posted performance and labor and materials bonds to guarantee construction of half streets for Somerston and Golden Valley associated with the frontage of Station 35 site; and

WHEREAS, the City wishes to accept and record Exhibit "A" of Attachment "D" to provide interim public access and utilities for Station 35, to reject and record Exhibit "B" to allow acceptance of these street dedications in the future, and to approve the Improvement Agreement. Details of these documents are identified in the March 11, 2019 City Manager's Report, but are repeated below for clarity:

- Exhibit A: Easement 1: Interim Public Access Easement (PAE) and Public Utilities Easement (PUE) for Somerston Parkway and for Golden Valley Parkway Adjacent to the Fire Station to provide interim public access to Station 35.
Easement 2: PUE for a water service
Easement 3: PUE for a fire service

Easement 4: PAE for expansion of Somerston cul-de-sac
Easement 5: Emergency Vehicle Access Easement (EVAE) along
Golden Valley Parkway alignment from Station 35 to Stewart
Road/Lakeside Drive.

Exhibit B: Easement 1, 2 and 3: Irrevocable Offer of Dedication for the
ultimate right of way for Somerston Parkway
Easement 4 and 5: Irrevocable Offer of Dedication for ultimate
right of way for Golden Valley Parkway

Exhibit C: Improvement Agreement for half streets for Somerston and
Golden Valley associated with the frontage of Station 35 site.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of
Lathrop approves the following actions:

1. That the City Manager, or their designee, is authorized to accept and
record the public access easements, public utility easements and emergency vehicle
access easements in substantially the form as attached to the March 11, 2019 City
Manager report, as Exhibit A to Attachment D.

2. That the City hereby rejects the Irrevocable Offer of Dedication for
Somerston Way and Golden Valley Parkway in substantially the form as attached to
the March 11, 2019 City Manager report, as Exhibit B to Attachment D, and that the
City Manager, or their designee, is authorized to record the Irrevocable Offer of
Dedication with the San Joaquin County Assessor/Recorder/County Clerk Office to
allow the City Council to accept these offers of street dedication in the future.

3. That the City Manager, or their designee, is authorized to execute an
Improvement Agreement with River Islands Development, LLC, in substantially the
form as attached to the March 11, 2019 staff report, as Exhibit C to Attachment D,
and the final executed copy will be filed with the City Clerk.

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

AYES:

NOES:

ABSTAIN:

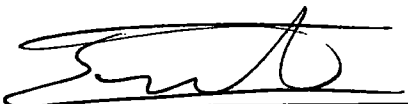
ABSENT:

Sonny Dhaliwal, Mayor




ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:

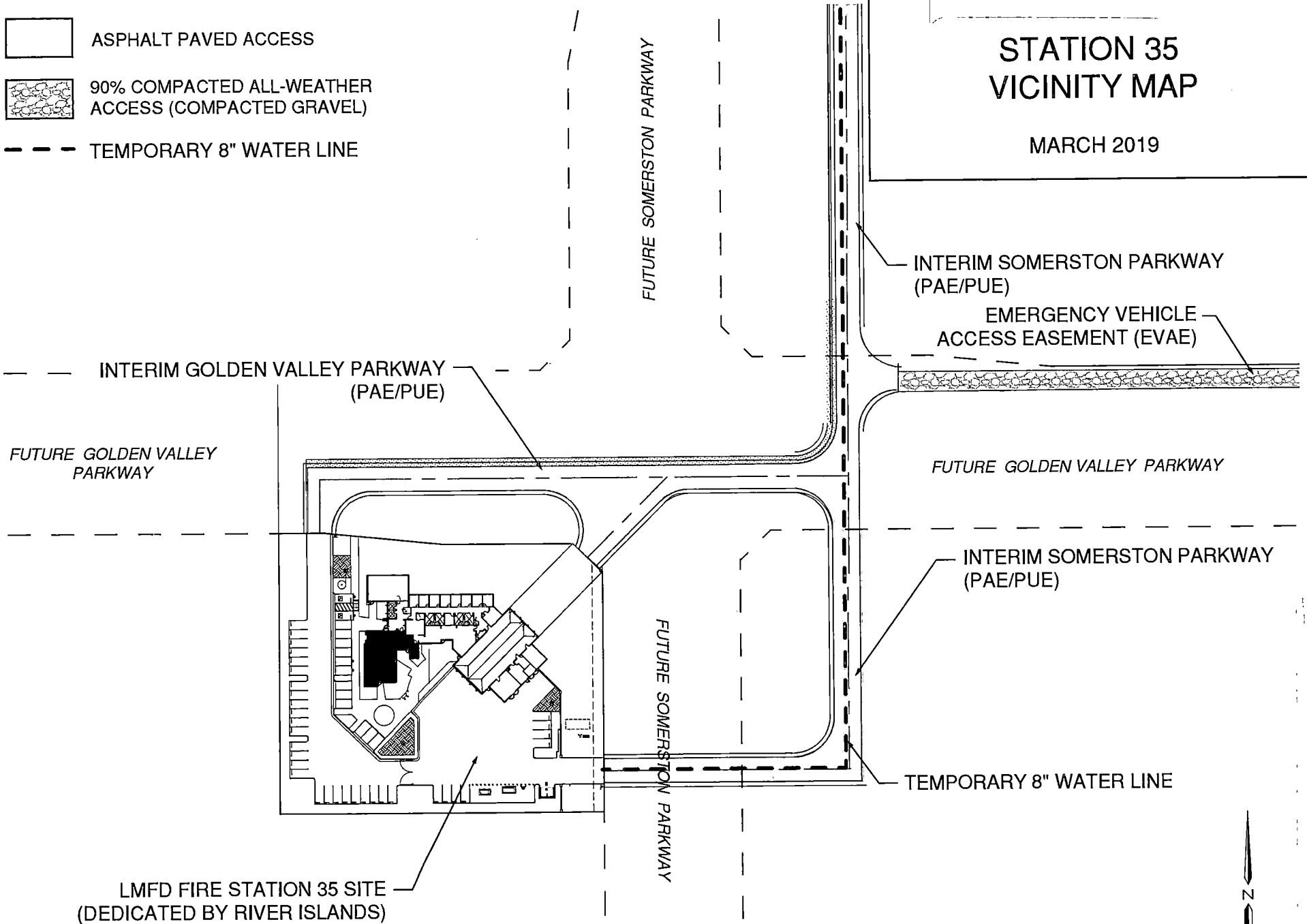


Salvador Navarrete, City Attorney

-  ASPHALT PAVED ACCESS
-  90% COMPACTED ALL-WEATHER ACCESS (COMPACTED GRAVEL)
-  TEMPORARY 8" WATER LINE

**STATION 35
VICINITY MAP**

MARCH 2019



LMFD FIRE STATION 35 SITE
(DEDICATED BY RIVER ISLANDS)

INTERIM SOMERSTON PARKWAY
(PAE/PUE)
EMERGENCY VEHICLE
ACCESS EASEMENT (EVAE)

FUTURE GOLDEN VALLEY PARKWAY

INTERIM SOMERSTON PARKWAY
(PAE/PUE)

TEMPORARY 8" WATER LINE

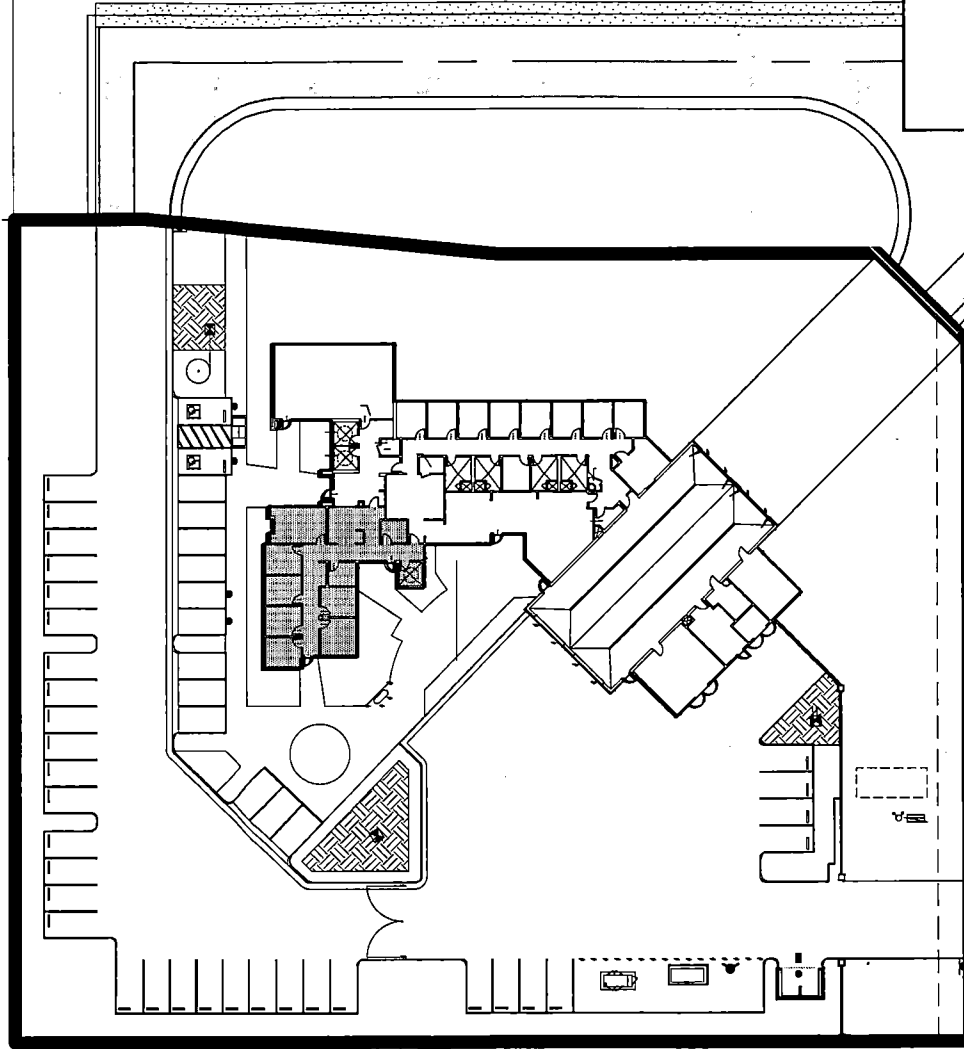
ATTACHMENT B



NO SCALE

PROPOSED
FIRE STATION
PARCEL

MARCH 2019



STATION 35
PARCEL BOUNDARY
(1.98 ACRES)

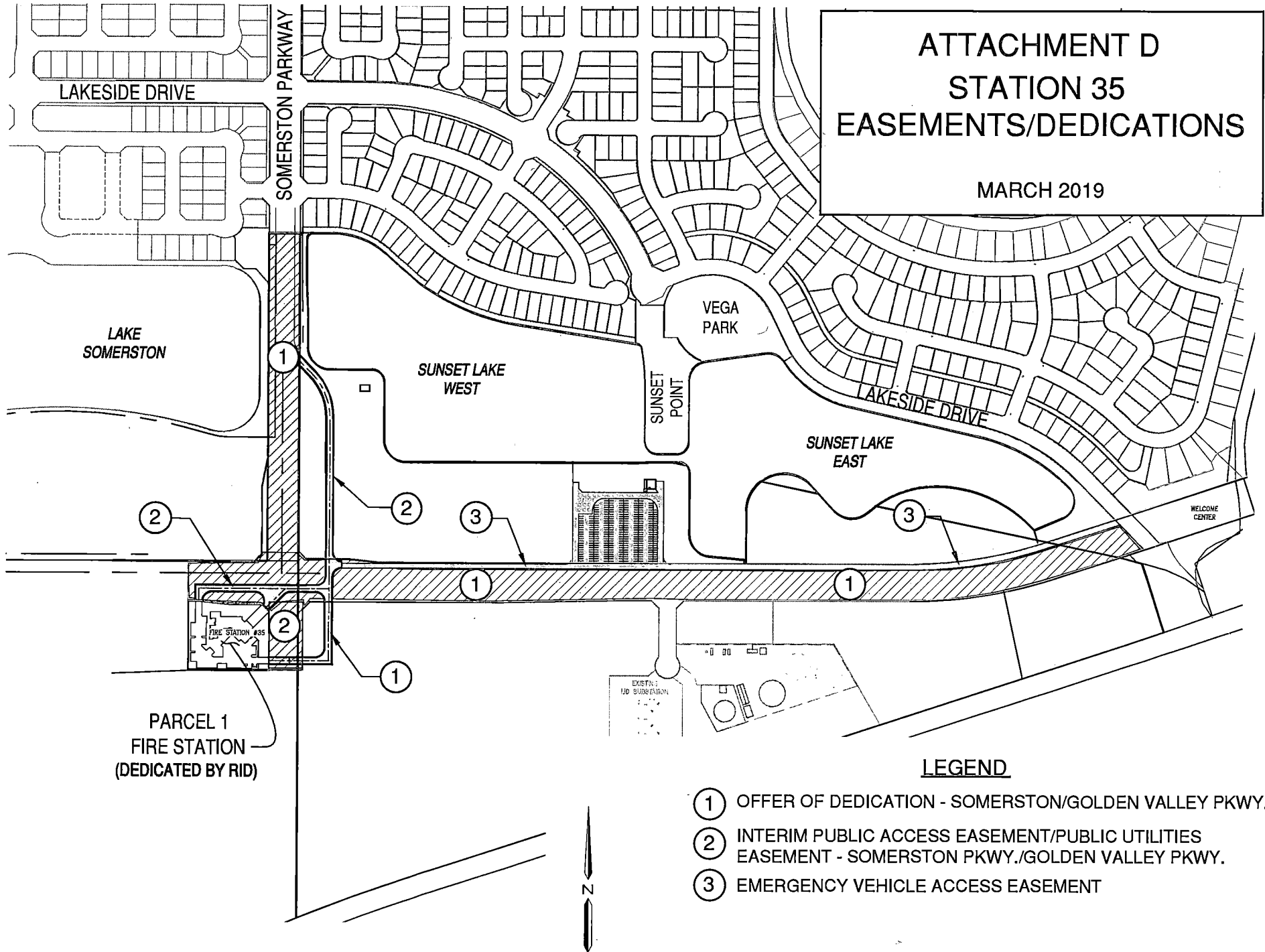
ATTACHMENT C



NO SCALE

ATTACHMENT D STATION 35 EASEMENTS/DEDICATIONS

MARCH 2019



PARCEL 1
FIRE STATION
(DEDICATED BY RID)

LEGEND

- ① OFFER OF DEDICATION - SOMERSTON/GOLDEN VALLEY PKWY.
- ② INTERIM PUBLIC ACCESS EASEMENT/PUBLIC UTILITIES EASEMENT - SOMERSTON PKWY./GOLDEN VALLEY PKWY.
- ③ EMERGENCY VEHICLE ACCESS EASEMENT

ATTACHMENT D

**RECORDING REQUESTED BY
AND PLEASE RETURN TO:**

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

Exempt from payment of recording fees (GC 27383)

THIS SPACE ABOVE FOR RECORDER'S USE ONLY

**PUBLIC ACCESS, PUBLIC UTILITY AND EMERGENCY VEHICLE ACCESS
EASEMENT DEED**

This Deed for Public Access Easements, Public Utility Easements and Emergency Vehicle Access Easements ("PAE/PUE/EVAE Deed") dated as of March __, 2019, is made and entered into by and between River Islands Development, LLC, a California limited liability company, ("Grantor") and the City of Lathrop, a municipal corporation ("Grantee").

RECITALS

A. Grantor is the owner of certain real property situated in the City of Lathrop, San Joaquin County, California (hereafter referred to as the "Easement Area"), and more particularly described in Exhibit A, attached to this PAE/PUE/EVAE Deed and hereby incorporated by reference.

B. Grantee is or will be the operator of certain public utilities and public roadways which serve the Easement Area and other real property situated in the City of Lathrop, San Joaquin County, California and may therefore be the beneficiary of an easement in gross. Certain public utilities, including a potable water line and fire service line and related appurtenances, and paved roadways and walkways for public access and all weather roadway (compacted gravel) for emergency vehicle access are being constructed for benefit of the City of Lathrop, (collectively, the "Improvements") over, under and across a portion of the Easement Area.

C. Grantee desires the right of ingress and egress over and across a portion of the Easement Area for public access purposes.

D. Grantee desires the right of ingress and egress over and across a portion of the Easement Area for emergency vehicle access purposes.

E. Grantee desires to acquire public utility, public access and emergency vehicle access rights in the Easement Area.

NOW, THEREFORE, for good and sufficient consideration, the receipt and adequacy of which is hereby acknowledged, Grantor and Grantee agree as follows:

1. Grant of Easements. Grantor grants to Grantee the following easements as detailed in Exhibit A to this PAE/PUE/EVAE Deed:

- a) Easement 1: Interim Public Access Easement (PAE) and Public Utilities Easement (PUE) for Somerston Parkway and for Golden Valley Parkway Adjacent to the proposed Station 35 Fire Station.
- b) Easement 2: Public Utility Easement (PUE) for potable water service to Station 35 Fire Station.
- c) Easement 3: Public Utility Easement (PUE) for a fire water service to Station 35 Fire Station.
- d) Easement 4: Public Access Easement (PAE) for the expansion of the Somerston Parkway cul-de-sac.
- e) Easement 5: Emergency Vehicle Access Easement (EVAE) along Golden Valley Parkway alignment from Station 35 Fire Station to Stewart Road/Lakeside Drive.

2. Description of Easements. The easements granted in this Deed include a Public Utility Easement, Public Access Easement and Emergency Vehicle Access Easement for the construction, installation, operation and maintenance of the Improvements over, under and across the Easement Area. Grantee shall use the easements granted hereunder, and shall conduct all activities within the Easement Area, in accordance with applicable law and all recorded covenants, conditions and restrictions affecting the Easement Area which are of record at the commencement of the Term of this easement as specified in paragraph 6 below.

3. Secondary Easements. The easement granted in this Deed includes the following incidental rights: the right to ingress and egress over the Easement Area at all times and to perform such activities on the Easement Area as are reasonably necessary for the construction, installation, operation and maintenance of the Improvements (“Construction Access”). In exercising these rights, Grantee must use reasonable care and may not unreasonably increase the burden on the Easement Area or make any material changes to the Easement Area other than as necessary to construct, install, operate and maintain public utilities as contemplated herein.

4. Grantee Covenants. Grantee agrees to use the Easement Area only in a manner consistent with the terms and conditions hereof. In the event that Grantor gives Grantee written notice that Grantee’s use of the Easement Area violates the terms and conditions of this Easement, Grantee shall promptly take such steps as are necessary to cure such violation. Grantee shall not make any changes to the Easement Area that are inconsistent with the purposes of this easement as herein described, without the prior written consent of Grantor, which consent shall not be unreasonably withheld, conditioned or delayed. Any above-grade Improvements to the Easement

Area shall be subject to the prior written approval of the Grantor, which approval shall not be unreasonably withheld, conditioned or delayed. Grantee shall repair and maintain the Improvements at no cost to Grantor. Grantee shall restore the surface of the Easement Area following any construction, installation, or maintenance of the Improvements to as good or better a condition as existed prior to that construction, installation or maintenance.

5. Indemnity. Grantee agrees to indemnify, defend and hold Grantor, and Grantor's employees and agents, harmless from and against all fines, suits, losses, costs, expenses, liabilities, claims, demands, actions, damages and judgments, including reasonable and actual attorneys' fees and costs of suit (collectively, "Claims") arising from the use of the Easement Area by Grantee or its occupants, licensees, invitees or guests.

6. Term. The easement granted in this PAE/PUE/EVAE Deed shall commence on the date the PAE/PUE/EVAE Deed is recorded in the official records of San Joaquin County and shall terminate upon the recordation/filing of a final map or parcel map, as defined by the California Subdivision Map Act, over the Easement Area with San Joaquin County in its official records or should otherwise be quitclaimed by City in the future. City shall require that Grantor or successor in interest, to provide substitute Public Utility Easement(s) and/or Public Access Easements(s) and/or Emergency Vehicle Access Easement(s) in the form and location approved by the City Engineer with any final map or parcel map used to terminate this Agreement.

7. Nonexclusive Easement. The easements granted in this Deed is nonexclusive. Grantor retains the right to make any use of the Easement Area, including the right to grant concurrent easements in the Easement Area to third parties that do not interfere with Grantee's free use and enjoyment of the easement.

8. Deed Non-assignable. This Deed shall not be assigned other than by Grantee and in that case only for public utility purposes. Any other purported assignment of this Deed or of any interest in this Deed shall be void and of no effect.

9. Entire Agreement. This Deed constitutes the entire agreement between Grantor and Grantee relating to the above easement. Any prior agreements, promises, negotiations, or representations with respect to the use of the Easement Area for public utility purposes that are not expressly set forth in this Deed are of no force and effect. Except as provided in paragraph 6 above, any amendment to this Deed shall be of no force and effect unless it is in writing and signed by Grantor and Grantee.

10. Binding Effect. This Deed shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors, and assigns of Grantor and Grantee.

IN WITNESS WHEREOF, the parties hereto have executed this Deed as of the date shown above.

GRANTOR:

River Islands Development, LLC

GRANTEE:

CITY OF LATHROP, a municipal corporation


Name: Susan Dell'Osso
Its: President

Name: Stephen Salvatore,
By: City Manager

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

NOTARY ACKNOWLEDGMENT TO FOLLOW

EXHIBIT "A"
EASEMENT AREA DESCRIPTION
(Follows this Page)

**EXHIBIT A
LEGAL DESCRIPTION
FIRE STATION 35 EASEMENTS
(PUBLIC UTILITY EASEMENTS, PUBLIC ACCESS EASEMENTS,
EMERGENCY VEHICLE ACCESS EASEMENT)
RIVER ISLANDS, STAGE 1
LATHROP, CALIFORNIA**

CERTAIN REAL PROPERTY SITUATE IN THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

EASEMENT 1 (PUBLIC ACCESS AND UTILITY EASEMENT):

BEING PORTIONS OF: (1) PARCELS 1 AND 2, AS SAID PARCELS ARE SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY; AND (2) LOT B, AS SAID LOT IS SHOWN ON THE MAP ENTITLED "TRACT 3861, RIVER ISLANDS, VILLAGE C1", FILED APRIL 10, 2015, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 34, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEASTERN CORNER OF PARCEL 5, AS SAID PARCEL 5 IS SHOWN ON THE MAP ENTITLED "TRACT 3826, RIVER ISLANDS, PHASE 1B, VILLAGES D & E", FILED SEPTEMBER 1, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 67, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY;

THENCE, ALONG THE SOUTHERN LINE OF SAID PARCEL 5, WEST 315.03 FEET;

THENCE, LEAVING SAID SOUTHERN LINE, SOUTH 160.00 FEET;

THENCE, EAST 44.74 FEET;

THENCE, SOUTH 84°17'22" EAST 120.60 FEET;

THENCE, EAST 127.29 FEET;

THENCE, SOUTH 45°00'00" EAST 42.43 FEET;

THENCE, SOUTH 210.70 FEET TO THE POINT OF BEGINNING;

THENCE, FROM SAID POINT OF BEGINNING, EAST 259.00 FEET;

THENCE, NORTH 348.70 FEET;

THENCE, ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 36.00 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC DISTANCE OF 56.55 FEET;

THENCE, NORTH 13.00 FEET TO A POINT HEREINAFTER REFERRED TO AS POINT 'A';

THENCE, NORTH 15.00 FEET;

FEBRUARY 12, 2019

**EXHIBIT A
LEGAL DESCRIPTION
FIRE STATION 35 EASEMENTS
RIVER ISLANDS, STAGE 1**

THENCE, ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 36.00 FEET, FROM WHICH THE CENTER OF SAID CURVE BEARS SOUTH, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC DISTANCE OF 56.55 FEET;

THENCE, NORTH 541.39 FEET;

THENCE, ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 266.00 FEET, THROUGH A CENTRAL ANGLE OF 44°18'50", AN ARC DISTANCE OF 205.73 FEET;

THENCE, NORTH 44°18'50" WEST 92.09 FEET TO THE EAST LINE OF AFORESAID PARCEL 2 (42 M&P 56);

THENCE, , ALONG THE EAST LINE OF SAID PARCEL 2, AS SHOWN ON SAID MAP, SOUTH 57.26 FEET;

THENCE, LEAVING SAID LINE, SOUTH 44°18'50" EAST 51.12 FEET;

THENCE, ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 226.00 FEET, THROUGH A CENTRAL ANGLE OF 44°18'50", AN ARC DISTANCE OF 174.79 FEET;

THENCE, SOUTH 632.22 FEET;

THENCE, ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 28.00 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC DISTANCE OF 43.98 FEET;

THENCE, WEST 445.03 FEET;

THENCE, SOUTH 8.00 FEET;

THENCE, WEST 43.00 FEET;

THENCE, SOUTH 69.17 FEET;

THENCE, EAST 19.74 FEET;

THENCE, SOUTH 84°17'22" EAST 35.44 FEET;

THENCE, NORTH 38.27 FEET;

THENCE, NORTH 79°24'57" EAST 13.23 FEET;

THENCE, EAST 170.17 FEET;

THENCE, ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 36.00 FEET, THROUGH A CENTRAL ANGLE OF 117°03'39", AN ARC DISTANCE OF 73.55 FEET;

THENCE, SOUTH 45°00'00" EAST 32.18 FEET;

THENCE, NORTH 45°00'00" EAST 91.34 FEET;

FEBRUARY 12, 2019

**EXHIBIT A
LEGAL DESCRIPTION
FIRE STATION 35 EASEMENTS
RIVER ISLANDS, STAGE 1**

THENCE, ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 36.00 FEET, THROUGH A CENTRAL ANGLE OF 45°00'00", AN ARC DISTANCE OF 28.27 FEET;

THENCE, EAST 104.99 FEET;

THENCE, ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 36.00 FEET, THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC DISTANCE OF 56.55 FEET;

THENCE, SOUTH 118.13 FEET TO A POINT HEREINAFTER REFERRED TO AS **POINT 'B'**;

THENCE, SOUTH 67.74 FEET;

THENCE, ALONG A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 36.00 FEET, THROUGH A CENTRAL ANGLE OF 09°03'06", AN ARC DISTANCE OF 5.69 FEET TO A POINT HEREINAFTER REFERRED TO AS **POINT 'C'**;

THENCE, CONTINUING ALONG SAID CURVE, HAVING A RADIUS OF 36.00 FEET, THROUGH A CENTRAL ANGLE OF 80°56'54", AN ARC DISTANCE OF 50.86 FEET;

THENCE, WEST 191.00 FEET;

THENCE, SOUTH 32.00 FEET TO SAID POINT BEGINNING;

CONTAINING 1.93 ACRES, MORE OR LESS.

EASEMENT 2 (PUBLIC UTILITY EASEMENT):

BEING A STRIP OF LAND FIFTEEN (15.00) FEET WIDE, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEING PORTIONS OF PARCELS 1 AND 2, AS SAID PARCELS ARE SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE AFORESAID **POINT 'B'**;

THENCE, FROM SAID POINT OF BEGINNING, WEST 227.00 FEET AND THERE TERMINATING.

CONTAINING 3,405 SQUARE FEET, MORE OR LESS.

EASEMENT 3 (PUBLIC UTILITY EASEMENT):

BEING A STRIP OF LAND FIFTEEN (15.00) FEET WIDE, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEING PORTIONS OF PARCELS 1 AND 2, AS SAID PARCELS ARE SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FEBRUARY 12, 2019

**EXHIBIT A
LEGAL DESCRIPTION
FIRE STATION 35 EASEMENTS
RIVER ISLANDS, STAGE 1**

BEGINNING AT THE AFORESAID POINT 'C';

THENCE, FROM SAID POINT OF BEGINNING, WEST 226.55 FEET AND THERE TERMINATING.

CONTAINING 3,394 SQUARE FEET, MORE OR LESS.

EASEMENT 4 (PUBLIC ACCESS EASEMENT):

BEING A PORTION OF PARCEL 5, AS SAID PARCEL 5 IS SHOWN ON THE MAP ENTITLED "TRACT 3826, RIVER ISLANDS, PHASE 1B, VILLAGES D & E", FILED SEPTEMBER 1, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 67, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY;
COMMENCING AT THE NORTHWEST CORNER OF PARCEL 2, AS SAID PARCEL IS SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, SAID CORNER ALSO BEING THE SOUTHWEST CORNER OF SOMERSTON PARKWAY, AS SAID ROADWAY IS DEDICATED ON THE MAP ENTITLED "TRACT 3796, RIVER ISLANDS, VILLAGE 12", FILED FEBRUARY 27, 2015, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 30, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY;

THENCE, ALONG THE WESTERN LINE OF SAID PARCEL 2, SOUTH 435.50 FEET TO THE POINT OF BEGINNING;

THENCE, FROM SAID POINT OF BEGINNING, ALONG SAID WESTERN LINE, SOUTH 103.05 FEET;

THENCE, LEAVING SAID WESTERN LINE, ALONG A NON-TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 75.00 FEET, FROM WHICH THE CENTER OF SAID CURVE BEARS SOUTH 57°08'24" WEST, THROUGH A CENTRAL ANGLE OF 59°33'53", AN ARC DISTANCE OF 77.97 FEET;

THENCE, NORTH 28.65 FEET;

THENCE, EAST 4.00 FEET TO SAID POINT OF BEGINNING.

CONTAINING 762 SQUARE FEET, MORE OR LESS.

EASEMENT 5 (EMERGENCY VEHICLE ACCESS EASEMENT):

BEING A STRIP OF LAND THIRTY (30.00) FEET WIDE, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

BEING PORTIONS OF: (1) PARCEL 1, AS SAID PARCEL 1 IS SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, AND; (2) LOT B, AS SAID LOT B IS SHOWN ON THE MAP ENTITLED "TRACT 3861, RIVER ISLANDS, VILLAGE C1", FILED APRIL 10, 2015, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 34, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE AFORESAID POINT 'A';

THENCE, FROM SAID POINT OF BEGINNING, EAST 2,764.84 FEET;

FEBRUARY 12, 2019

**EXHIBIT A
LEGAL DESCRIPTION
FIRE STATION 35 EASEMENTS
RIVER ISLANDS, STAGE 1**

THENCE, NORTH 71°58'33" EAST 433.96 FEET TO THE NORTHEASTERN LINE OF SAID LOT B (42 M&P 34) AND THERE TERMINATING.

THE SIDELINES OF SAID STRIP SHALL BE LENGTHENED OR SHORTENED TO TERMINATE ON SAID NORTHEASTERN LINE OF LOT B.

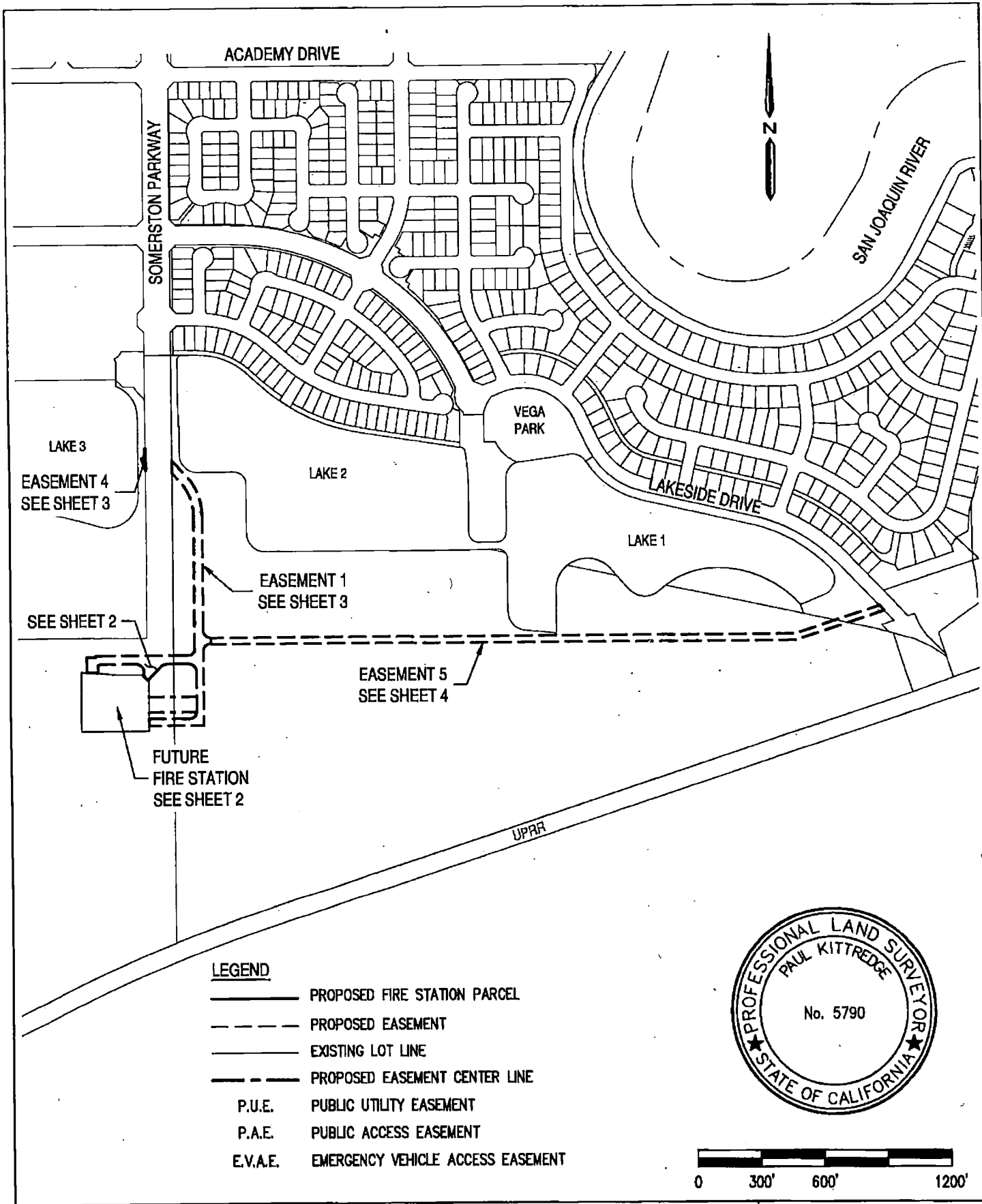
CONTAINING 2.20 ACRES, MORE OR LESS.

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

PAUL KITTREDGE
PROFESSIONAL LAND SURVEYOR
CALIFORNIA NO. 5790

DATE





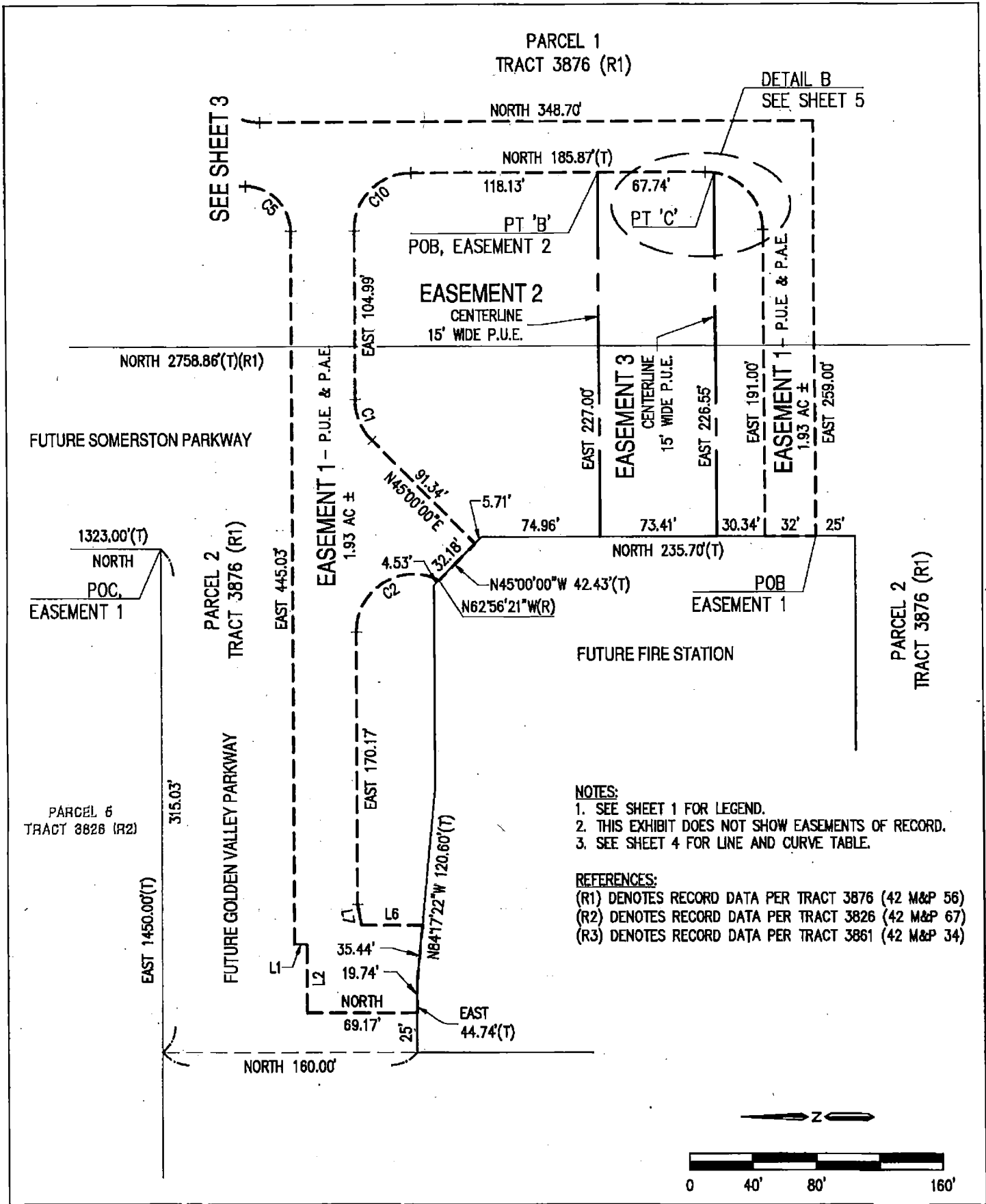
- LEGEND**
- PROPOSED FIRE STATION PARCEL
 - - - PROPOSED EASEMENT
 - EXISTING LOT LINE
 - - - PROPOSED EASEMENT CENTER LINE
 - P.U.E. PUBLIC UTILITY EASEMENT
 - P.A.E. PUBLIC ACCESS EASEMENT
 - E.V.A.E. EMERGENCY VEHICLE ACCESS EASEMENT



SCALE: 1" = 600'	
DRAWN BY: PK	
FILE: 25500-PLAT-FS35_EM.DWG	
DATE: 2/12/19	SHEET: 1 OF 5

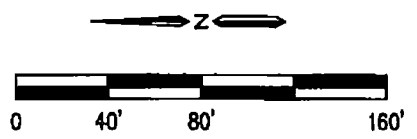
EXHIBIT B
RIVER ISLANDS
FIRE STATION 35 EASEMENTS
CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA





NOTES:
 1. SEE SHEET 1 FOR LEGEND.
 2. THIS EXHIBIT DOES NOT SHOW EASEMENTS OF RECORD.
 3. SEE SHEET 4 FOR LINE AND CURVE TABLE.

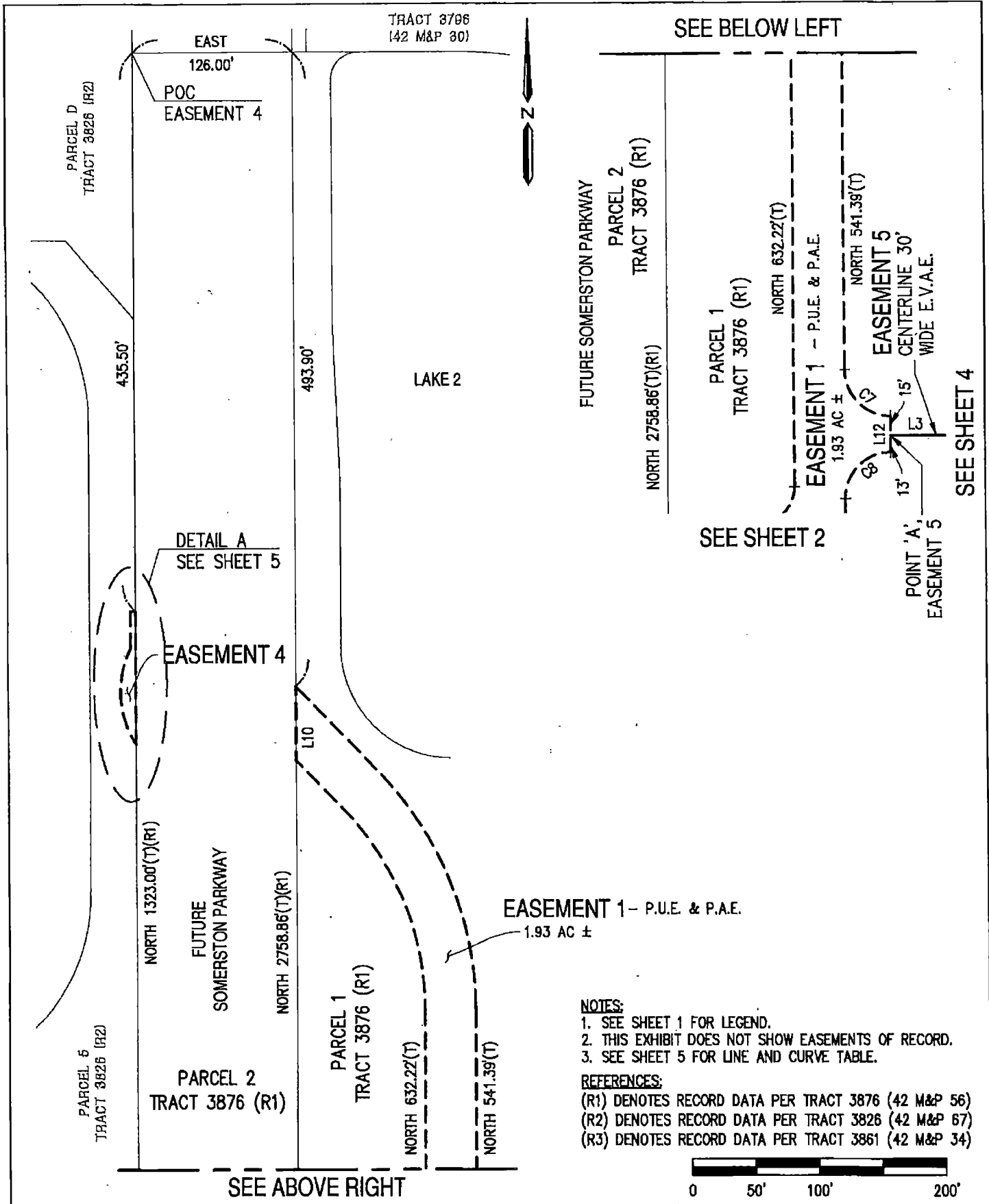
REFERENCES:
 (R1) DENOTES RECORD DATA PER TRACT 3876 (42 M&P 56)
 (R2) DENOTES RECORD DATA PER TRACT 3826 (42 M&P 67)
 (R3) DENOTES RECORD DATA PER TRACT 3861 (42 M&P 34)



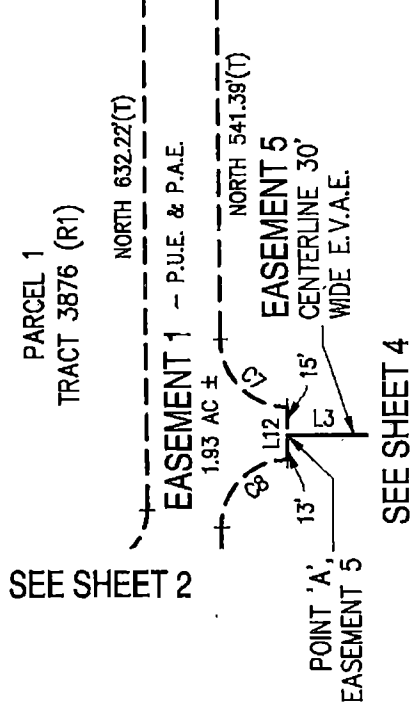
SCALE: 1" = 80'	
DRAWN BY: PK	
FILE: 25500-PLAT-FS35_EM.DWG	
DATE: 2/12/19	SHEET: 2 OF 5

EXHIBIT B
RIVER ISLANDS
FIRE STATION 35 EASEMENTS
CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA





SEE BELOW LEFT



SEE SHEET 2

SEE SHEET 4

NOTES:

1. SEE SHEET 1 FOR LEGEND.
2. THIS EXHIBIT DOES NOT SHOW EASEMENTS OF RECORD.
3. SEE SHEET 5 FOR LINE AND CURVE TABLE.

REFERENCES:

- (R1) DENOTES RECORD DATA PER TRACT 3876 (42 M&P 56)
- (R2) DENOTES RECORD DATA PER TRACT 3826 (42 M&P 67)
- (R3) DENOTES RECORD DATA PER TRACT 3861 (42 M&P 34)

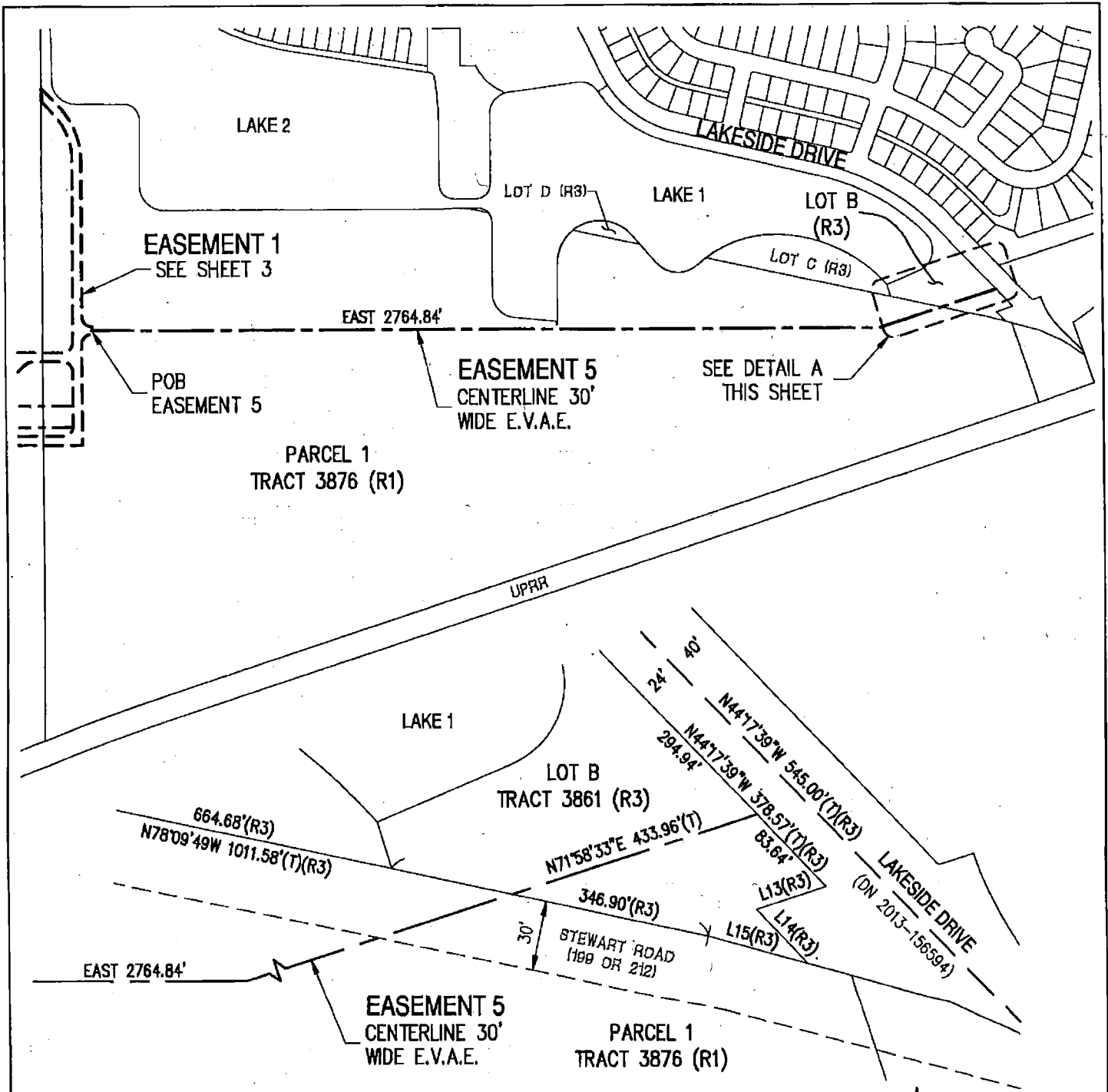


SEE ABOVE RIGHT

SCALE: 1" = 100'	
DRAWN BY: PK	
FILE: 25500-PLAT-FS35_EM.DWG	
DATE: 2/12/19	SHEET: 3 OF 5

EXHIBIT B
RIVER ISLANDS
FIRE STATION 35 EASEMENTS
CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA

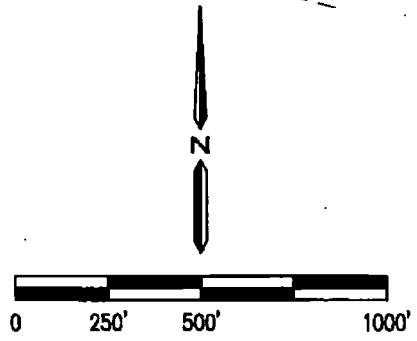




DETAIL A
NOT TO SCALE

- NOTES:**
1. SEE SHEET 1 FOR LEGEND.
 2. THIS EXHIBIT DOES NOT SHOW EASEMENTS OF RECORD.
 3. SEE SHEET 5 FOR LINE AND CURVE TABLE.

- REFERENCES:**
- (R1) DENOTES RECORD DATA PER TRACT 3876 (42 M&P 56)
 - (R2) DENOTES RECORD DATA PER TRACT 3826 (42 M&P 67)
 - (R3) DENOTES RECORD DATA PER TRACT 3861 (42 M&P 34)



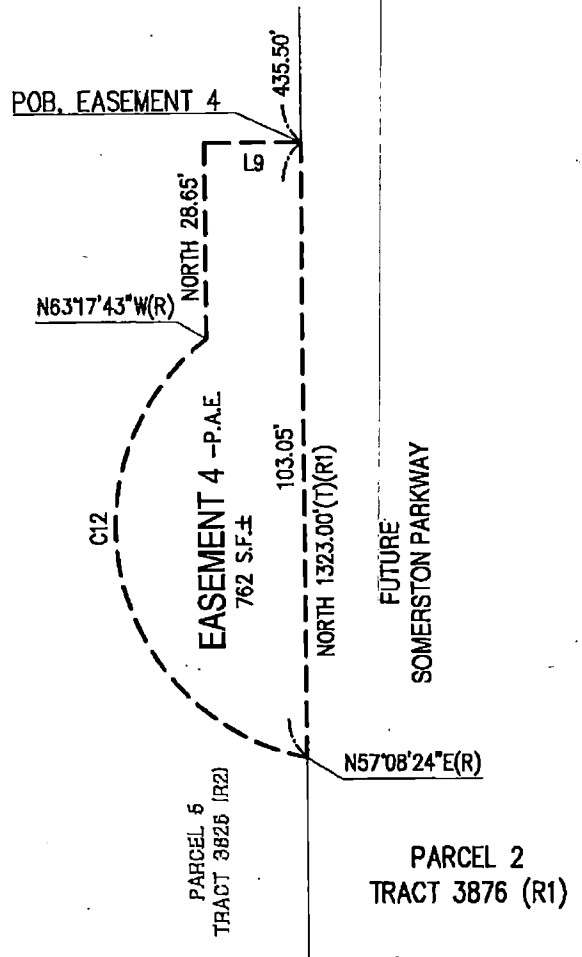
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DRAWN BY: PK	
FILE: 25500-PLAT-FS35_EM.DWG	
DATE: 2/12/19	SHEET: 4 OF 5

EXHIBIT B
RIVER ISLANDS
FIRE STATION 35 EASEMENTS
CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA

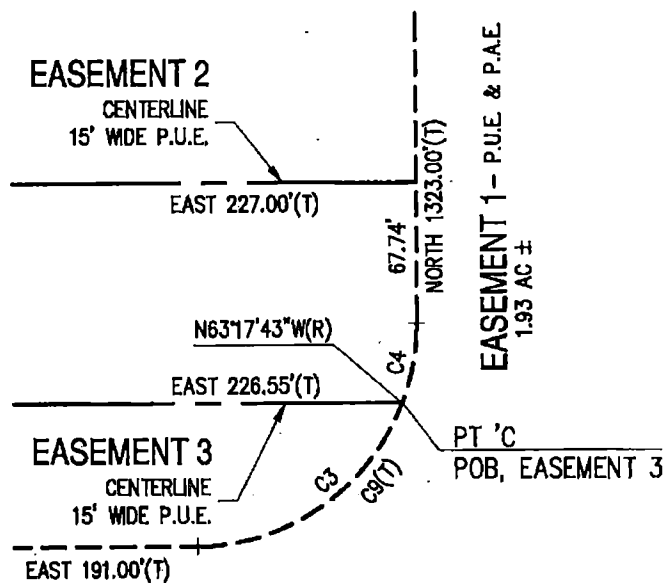


LINE TABLE		
LINE	DIRECTION	LENGTH
L1	NORTH	8.00'
L2	EAST	43.00'
L3	EAST	2764.84'
L4	N71°58'33"E	61.92'
L5	N44°17'23"W	46.53'
L6	NORTH	38.27'
L7	N79°24'57"E	13.23'
L8	N44°18'50"W	51.12'
L9	EAST	4.00'
L10	NORTH	57.26'
L11	N44°18'50"W	92.09'
L12	NORTH	28.00'
L13	N71°58'33"E	61.92'
L14	N44°17'23"W	46.53'
L15	N75°02'49"W	64.90'

CURVE TABLE			
CURVE	RADIUS	DELTA	LENGTH
C1	36.00	45°00'00"	28.27'
C2	36.00	117°03'39"	73.55'
C3	36.00	80°56'54"	50.86'
C4	36.00	9°03'06"	5.69'
C5	28.00	90°00'00"	43.98'
C6	266.00	44°18'50"	205.73'
C7	36.00	90°00'00"	56.55'
C8	36.00	90°00'00"	56.55'
C9	36.00	90°00'00"	56.55'
C10	36.00	90°00'00"	56.55'
C11	226.00	44°18'50"	174.79'
C12	75.00	59°33'53"	77.97'



DETAIL A
NOT TO SCALE



DETAIL B
NOT TO SCALE

SCALE: 1" = 500'
DRAWN BY: PK
FILE: 25500-PLAT-FS35_EM.DWG
DATE: 2/12/19
SHEET: 5 OF 5

EXHIBIT B
RIVER ISLANDS
FIRE STATION 35 EASEMENTS
CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA



ODELL ENGINEERING

CLOSURE REPORT

DATE: 02/13/2019 AT 11:24 AM
 PROJECT: EASEMENTS 1 THRU 5 - CLOSURE AND AREA REPORT
 DESCRIPTION:
 CREATED BY: PKITTREDGE

TRAVERSE OF: EASEMENT 1, SITE: EASEMENT 1

BEARING	DISTANCE		NORTHING	EASTING
	STARTING	AT	2110002.3844	6323970.2192
N 00°00'00" W	32.00'	TO	2110034.3844	6323970.2192
N 90°00'00" E	191.00'	TO	2110034.3844	6324161.2192
N 00°00'00" E (R)	36.00'	TO	2110070.3844	6324161.2192
DELTA = 90°00'00" RADIUS = 36.00' LENGTH = 56.55'				
CHORD = N 45°00'00" E 50.91' TANGENT = 36.00'				
N 90°00'00" E (R)	36.00'	TO	2110070.3844	6324197.2192
N 00°00'00" E	185.87'	TO	2110256.2544	6324197.2192
N 90°00'00" W (R)	36.00'	TO	2110256.2544	6324161.2192
DELTA = 90°00'00" RADIUS = 36.00' LENGTH = 56.55'				
CHORD = N 45°00'00" W 50.91' TANGENT = 36.00'				
N 00°00'00" E (R)	36.00'	TO	2110292.2544	6324161.2192
N 90°00'00" W	104.99'	TO	2110292.2544	6324056.2292
S 00°00'00" E (R)	36.00'	TO	2110256.2544	6324056.2292
DELTA = 45°00'00" RADIUS = 36.00' LENGTH = 28.27'				
CHORD = S 67°30'00" W 27.55' TANGENT = 14.91'				
N 45°00'00" W (R)	36.00'	TO	2110281.7102	6324030.7734
S 45°00'00" W	91.34'	TO	2110217.1231	6323966.1862
N 45°00'00" W	32.18'	TO	2110239.8778	6323943.4315
N 62°56'21" W (R)	36.00'	TO	2110256.2555	6323911.3727
DELTA = 117°03'39" RADIUS = 36.00' LENGTH = 73.55'				
CHORD = N 31°28'11" W 61.41' TANGENT = 58.82'				
N 00°00'00" E (R)	36.00'	TO	2110292.2555	6323911.3727
N 90°00'00" W	170.17'	TO	2110292.2555	6323741.2027
S 79°24'57" W	13.23'	TO	2110289.8254	6323728.1978
S 00°00'00" W	38.27'	TO	2110251.5554	6323728.1978
N 84°17'22" W	35.44'	TO	2110255.0818	6323692.9336
N 90°00'00" W	19.74'	TO	2110255.0818	6323673.1936
N 00°00'00" E	69.17'	TO	2110324.2518	6323673.1936
N 90°00'00" E	43.00'	TO	2110324.2518	6323716.1936
N 00°00'00" E	8.00'	TO	2110332.2518	6323716.1936
N 90°00'00" E	445.03'	TO	2110332.2518	6324161.2236
N 00°00'00" E (R)	28.00'	TO	2110360.2518	6324161.2236

DELTA = 90°00'00" RADIUS = 28.00' LENGTH = 43.98'
 CHORD = N 45°00'00" E 39.60' TANGENT = 28.00'

N 90°00'00" E (R) 28.00' TO 2110360.2518 6324189.2236
 N 00°00'00" W 632.22' TO 2110992.4718 6324189.2236
 N 90°00'00" W (R) 226.00' TO 2110992.4718 6323963.2236

DELTA = 44°18'50" RADIUS = 226.00' LENGTH = 174.79'
 CHORD = N 22°09'25" W 170.47' TANGENT = 92.03'

N 45°41'10" E (R) 226.00' TO 2111150.3528 6324124.9319
 N 44°18'50" W 51.12' TO 2111186.9304 6324089.2201
 N 00°00'00" W 57.26' TO 2111244.1904 6324089.2201
 S 44°18'50" E 92.09' TO 2111178.2978 6324153.5531
 S 45°41'10" W (R) 266.00' TO 2110992.4732 6323963.2239

DELTA = 44°18'50" RADIUS = 266.00' LENGTH = 205.73'
 CHORD = S 22°09'25" E 200.64' TANGENT = 108.32'

N 90°00'00" E (R) 266.00' TO 2110992.4732 6324229.2239
 S 00°00'00" E 541.39' TO 2110451.0832 6324229.2239
 N 90°00'00" E (R) 36.00' TO 2110451.0832 6324265.2239

DELTA = 90°00'00" RADIUS = 36.00' LENGTH = 56.55'
 CHORD = S 45°00'00" E 50.91' TANGENT = 36.00'

S 00°00'00" W (R) 36.00' TO 2110415.0832 6324265.2239
 S 00°00'00" W 28.00' TO 2110387.0832 6324265.2239
 S 00°00'00" W (R) 36.00' TO 2110351.0832 6324265.2239

DELTA = 90°00'00" RADIUS = 36.00' LENGTH = 56.55'
 CHORD = S 45°00'00" W 50.91' TANGENT = 36.00'

N 90°00'00" W (R) 36.00' TO 2110351.0832 6324229.2239
 S 00°00'00" W 348.70' TO 2110002.3832 6324229.2239
 N 90°00'00" W 259.00' TO 2110002.3832 6323970.2239

ERROR OF CLOSURE NORTH = 0.00112590 EAST = 0.00467994
 BEARING N 76°28'22" W DISTANCE = 0.0048
 AREA = 84,125.40 SF 1.931 ACRES
 PERIMETER = 4,241.73' PRECISION = 1 : 881221

TRAVERSE OF: EASEMENT 2- LEGAL - TO POINT B, SITE: EASEMENT 2

BEARING	DISTANCE	NORTHING	EASTING
	STARTING AT	2110256.2569	6324197.2192
S 00°00'00" W	118.13' TO	2110138.1269	6324197.2192
N 90°00'00" W	227.00' TO	2110138.1269	6323970.2192
N 00°00'00" E	74.96' TO	2110213.0869	6323970.2192
N 45°00'00" W	5.71' TO	2110217.1245	6323966.1816
N 45°00'00" E	91.34' TO	2110281.7116	6324030.7688
S 45°00'00" E (R)	36.00' TO	2110256.2558	6324056.2246

DELTA = 45°00'00" RADIUS = 36.00' LENGTH = 28.27'
 CHORD = N 67°30'00" E 27.55' TANGENT = 14.91'

N 00°00'00" W (R) 36.00' TO 2110292.2558 6324056.2246
 N 90°00'00" E 104.99' TO 2110292.2558 6324161.2146
 S 00°00'00" W (R) 36.00' TO 2110256.2558 6324161.2146

DELTA = 90°00'00" RADIUS = 36.00' LENGTH = 56.55'
 CHORD = S 45°00'00" E 50.91' TANGENT = 36.00'

N 90°00'00" E (R) 36.00' TO 2110256.2558 6324197.2146

ERROR OF CLOSURE NORTH = 0.00113101 EAST = 0.00460220
 BEARING N 76°11'35" E DISTANCE = 0.0047
 AREA = 32,170.75 SF 0.739 ACRES
 PERIMETER = 706.95' PRECISION = 1 : 149173

TRAVERSE OF: EASEMENT 2- NET AREA

BEARING	DISTANCE	NORTHING	EASTING
	STARTING AT	2110130.6263	6323970.2192
N 00°00'00" E	15.00' TO	2110145.6263	6323970.2192
N 90°00'00" E	227.00' TO	2110145.6263	6324197.2192
S 00°00'00" W	15.00' TO	2110130.6263	6324197.2192
N 90°00'00" W	227.00' TO	2110130.6263	6323970.2192

ERROR OF CLOSURE NORTH = 0.00000000 EAST = 0.00000000
 BEARING N 90°00'00" E DISTANCE = 0.0000
 AREA = 3,405.00 SF 0.078 ACRES
 PERIMETER = 484.00' CLOSURE ERROR: 0.0000

TRAVERSE OF: EASEMENT 3, SITE: EASEMENT 3

BEARING	DISTANCE	NORTHING	EASTING
	STARTING AT	2110138.1263	6324197.2192
S 00°00'00" W	67.74' TO	2110070.3863	6324197.2192
S 90°00'00" W (R)	36.00' TO	2110070.3863	6324161.2192

DELTA = 09°03'06" RADIUS = 36.00' LENGTH = 5.69'
 CHORD = S 04°31'33" W 5.68' TANGENT = 2.85'

S 80°56'54" E (R) 36.00' TO 2110064.7226 6324196.7709
 N 90°00'00" W 226.55' TO 2110064.7226 6323970.2209
 N 00°00'00" W 73.41' TO 2110138.1326 6323970.2209
 N 90°00'00" E 227.00' TO 2110138.1326 6324197.2209

ERROR OF CLOSURE NORTH = 0.00629810 EAST = 0.00168745
 BEARING S 14°59'56" W DISTANCE = 0.0065
 AREA = 16,662.23 SF 0.383 ACRES
 PERIMETER = 600.39' PRECISION = 1 : 92081

TRAVERSE OF: EASEMENT 3- NET AREA

BEARING	DISTANCE		NORTHING	EASTING
	STARTING	AT	2110057.2207	6323970.2192
N 00°00'00" E	15.00'	TO	2110072.2207	6323970.2192
N 90°00'00" E	227.00'	TO	2110072.2207	6324197.2192
S 00°00'00" W	1.84'	TO	2110070.3807	6324197.2192
S 90°00'00" W (R)	36.00'	TO	2110070.3807	6324161.2192

DELTA = 21°26'53" RADIUS = 36.00' LENGTH = 13.48'
 CHORD = S 10°43'26" W 13.40' TANGENT = 6.82'

S 68°33'07" E (R)	36.00'	TO	2110057.2170	6324194.7262
N 90°00'00" W	224.51'	TO	2110057.2170	6323970.2162

ERROR OF CLOSURE NORTH = 0.00367209 EAST = 0.00301958
 BEARING N 39°25'50" E DISTANCE = 0.0048
 AREA = 3,394.22 SF 0.078 ACRES
 PERIMETER = 481.83' PRECISION = 1 : 101349

TRAVERSE OF: EASEMENT 4 - PAE, SITE: EASEMENT 4

BEARING	DISTANCE		NORTHING	EASTING
	STARTING	AT	2111302.5828	6323963.2192
S 00°00'00" E	103.05'	TO	2111199.5328	6323963.2192
N 57°08'24" E (R)	75.00'	TO	2111240.2269	6324026.2191

DELTA = 59°33'53" RADIUS = 75.00' LENGTH = 77.97'
 CHORD = N 03°04'39" W 74.51' TANGENT = 42.92'

N 63°17'43" W (R)	75.00'	TO	2111273.9314	6323959.2190
N 00°00'00" E	28.65'	TO	2111302.5814	6323959.2190
N 90°00'00" E	4.00'	TO	2111302.5814	6323963.2190

ERROR OF CLOSURE NORTH = 0.00144153 EAST = 0.00016145
 BEARING N 06°23'25" E DISTANCE = 0.0015
 AREA = 762.33 SF 0.018 ACRES
 PERIMETER = 213.67' PRECISION = 1 : 147304

TRAVERSE OF: EASEMENT 5 CL 30' EVAE, SITE: EASEMENT 6 CL

BEARING	DISTANCE		NORTHING	EASTING
	STARTING	AT	2110400.0828	6324265.2192
N 90°00'00" E	2764.84'	TO	2110400.0828	6327030.0592
N 71°58'33" E	433.96'	TO	2110534.3579	6327442.7231
S 87°34'49" W	3180.34'	TO	2110400.0853	6324265.2188

ERROR OF CLOSURE NORTH = 0.00250568 EAST = 0.00038381
 BEARING S 08°42'31" E DISTANCE = 0.0025
 AREA = 185,624.42 SF 4.261 ACRES
 PERIMETER = 6,379.14' PRECISION = 1 : 2516517

TRAVERSE OF: EASEMENT 5- NET AREA

BEARING	DISTANCE		NORTHING	EASTING
	STARTING	AT	2110385.0828	6324265.2192

N 00°00'00" E	30.00'	TO	2110415.0828	6324265.2192
N 90°00'00" E	2762.46'	TO	2110415.0828	6327027.6792
N 71°58'33" E	424.17'	TO	2110546.3287	6327431.0335
S 44°17'39" E	33.46'	TO	2110522.3793	6327454.4001
S 71°58'33" W	443.74'	TO	2110385.0781	6327032.4361
N 90°00'00" W	2767.22'	TO	2110385.0781	6324265.2161

ERROR OF CLOSURE NORTH = 0.00477039 EAST = 0.00308637
 BEARING N 32°54'08" E DISTANCE = 0.0057
 AREA = 95,963.99 SF 2.203 ACRES
 PERIMETER = 6,461.05' PRECISION = 1 : 1137158

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

CITY OF LATHROP
 ATTN: CITY CLERK
 390 TOWNE CENTRE DRIVE
 LATHROP, CA 95330
Exempt from payment of recording fees (GC 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

**IRREVOCABLE OFFER OF DEDICATION OF EASEMENT
 FOR PUBLIC ROADWAY PURPOSES AND PUBLIC UTILITY EASEMENT
 (FUTURE OFFSITE ROADWAY DEDICATION – SOMERSTON PARKWAY AND
 GOLDEN VALLEY PARKWAY)**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, River Islands Development, LLC, a California limited liability company, hereby grant(s) to the CITY OF LATHROP, a municipal corporation in the County of San Joaquin, State of California, an easement for ingress, egress and road purposes, and a public utility easement (PUE), over and across the hereinafter described real property situated in City of Lathrop and more particularly described as follows:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

This Offer of Dedication is made pursuant to Section 7050 of the Government Code of the State of California, and may be accepted at any time by the City Engineer of the City of Lathrop. This Offer of Dedication may be terminated, and right to accept such offer abandoned in the same manner as is prescribed for the vacation of streets or highways by Part 3 of Division 9, or Chapter 2 of Division 2 of the Streets and Highways Code of the State of California, whichever is applicable.

The above described easement is to be kept open, clear and free from buildings and structures of any kind. This Offer of Dedication, even if rejected by the City, shall be irrevocable and shall be binding on the Grantor's heirs, executors, administrators, successors and assigns.

SIGNATURES:

Signed this _____ day of _____, 2019

RIVER ISLANDS DEVELOPMENT, LLC
 a California limited liability company

By: _____

Name: Susan Dell'Osso

Its: President

(Notary Acknowledgment Required for Each Signatory)

EXHIBIT "A"
LEGAL DESCRIPTION
FUTURE ROADWAY DEDICATION AND ADJACENT PUBLIC UTILITY EASEMENT
(SOMERSTON PARKWAY)

(See Attached)

**EXHIBIT A
LEGAL DESCRIPTION
GOLDEN VALLEY PARKWAY/ SOMERSTON PARKWAY/ NEELY PARKWAY
IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY EASEMENT PURPOSES
RIVER ISLANDS, PHASE 1B
LATHROP, CALIFORNIA**

CERTAIN REAL PROPERTY SITUATE IN THE CITY OF LATHROP, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

EASEMENT 1 (SOMERSTON PARKWAY):

BEING A PORTION OF PARCEL 2, AS SAID PARCEL IS SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE NORTHWESTERN CORNER OF SAID PARCEL 2, AS SHOWN ON SAID MAP (42 M&P 56), SAID POINT ALSO BEING ON THE SOUTHERN LINE OF SOMERSTON PARKWAY (126 FEET WIDE), AS SHOWN ON SHEET 7 OF SAID MAP (42 M&P 56);

THENCE, FROM SAID POINT OF BEGINNING, ALONG THE NORTHERN LINE OF SAID PARCEL 2, EAST 126.00 FEET TO THE NORTHEASTERN CORNER THEREOF;

THENCE, LEAVING SAID NORTHERN LINE, ALONG THE EASTERN LINE OF SAID PARCEL 2, SOUTH 572.85 FEET;

THENCE LEAVING SAID EASTERN LINE, WEST 126.00 FEET TO THE WESTERN LINE OF SAID PARCEL 2;

THENCE, ALONG SAID WESTERN LINE OF PARCEL 2, AS SHOWN ON SAID MAP, NORTH 572.85 FEET TO THE POINT OF BEGINNING.

CONTAINING 1.66 ACRES, MORE OR LESS.

EASEMENT 2 (SOMERSTON PARKWAY):

BEING PORTIONS OF: (1) PARCELS 1 AND 2, AS SAID PARCELS ARE SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY; AND (2) A PORTION OF PARCEL 5, AS SAID PARCEL 5 IS SHOWN ON THE MAP ENTITLED "TRACT 3826, RIVER ISLANDS, PHASE 1B, VILLAGES D & E", FILED SEPTEMBER 1, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 67, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF PARCEL 2, AS SAID PARCEL IS SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, SAID CORNER ALSO BEING THE SOUTHWEST CORNER OF SOMERSTON PARKWAY, AS SAID ROADWAY IS DEDICATED ON THE MAP ENTITLED "TRACT 3796, RIVER ISLANDS, VILLAGE I2", FILED FEBRUARY 27, 2015, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 30, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY;

FEBRUARY 12, 2019

**EXHIBIT A
GOLDEN VALLEY PARKWAY/ SOMERSTON PARKWAY/ NEELY PARKWAY
IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY EASEMENT PURPOSES**

THENCE, ALONG THE WESTERN LINE OF SAID PARCEL 2, SOUTH 572.85 FEET TO THE POINT OF BEGINNING;

THENCE, FROM SAID POINT OF BEGINNING, LEAVING SAID WESTERN LINE, EAST 126.00 FEET;

THENCE, SOUTH 708.15 FEET;

THENCE, SOUTH 45°00'00" EAST 42.43 FEET;

THENCE, SOUTH 05°38'41" EAST 172.84 FEET;

THENCE, SOUTH 45°00'00" WEST 42.43 FEET;

THENCE, SOUTH 84°57'27" WEST 136.53 FEET;

THENCE, NORTH 45°00'00" WEST 42.43 FEET;

THENCE, NORTH 10°13'01" WEST 174.77 FEET TO A POINT IN THE NORTHERN LINE OF SAID PARCEL 2 (42 M&P 56);

THENCE, LEAVING SAID NORTHERN LINE, AS SHOWN ON SAID MAP, NORTH 45°00'00" EAST 42.43 FEET;

THENCE, NORTH 274.79 FEET;

THENCE, NORTH 11°18'36" EAST 122.38 FEET TO SAID WESTERN LINE OF PARCEL 2, AS SHOWN ON SAID MAP (42 M&P 56);

THENCE, ALONG SAID WESTERN LINE, AS SHOWN ON SAID MAP, NORTH 325.36 FEET TO SAID POINT OF BEGINNING.

CONTAINING 3.29 ACRES, MORE OR LESS.

EASEMENT 3 (NEELY PARKWAY):

BEING PORTIONS OF PARCELS 1 AND 2, AS SAID PARCELS ARE SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL 2, AS SAID PARCEL IS SHOWN ON SAID MAP (42 M&P 56), SAID CORNER ALSO BEING THE SOUTHWEST CORNER OF SOMERSTON PARKWAY, AS SAID ROADWAY IS DEDICATED ON THE MAP ENTITLED "TRACT 3796, RIVER ISLANDS, VILLAGE 12", FILED FEBRUARY 27, 2015, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 30, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY;

THENCE, ALONG THE WESTERN LINE OF SAID PARCEL 2, SOUTH 898.21;

THENCE, LEAVING SAID WESTERN LINE, SOUTH 11°18'36" WEST 122.38 FEET;

THENCE, SOUTH 274.79 FEET;

FEBRUARY 12, 2019

**EXHIBIT A
GOLDEN VALLEY PARKWAY/ SOMERSTON PARKWAY/ NEELY PARKWAY
IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY EASEMENT PURPOSES**

THENCE, SOUTH 45°00'00" WEST 42.43 FEET TO THE NORTHERN LINE OF SAID PARCEL 2, AS SHOWN ON SAID MAP (42 M&P 56);

THENCE, LEAVING SAID NORTHERN LINE, SOUTH 10°13'01" EAST 174.77 FEET;

THENCE, SOUTH 45°00'00" EAST 42.43 FEET TO THE POINT OF BEGINNING;

THENCE, FROM SAID POINT OF BEGINNING, NORTH 84°57'27" EAST 136.53 FEET;

THENCE, SOUTH 247.70 FEET;

THENCE, WEST 136.00 FEET;

THENCE, NORTH 235.70 FEET TO SAID POINT OF BEGINNING.

CONTAINING 0.76 ACRES, MORE OR LESS.

EASEMENT 4 (GOLDEN VALLEY PARKWAY):

BEING A PORTION OF PARCEL 2, AS SAID PARCEL IS SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID PARCEL 2, AS SAID PARCEL IS SHOWN ON SAID MAP (42 M&P 56), SAID CORNER ALSO BEING THE SOUTHWEST CORNER OF SOMERSTON PARKWAY, AS SAID ROADWAY IS DEDICATED ON THE MAP ENTITLED "TRACT 3796, RIVER ISLANDS, VILLAGE 12", FILED FEBRUARY 27, 2015, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 30, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY;

THENCE, ALONG THE WESTERN LINE OF SAID PARCEL 2, SOUTH 898.21;

THENCE, LEAVING SAID WESTERN LINE, SOUTH 11°18'36" WEST 122.38 FEET;

THENCE, SOUTH 274.79 FEET;

THENCE, SOUTH 45°00'00" WEST 42.43 FEET TO A POINT BEING ON THE NORTHERN LINE OF SAID PARCEL 2, AS SHOWN ON SAID MAP (42 M&P 56), SAID POINT ALSO BEING THE POINT OF BEGINNING;

THENCE, FROM SAID POINT OF BEGINNING, LEAVING SAID NORTHERN LINE, SOUTH 10°13'01" EAST 174.77 FEET;

THENCE, WEST 127.29 FEET;

THENCE, NORTH 84°17'22" WEST 120.60 FEET;

THENCE, WEST 44.74 FEET;

FEBRUARY 12, 2019

**EXHIBIT A
GOLDEN VALLEY PARKWAY/ SOMERSTON PARKWAY/ NEELY PARKWAY
IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY EASEMENT PURPOSES**

THENCE, NORTH 160.00 FEET TO THE NORTHERN LINE OF SAID PARCEL 2, AS SAID NORTHERN LINE IS SHOWN ON SAID MAP (42 M&P 56);

THENCE, ALONG SAID NORTHERN LINE, EAST 261.03 FEET TO THE POINT OF BEGINNING.

CONTAINING 1.06 ACRES, MORE OR LESS.

EASEMENT 5 (GOLDEN VALLEY PARKWAY):

BEING A PORTION OF: (1) PARCEL 1, AS SAID PARCEL IS SHOWN ON THE MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, AND; (2) A PORTION OF LOT B, AS SAID LOT B IS SHOWN ON THE MAP ENTITLED "TRACT 3861, RIVER ISLANDS, VILLAGE C1", FILED APRIL 10, 2015, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 34, OFFICIAL RECORDS OF SAN JOAQUIN COUNTY, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT AT THE NORTHWESTERN CORNER OF SAID PARCEL 2, AS SAID PARCEL IS SHOWN ON SAID MAP ENTITLED "TRACT 3876, RIVER ISLANDS, PHASE 1B, LARGE LOT FINAL MAP", FILED MARCH 31, 2016, IN BOOK 42 OF MAPS AND PLATS, AT PAGE 56, SAID POINT ALSO BEING ON THE SOUTHERN LINE OF SOMERSTON PARKWAY (126 FEET WIDE), AS SHOWN ON SHEET 7 OF SAID MAP (42 M&P 56);

THENCE, ALONG THE NORTHERN LINE OF SAID PARCEL 2, EAST 126.00 FEET TO THE NORTHEASTERN CORNER THEREOF;

THENCE, LEAVING SAID NORTHERN LINE, ALONG THE EASTERN LINE OF SAID PARCEL 2, SOUTH 1,281.00 FEET;

THENCE LEAVING SAID EASTERN LINE, SOUTH 45°00'00" EAST 42.43 FEET TO THE POINT OF BEGINNING;

THENCE, FROM SAID POINT OF BEGINNING, EAST 175.09 FEET;

THENCE, SOUTH 84°17'22" EAST 120.60 FEET;

THENCE, EAST 2,145.88 FEET;

THENCE, ALONG A TANGENT CURVE TO THE LEFT, HAVING A RADIUS OF 1,725.00 FEET, THROUGH A CENTRAL ANGLE OF 18°01'27", AN ARC DISTANCE OF 542.65 FEET;

THENCE, NORTH 71°58'33" EAST 305.37 FEET TO THE SOUTHWESTERN LINE OF LAKESIDE DRIVE, AS SAID LAKESIDE DRIVE IS DESCRIBED IN THE IRREVOCABLE OFFER OF DEDICATION OF EASEMENT FOR PUBLIC ROADWAY PURPOSES, RECORDED DECEMBER 20, 2013, AS DOCUMENT NUMBER 2013-156594, SAN JOAQUIN COUNTY RECORDS;

THENCE, ALONG SAID SOUTHWESTERN LINE OF LAKESIDE DRIVE, SAID LINE ALSO BEING THE NORTHEASTERN LINE OF SAID LOT B (42 M&P 34), SOUTH 44°17'39" EAST 167.28 FEET TO AN ANGLE POINT THEREOF;

FEBRUARY 12, 2019

**EXHIBIT A
GOLDEN VALLEY PARKWAY/ SOMERSTON PARKWAY/ NEELY PARKWAY
IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY EASEMENT PURPOSES**

THENCE ALONG SAID SOUTHWESTERN AND NORTHEASTERN LINES, AND THEIR WESTERLY PROLONGATION, SOUTH 71°58'33" WEST 379.41 FEET;

THENCE, ALONG THE ARC OF A TANGENT CURVE TO THE RIGHT, HAVING A RADIUS OF 1,875.00 FEET, THROUGH A CENTRAL ANGLE OF 18°01'27", AN ARC DISTANCE OF 589.84 FEET;

THENCE, WEST 1,159.02 FEET;

THENCE, SOUTH 88°51'15" WEST 500.10 FEET;

THENCE, WEST 764.95 FEET;

THENCE, NORTH 05°38'41" WEST 172.84 FEET TO SAID POINT OF BEGINNING.

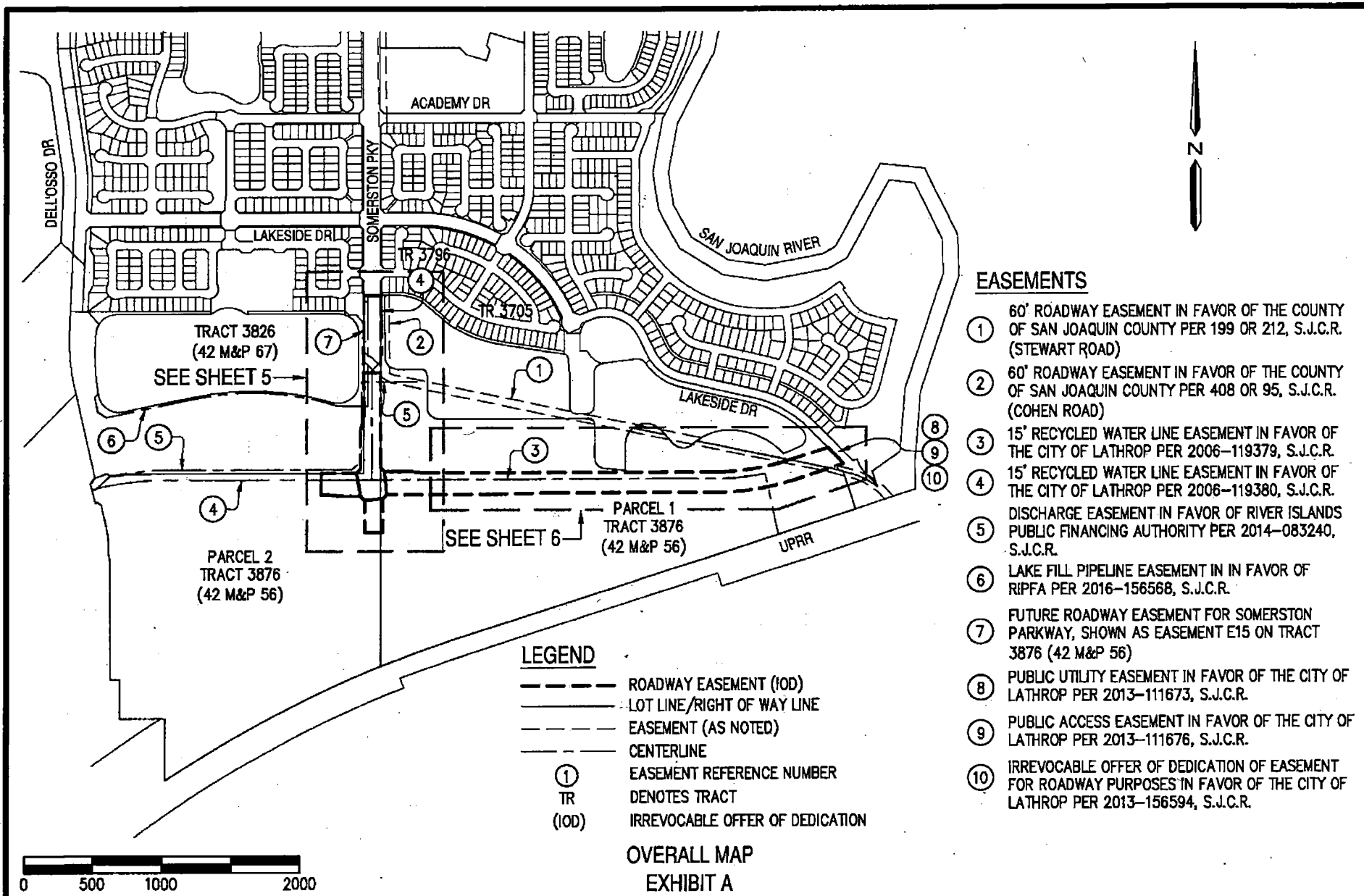
CONTAINING 11.80 ACRES, MORE OR LESS.

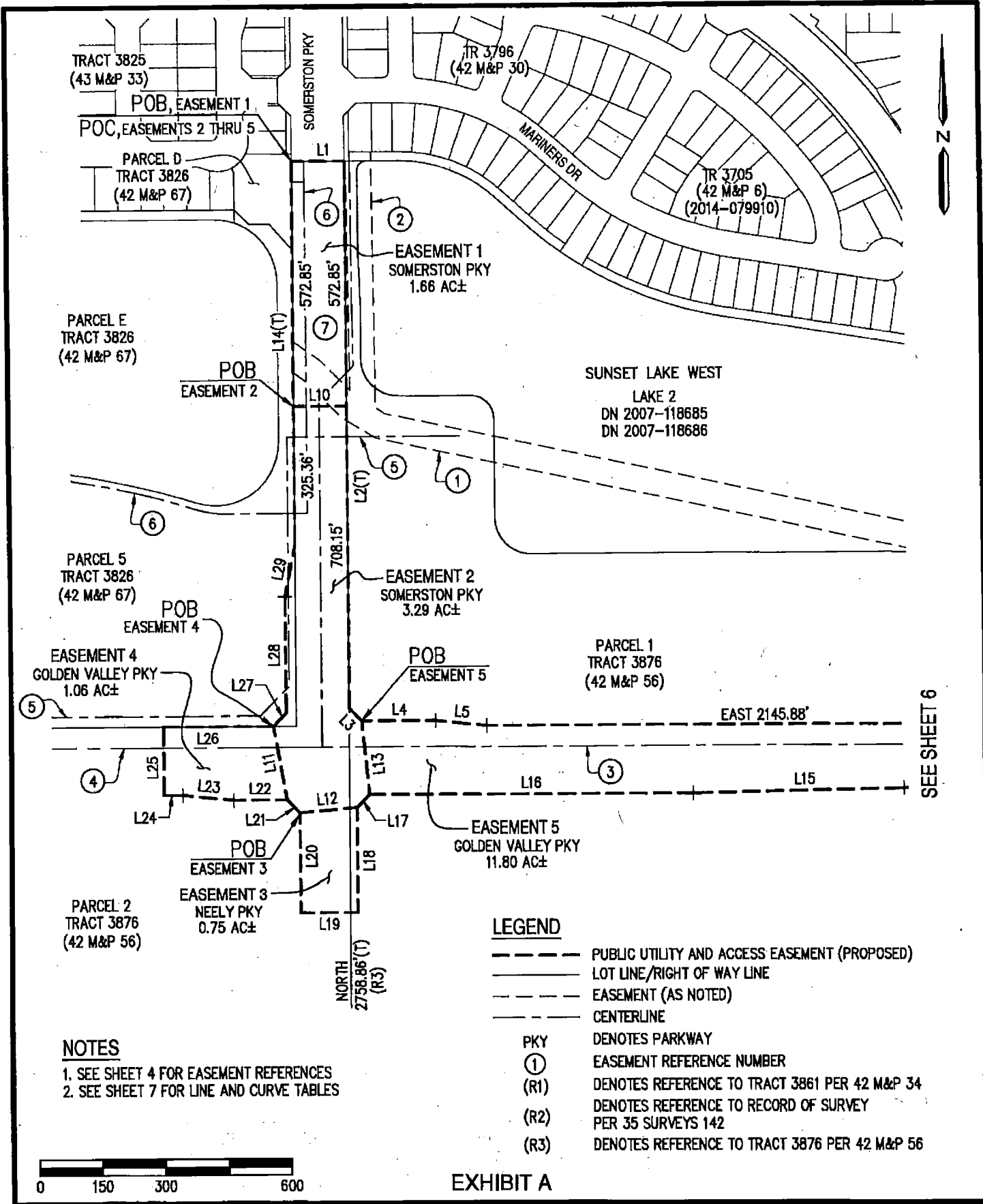
ATTACHED HERETO IS A PLAT AS EXHIBIT B TO ACCOMPANY LEGAL DESCRIPTION, AND BY THIS REFERENCE MADE A PART HEREOF.

PAUL KITTREDGE
PROFESSIONAL LAND SURVEYOR
CALIFORNIA NO. 5790

DATE







NOTES

- 1. SEE SHEET 4 FOR EASEMENT REFERENCES
- 2. SEE SHEET 7 FOR LINE AND CURVE TABLES

LEGEND

- PUBLIC UTILITY AND ACCESS EASEMENT (PROPOSED)
- LOT LINE/RIGHT OF WAY LINE
- EASEMENT (AS NOTED)
- CENTERLINE
- PKY DENOTES PARKWAY
- ① EASEMENT REFERENCE NUMBER
- (R1) DENOTES REFERENCE TO TRACT 3861 PER 42 M&P 34
- (R2) DENOTES REFERENCE TO RECORD OF SURVEY PER 35 SURVEYS 142
- (R3) DENOTES REFERENCE TO TRACT 3876 PER 42 M&P 56

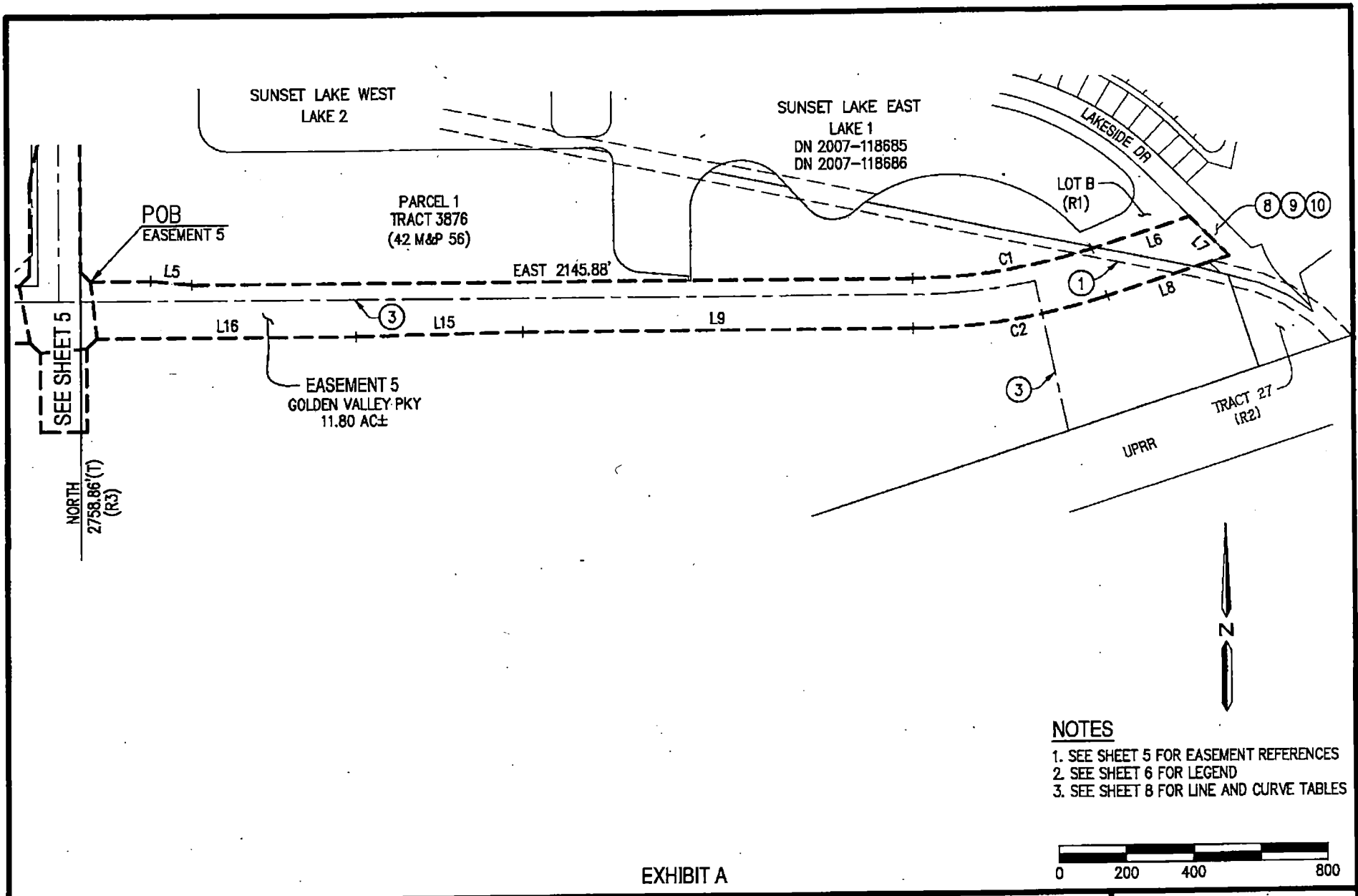
SEE SHEET 6

EXHIBIT A

SCALE: 1"=300'
 DRAWN BY: PK
 FILE: 25500 PLAT GVP_SP_JOD.DWG
 DATE: 2/12/19 SHEET: 5 OF 7

RIVER ISLANDS
GOLDEN VALLEY PKY / SOMERSTON PKY / NEELY PKY
 IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY EASEMENT PURPOSES
 CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA





NOTES

1. SEE SHEET 5 FOR EASEMENT REFERENCES
2. SEE SHEET 6 FOR LEGEND
3. SEE SHEET 8 FOR LINE AND CURVE TABLES

EXHIBIT A

SCALE: 1"=400'	
DRAWN BY: PK	
FILE: 25500 PLAT GVP_SP_JOD.DWG	
DATE: 2/12/19	SHEET: 6 OF 7

RIVER ISLANDS
GOLDEN VALLEY PKY / SOMERSTON PKY / NEELY PKY
 IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY EASEMENT PURPOSES
 CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA



CURVE TABLE			
CURVE	RADIUS	DELTA	LENGTH
C1	1725.00'	18°01'27"	542.65'
C2	1875.00'	18°01'27"	589.84'

LINE TABLE		
NO	BEARING	DISTANCE
L1	EAST	126.00'
L2	NORTH	1281.00'
L3	N45°00'00"W	42.43'
L4	EAST	175.09'
L5	N84°17'22"W	120.60'
L6	N71°58'33"E	305.37'
L7	N44°17'39"W	167.28'
L8	N71°58'33"E	379.41'
L9	EAST	1159.02'
L10	EAST	126.00'
L11	N10°13'01"W	174.77'
L12	N84°57'27"E	136.53'
L13	N05°38'41"W	172.84'
L14	NORTH	898.21'
L15	N88°51'15"E	500.10'
L16	EAST	764.95'

LINE TABLE		
NO	BEARING	DISTANCE
L17	N45°00'00"E	42.43'
L18	NORTH	247.70'
L19	EAST	136.00'
L20	NORTH	235.70'
L21	N45°00'00"W	42.43'
L22	EAST	127.29'
L23	N84°17'22"W	120.60'
L24	EAST	44.74'
L25	NORTH	160.00'
L26	EAST	261.03'
L27	N45°00'00"E	42.43'
L28	NORTH	274.79'
L29	N11°18'36"E	122.38'

EXHIBIT A

SCALE: 1"=400'

DRAWN BY:PK

FILE: 25500 PLAT GVP_SP_J00.DWG

DATE: 2/12/19

SHEET: 7 OF 7

RIVER ISLANDS
 GOLDEN VALLEY PKY / SOMERSTON PKY / NEELY PKY
 IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY EASEMENT PURPOSES
 CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA



ODELL ENGINEERING

CLOSURE REPORT

DATE: 02/13/2019 AT 11:33 AM
 PROJECT: IOD- GVP, Somerston Parkway; Neely Parkway
 DESCRIPTION:
 CREATED BY: PKITTREDGE

TRAVERSE OF: ESMT 1-SP (SOMERSTON PARKWAY)

BEARING	DISTANCE	NORTHING	EASTING
	STARTING AT	2111738.0828	6323963.2192
N 90°00'00" E	126.00' TO	2111738.0828	6324089.2192
S 00°00'00" E	572.85' TO	2111165.2328	6324089.2192
N 90°00'00" W	126.00' TO	2111165.2328	6323963.2192
N 00°00'00" E	572.85' TO	2111738.0828	6323963.2192

ERROR OF CLOSURE NORTH = 0.00000000 EAST = 0.00000000
 BEARING N 90°00'00" E DISTANCE = 0.0000
 AREA = 72,179.58 SF 1.657 ACRES
 PERIMETER = 1,397.70' CLOSURE ERROR: 0.0000

TRAVERSE OF: ESMT 2- SP (SOMERSTON PARKWAY)

BEARING	DISTANCE	NORTHING	EASTING
	STARTING AT	2111165.2290	6323963.2192
N 90°00'00" E	126.00' TO	2111165.2290	6324089.2192
S 00°00'00" W	708.15' TO	2110457.0790	6324089.2192
S 45°00'00" E	42.43' TO	2110427.0765	6324119.2217
S 05°38'41" E	172.84' TO	2110255.0746	6324136.2222
S 45°00'00" W	42.43' TO	2110225.0720	6324106.2197
S 84°57'27" W	136.53' TO	2110213.0718	6323970.2181
N 45°00'00" W	42.43' TO	2110243.0743	6323940.2156
N 10°13'01" W	174.77' TO	2110415.0730	6323909.2156
N 45°00'00" E	42.43' TO	2110445.0756	6323939.2181
N 00°00'00" W	274.79' TO	2110719.8656	6323939.2181
N 11°18'36" E	122.38' TO	2110839.8690	6323963.2190
N 00°00'00" E	325.36' TO	2111165.2290	6323963.2190

ERROR OF CLOSURE NORTH = 0.00000363 EAST = 0.00024218
 BEARING N 89°08'29" E DISTANCE = 0.0002
 AREA = 143,457.37 SF 3.293 ACRES
 PERIMETER = 2,210.54' PRECISION = -1 : 9126641

TRAVERSE OF: ESMT 3- NP (NEELY PARKWAY)

BEARING	DISTANCE	NORTHING	EASTING
	STARTING AT	2110213.0828	6323970.2192
N 84°57'27" E	136.53' TO	2110225.0831	6324106.2208
S 00°00'00" W	247.70' TO	2109977.3831	6324106.2208
N 90°00'00" W	136.00' TO	2109977.3831	6323970.2208
N 00°00'00" W	235.70' TO	2110213.0831	6323970.2208

ERROR OF CLOSURE NORTH = 0.00025807 EAST = 0.00159818

BEARING S 80°49'38" W DISTANCE = 0.0016
 AREA = 32,870.99 SF 0.755 ACRES
 PERIMETER = 755.93' PRECISION = 1 : 466947

TRAVERSE OF: ESMT 4- GVP (GOLDEN VALLEY PARKWAY)

BEARING	DISTANCE	NORTHING	EASTING
	STARTING AT	2110415.0828	6323909.2192
S 10°13'01" E	174.77' TO	2110243.0841	6323940.2192
N 90°00'00" W	127.29' TO	2110243.0841	6323812.9292
N 84°17'22" W	120.60' TO	2110255.0842	6323692.9277
N 90°00'00" W	44.74' TO	2110255.0842	6323648.1877
N 00°00'00" E	160.00' TO	2110415.0842	6323648.1877
N 90°00'00" E	261.03' TO	2110415.0842	6323909.2177

ERROR OF CLOSURE NORTH = 0.00136369 EAST = 0.00152532
 BEARING S 48°12'08" E DISTANCE = 0.0020
 AREA = 46,305.72 SF 1.063 ACRES
 PERIMETER = 888.43' PRECISION = 1 : 434220

TRAVERSE OF: ESMT 5-GVP (GOLDEN VALLEY PARKWAY)

BEARING	DISTANCE	NORTHING	EASTING
	STARTING AT	2110427.0828	6324119.2192
N 90°00'00" E	175.09' TO	2110427.0828	6324294.3092
S 84°17'22" E	120.60' TO	2110415.0828	6324414.3107
N 90°00'00" E	2145.88' TO	2110415.0828	6326560.1907
N 00°00'00" W (R)	1725.00' TO	2112140.0828	6326560.1907

DELTA = 18°01'27" RADIUS = 1725.00' LENGTH = 542.65'
 CHORD = N 80°59'16" E 540.42' TANGENT = 273.59'

S 18°01'27" E (R)	1725.00' TO	2110499.7353	6327093.9369
N 71°58'33" E	305.37' TO	2110594.2223	6327384.3212
S 44°17'39" E	167.28' TO	2110474.4893	6327501.1400
S 71°58'33" W	379.41' TO	2110357.0930	6327140.3491
N 18°01'27" W (R)	1875.00' TO	2112140.0794	6326560.1901

DELTA = 18°01'27" RADIUS = 1875.00' LENGTH = 589.84'
 CHORD = S 80°59'16" W 587.41' TANGENT = 297.38'

S 00°00'00" W (R)	1875.00' TO	2110265.0794	6326560.1901
N 90°00'00" W	1159.02' TO	2110265.0794	6325401.1701
S 88°51'15" W	500.10' TO	2110255.0788	6324901.1701
N 90°00'00" W	764.95' TO	2110255.0788	6324136.2201
N 05°38'41" W	172.84' TO	2110427.0807	6324119.2196

ERROR OF CLOSURE NORTH = 0.00217637 EAST = 0.00044061
 BEARING N 11°26'42" W DISTANCE = 0.0022
 AREA = 514,118.38 SF 11.803 ACRES
 PERIMETER = 7,023.03' PRECISION = 1 : 3162784

TOTAL AREA OF THE PARCELS: 808,932.06 SF 18.571 ACRES

IMPROVEMENT AGREEMENT

BETWEEN THE CITY OF LATHROP

AND

RIVER ISLANDS (BUSINESS PARK) – FIRE STATION 35

RIVER ISLANDS DEVELOPMENT, LLC, A

CALIFORNIA LIMITED LIABILITY COMPANY

RECITALS

- A. This Agreement is made and entered into this ____ day of March 2019, by and between the CITY OF LATHROP, a municipal corporation of the State of California (hereinafter "CITY") and River Islands Development, LLC, a California limited liability company, (hereinafter "RID").
- B. At its March 23, 2016 meeting, the Planning Commission approved Conditional Use Permit 15-86 ("CUP-15-86"), providing the conditions to which Lathrop Manteca Fire District ("LMFD") Station 35 would be sited and constructed.
- C. Pursuant to Public Works Condition 6 of CUP-15-86, RID shall design, construct or guarantee to construct certain potable water, sewer, storm drain and other wet utilities necessary for the operation of Station 35, including certain permanent improvements associated with future Somerton Parkway and Golden Valley Parkway.
- D. Pursuant to Public Works Condition 7 of CUP-15-86, RID shall design, construct or guarantee to construct certain intersection and frontage improvements associated with future Somerton Parkway and Golden Valley Parkway.
- E. RID has constructed certain on-site improvements along with certain interim improvements that will provide public services and public access to Station 35 and allow it to operate prior to permanent off-site improvements to be constructed. These permanent off-site improvements ("Improvements"), shall be guaranteed by RID as a requirement of CUP-15-86.
-

NOW THEREFORE in consideration of CITY'S pending approval and acceptance of the Improvements upon their satisfactory completion, and in consideration of RID'S construction of Improvements in strict accordance with the terms of this Agreement, all applicable laws, statutes, ordinances, rules and regulations currently in force and effect in CITY, the terms and conditions of which are incorporated herein by this reference, the parties hereto mutually covenant and agree as follows:

1. RID shall complete construction of, or cause construction to be completed at its sole cost and expense, the Improvements for the half-streets and frontages of future Somerston Parkway and future Golden Valley Parkway, the limits are identified on Exhibit "A", including the public landscaping, streetlight and joint trench improvements. All improvements shall be constructed to the satisfaction and approval of the City Engineer, in a good and workmanlike manner in accordance with the above referenced improvement plans and specifications, the improvement standards and specifications of the CITY'S Department of Public Works, the applicable Ordinances of the City of Lathrop and CUP-15-86.
2. RID shall complete the Improvements, including all deferred and unfinished improvements, at such time as other uses adjacent to Station 35 are constructed and occupied, at the discretion of the City Engineer, or within twenty (20) years from the effective date of this Agreement, whichever comes first. Such occupancy of adjacent uses shall be documented by CITY in the form of a Certificate of Occupancy.
3. CITY, or its agent(s), shall, at any time during the progress of the Improvements, have free access thereto, and shall be allowed to examine the same and all material to be used therein. If the Improvements or any part thereof are not completed in strict compliance with the standards set forth in Paragraph 1 above, CITY may refuse to accept and may reject the defective Improvements and/or materials therein.
4. RID shall secure the services of skilled personnel necessary to construct the Improvements. CITY is not skilled in these matters and relies upon the skill of the RID to ensure that the construction of the Improvements is in the most skillful and durable manner.
5. CITY'S acceptance of the Improvements does not operate as a release of RID from any guarantee hereunder.
6. RID guarantees and warrants that the Improvements shall be constructed in compliance with the standards set forth in Paragraph 1 above, free from any defects in work or labor done, and from any defects in materials furnished. Further, RID shall repair and maintain the Improvements in good condition and in accordance with CITY specifications for one (1) year after CITY'S acceptance of the Improvements. RID shall deposit with the City Engineer a Maintenance Bond in the amount of \$54,900 equal to 10% of the estimated cost of the Improvements for the entire area (\$549,000), to insure RID'S repair and maintenance of the Improvements in accordance with the terms of this Agreement. The Maintenance Bond shall be released at the end of the one year guarantee period, provided there are no claims against it are then outstanding.

7. If RID, in whole or in part, abandons the Improvements, or unnecessarily or unreasonably delays construction of the Improvements, fails to complete construction of the Improvements within the time specified in this Agreement, or fails to repair, replace or reconstruct any defects, as set forth in Paragraph 6 above, CITY may, but is not required to, proceed to complete and/or repair, replace, or reconstruct the Improvements, either by itself or by contract for such service, and CITY may cause to be forfeited such portion of any security deposited therein as is necessary to cover the costs of completion, repair, replacement, or reconstruction incurred by CITY. Once action is taken by CITY to complete, repair, replace and/or reconstruct the Improvements, RID shall be responsible for all costs incurred by CITY, even if RID subsequently completes the work.

The CITY shall have recourse against RID for any and all amounts necessary to complete the obligations of RID in the event the security (including but not limited to any Letter of Guarantee, Certificate of Deposit, cash, bond for performance, labor and materials and repair and maintenance, letter of credit or cash deposit) therefore is insufficient to pay such amounts. All administrative costs, including reasonable attorney's fees pursuant to Government Code Section 66499.4, incurred by the CITY, in addition to the costs of the improvements shall be a proper charge against the security and RID. In the event it becomes necessary for CITY to bring an action to compel performance of this Agreement or to recover costs of completing such improvements, RID shall pay reasonable attorney's fees, costs of suit and all other expenses of litigation incurred by CITY in connection therewith.

8. Because the Improvements are not fully complete and/or deferred, RID is required to post Performance or Labor & Materials bonds to guarantee the deferred and unfinished improvements associated with Station 35 as included and described in Exhibit "B" of this Agreement. The amount of the performance bond required shall be 120% of the amount of unfinished and deferred improvements as shown in Exhibit "E" ($\$549,000 \times 120\% = \$658,800$ — performance bond amount) as indicated in Recital C. The corresponding labor and materials bond amount shall be 50% of the performance bond amount ($\$658,800 \times 50\% = \$329,400$). Further, RID shall also comply with CITY'S insurance requirements set forth on Exhibit "C" attached hereto and incorporated herein.

9. Any alteration(s) made to the plans and specifications, which are a part of this Agreement, or any provision of this Agreement shall not operate to release any surety or sureties from liability on any bond or bonds attached hereto and made a part thereof. The above referenced sureties hereby consent to such alterations and waive the provisions of California Civil Code Section 2819.

10. Neither the CITY nor any of its officers, employees or agents shall be liable to RID, and/or RID'S agents, contractors or subcontractors for any error or omission arising out of or in connection with any work to be performed under this Agreement.

11. Neither the CITY nor any of its officers, employees, or agents, shall be liable to the RID or to any person, entity, or organization, for any injury or damage that may result to any person or property by or from any cause in, on, or about the subdivision of all or any part of the land covered by this Agreement.

12. RID hereby agrees to, and shall hold CITY, its elective and appointive boards, commissions, officers, agents and employees (collectively, “Indemnitees”), harmless from any liability for damage or claims which may arise from RID and/or RID’S contractors, subcontractors, agents, or employees’ operations under this Agreement, whether such operations be by RID or by any RID contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, RID or any of RID’S contractors or subcontractors. RID shall, at its own cost and expense, defend any and all actions, suits, or legal proceedings or any type that may be brought or instituted against CITY and indemnities on any claim or demand, of any nature whatsoever, and pay or satisfy any judgment that may be rendered against CITY and the Indemnitees in any such action, suit or legal proceedings, resulting from or alleged to have resulted from RID’S performance or non-performance of his duties and obligations under this Agreement, or from the negligent act or omission of himself, his agents, contractors, representatives, servants or employees. The promises and Agreement to indemnify and hold harmless set forth in this section is not conditioned or dependent on whether or not any indemnity has prepared, supplied or approved any plan or specification in connection with this work or subdivision, whether or not any such indemnity has insurance or indemnification covering any of these matters. CITY does not, and shall not; waive any rights against RID which it may have by reason of the aforesaid hold harmless agreement, because of the acceptance by CITY of any deposit with CITY by RID. The aforesaid hold harmless agreement by RID shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in this paragraph, regardless of whether or not CITY has prepared, supplied or approved of, plans and/or specifications for the subdivision.

13. Neither RID nor any of RID’S agents, contractors or subcontractors are, or shall be, considered to be agents of CITY in connection with the performance of RID’S obligations under this Agreement.

14. Prior to acceptance of the Improvements by the City Council, the RID shall be solely responsible for maintaining the quality of the Improvements, and maintaining safety at the project site. The RID’S obligation to provide the Improvements shall not be satisfied until after the City Engineer has made a written determination that all obligations of the Agreement have been satisfied and all outstanding fees and charges have been paid, and the City Council has accepted the Improvements as complete. The CITY and RID have formed Community Facilities Districts to finance maintenance and improvements. The CITY expects to preserve the ability to use future special taxes of the CFD for payment of the cost of acquisition of the Improvements, which may require that acceptance of improvements by CITY be subject to the provisions of an acquisition agreement to be entered into by the CITY and RID providing that CITY expects to be paid or reimbursed acquisition costs through future CFD special taxes. RID shall cooperate to facilitate such method of acquisition.

15. RID shall pay service fees for the utility services from the time the Improvements are accepted by the CITY to the end of the fiscal year, or up to a one (1) year period, whichever is needed to ensure an opportunity for the Improvements to be included in the next fiscal year annual assessment.

16. RID shall not assign this Agreement without the prior written consent of CITY. If such consent is given, the terms of this Agreement shall apply to and bind the heirs, successors, executors, administrators and assignees of RID, and any heirs, successors, executors, administrators and assignees of the RID and shall be jointly and severally liable hereunder.
17. The RID shall, at the RID'S expense, obtain and maintain all necessary permits and licenses for construction of the Improvements. Prior to the commencement of Improvement construction, the RID shall obtain a City of Lathrop Business License. The RID shall comply with all local, state and federal laws, whether or not said laws are expressly stated in this Agreement.
18. This Agreement and any amendments hereto comprise the entire understanding and agreement between the parties regarding the improvements to be constructed and dedications for Station 35.
19. The following miscellaneous provisions are applicable to this Agreement:
 - a. Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the laws of the State of California.
 - b. Definitions. The definitions and terms are as defined in this Agreement.
 - c. Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
 - d. Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
 - e. Incorporation of Documents. All documents referred to herein and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated herein and shall be deemed to be part of this Agreement.
 - f. Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
 - g. Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
 - h. Successors and Assigns. Except as otherwise expressly provided herein, the provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
 - i. Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.

J Venue. In the event either party brings that suit hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin.

ATTACHMENTS:

- EXHIBIT A: FIRE STATION 35 OFF-SITE IMPROVEMENTS EXHIBIT
- EXHIBIT B: FIRE STATION 35 PERFORMANCE BOND ESTIMATE
- EXHIBIT C: CITY INSURANCE REQUIREMENTS

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this
____ day of March 2019, at Lathrop, California.**

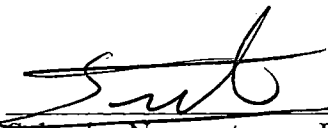
ATTEST: TERESA VARGAS
City Clerk of and for the City
of Lathrop, State of California

CITY OF LATHROP, a
municipal corporation of the
State of California

BY: _____
Teresa Vargas Date
City Clerk

BY: _____
Stephen J. Salvatore Date
City Manager

APPROVED AS TO FORM

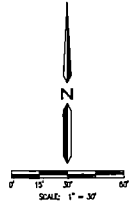
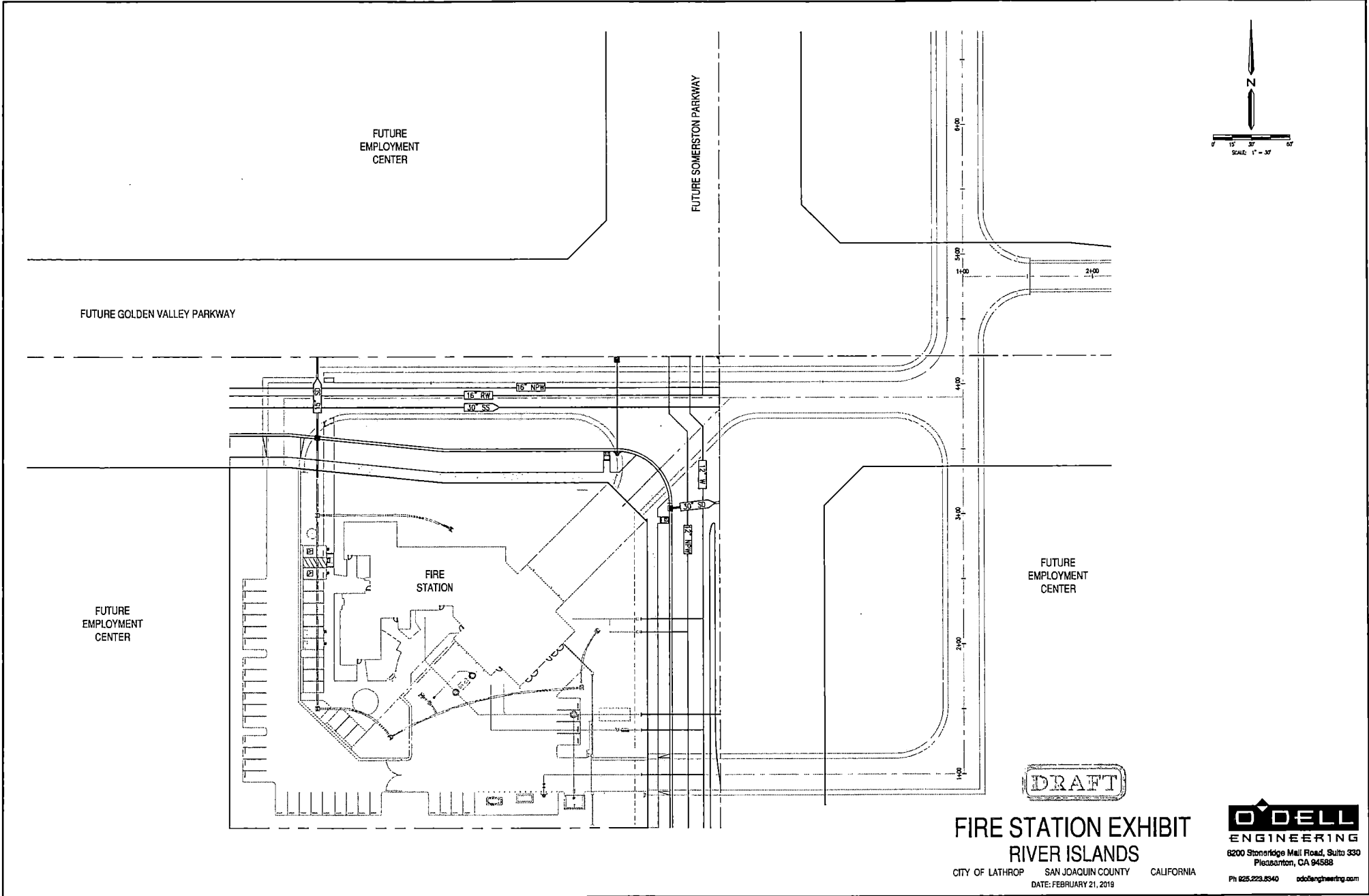
BY:  3-7-19
Salvador Navarrete Date
City Attorney

River Islands Development, LLC
a California limited liability company

BY: _____
Susan Dell'Osso
President
"RID"

EXHIBIT "A"

FIRE STATION 35 OFF-SITE IMPROVEMENTS EXHIBIT



DRAFT

**FIRE STATION EXHIBIT
RIVER ISLANDS**

CITY OF LATHROP SAN JOAQUIN COUNTY CALIFORNIA
DATE: FEBRUARY 21, 2019

O'DELL
ENGINEERING
6200 Stoneridge Mall Road, Suite 330
Pleasanton, CA 94588

PH 925.223.8540 odellengineering.com

1:25000-RIVER ISLANDS/PHASE 20 - FIRE STATION OFFSITE IMPROVEMENTS/04/2019/2019 EXHIBIT/STATION OFFSITE EXHIBIT.DWG

EXHIBIT "B"

FIRE STATION 35 PERFORMANCE BOND ESTIMATE

DRAFTED BOND ESTIMATE
RIVER ISLANDS
FIRE STATION (OFFSITE)
 CITY OF LATHROP, SAN JOAQUIN COUNTY, CALIFORNIA

February 21, 2019
 Job No.: 25503-20

Item	Description	Quantity	Unit	Unit Price	Amount
<u>FUTURE STREET WORKS</u>					
1	Fine Grading	50,740	SF	\$ 0.50	\$ 25,370.00
2	7" AC Paving	36,760	SF	\$ 3.50	\$ 128,660.00
3	13" Aggregate Base	36,760	SF	\$ 1.95	\$ 71,682.00
4	12" Lime Treatment	36,760	SF	\$ 0.56	\$ 20,585.60
5	Vertical Curb & Gutter <i>(with AB cushion)</i>	620	LF	\$ 15.00	\$ 9,300.00
6	Type F Median Curb <i>(with AB cushion)</i>	440	LF	\$ 18.00	\$ 7,920.00
7	Concrete Sidewalk	4,710	SF	\$ 5.00	\$ 23,550.00
8	Handicap Ramps	2	EA	\$ 2,500.00	\$ 5,000.00
9	Driveway Approach	2	EA	\$ 600.00	\$ 1,200.00
10	Survey Monuments	1	EA	\$ 300.00	\$ 300.00
11	Landscape Strip	6,735	SF	\$ 8.00	\$ 53,880.00
Subtotal Future Street Works					\$ 347,447.60
<u>FUTURE STORM DRAIN</u>					
12	Catch Basin <i>(type A inlet over type I manhole base)</i>	1	EA	\$ 2,800.00	\$ 2,800.00
13	Catch Basin <i>(type A inlet over type II manhole base)</i>	1	EA	\$ 5,000.00	\$ 5,000.00
14	15" Storm Drain Pipe	95	LF	\$ 34.00	\$ 3,230.00
15	30" Storm Drain Pipe	40	LF	\$ 80.00	\$ 3,200.00
16	Connect to Existing	1	EA	\$ 1,700.00	\$ 1,700.00
Subtotal Future Storm Drain					\$ 15,930.00
<u>FUTURE SANITARY SEWER</u>					
17	30" Sanitary Sewer Pipe	380	LF	\$ 180.00	\$ 68,400.00
18	Sewer Service	1	EA	\$ 600.00	\$ 600.00
19	Connect to Existing	1	EA	\$ 3,000.00	\$ 3,000.00
Subtotal Future Sanitary Sewer					\$ 72,000.00
<u>FUTURE WATER SUPPLY</u>					
20	12" Water Line <i>(including all appurtenances)</i>	370	LF	\$ 48.00	\$ 17,760.00
21	Fire Hydrant	1	EA	\$ 4,000.00	\$ 4,000.00
22	Water Service	3	EA	\$ 2,000.00	\$ 6,000.00
23	Connect to Existing	3	EA	\$ 3,000.00	\$ 9,000.00
Subtotal Future Water Supply					\$ 36,760.00

FUTURE NON-POTABLE WATER

24	12" Non-Potable Water Line <i>(including all appurtenances)</i>	370	LF	\$	55.00	\$	20,350.00	
25	16" Non-Potable Water Line <i>(including all appurtenances)</i>	380	LF	\$	65.00	\$	24,700.00	
26	Non-Potable Water Service	1	EA	\$	2,000.00	\$	2,000.00	
27	Connect to Existing	1	EA	\$	3,000.00	\$	3,000.00	
Subtotal Future Non-Potable Water							\$	50,050.00

FUTURE RECYCLED WATER

28	16" Recycled Water Line <i>(including all appurtenances)</i>	410	LF	\$	65.00	\$	26,650.00	
Subtotal Future Recycled Water							\$	26,650.00

TOTAL CONSTRUCTION COST (nearest \$1,000) \$ 549,000.00

EXHIBIT "C"

CITY INSURANCE REQUIREMENTS

1. The RID shall obtain commercial general liability insurance companies licensed to do business in the State of California with an A.M. Best Company Rating Insurance rating of no less than A: VII which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 for each occurrence and \$2,000,000 in the aggregate.

Said insurance coverage shall be evidenced by a certificate of insurance with policy endorsements, executed by an authorized official of the insurer(s). All parties to the Subdivision Improvement Agreement must be named insured on the policy. The policy endorsements to be attached to the certificate must provide all the following:

a. Name the City of Lathrop, its officers, City Council, boards and commissions, and members thereof, its employees and agents as additional insured as respects to any liability arising out of the activities of the named insured. A CG 2010 or CG 2026 endorsement form or the equivalent is the appropriate form.

b. State that “the insurance coverage afforded by this policy shall be primary insurance as respects to the City of Lathrop, its officers, employees and agents. Any insurance or self-insurance maintained by the City of Lathrop, its officers, employees, or agents shall be in excess of the insurance afforded to the named insured by this policy and shall not contribute to any loss.

c. Include a statement that, “the insurer will provide to the City at least thirty (30) days prior notice of cancellation or material change in coverage.” The above language can be included on the additional insured endorsement form or on a separate endorsement form.

d. The policy must contain a cross liability or severability of interest clause.

e. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.

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

ITEM: APPROVE PROFESSIONAL SERVICES AGREEMENT FOR DESIGN ENGINEERING SERVICES FOR THE LOUISE AVENUE AND MCKINLEY AVENUE PROJECT CIP PS 15-02 AND A BUDGET AMENDMENT

RECOMMENDATION: Adopt a Resolution Approving a Professional Services Agreement with Associated Engineering Group for Design Engineering Services for the Louise Avenue and McKinley Avenue Intersection Capital Improvement Project PS 15-02 and Authorizing Related Budget Amendment

SUMMARY

City Council approved the creation of Capital Improvement Project (CIP) Public Streets (PS) 15-02 for the intersection improvements of Louise Avenue and McKinley Avenue. In January of 2019, staff requested proposals for design engineering services from six (6) firms.

After reviewing and evaluating the proposals, Associated Engineering Group (AEG) was selected based on previous work history, qualifications, positive references, and their overall understanding of the project requirements.

Therefore, Staff requests that City Council authorize a Professional Services Agreement with AEG in the amount of \$95,070 plus a 15% contingency for a total cost of \$109,330.50 and authorizing its related budget amendment.

BACKGROUND

The City's Traffic Monitoring Plan (TMP) calls for upgrades to the Louise Avenue and McKinley Avenue intersection. Louise Avenue is a key east and west route for trucks and vehicles traveling between Lathrop, Manteca and unincorporated San Joaquin County. In 2015, City Council approved the creation of CIP PS 15-02 Louise Avenue and McKinley Avenue Intersection Improvement Project to widen Louise Avenue, modify lane configurations and upgrade the traffic signal equipment at the intersection. Staff applied for and received federal Congestion Mitigation and Air Quality (CMAQ) funding from the San Joaquin Council of Governments (SJCOG) in the amount of \$400,000 to construct the improvements.

The project will provide protected left-turns for both eastbound and westbound Louise Avenue. The intersection will be widened to provide exclusive left-turn lanes for all directions and will satisfy the Federal Highway Administration (FHWA) Surface Transportation Assistance Act (STAA) truck route requirements for truck access to local businesses.

CITY MANAGER'S REPORT **PAGE 2**
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVE PROFESSIONAL SERVICES AGREEMENT FOR DESIGN
ENGINEERING SERVICES FOR THE LOUISE AVENUE AND MCKINLEY AVENUE
INTERSECTION IMPROVEMENT PROJECT PS 15-02 AND AUTHORIZING
RELATED BUDGET AMENDMENT

Staff requests that City Council authorize a Professional Services Agreement with AEG in the amount of \$95,070 plus a 15% contingency for a total cost of \$109,330.50 and a related budget amendment.

REASON FOR RECOMMENDATION

Design engineering services are needed to advance the Louise Avenue and McKinley Avenue Intersection Improvement Project PS 15-02. AEG was selected based on previous work history, qualifications, and their overall understanding of the project requirements. Staff recommends City Council approve a Professional Services Agreement with AEG for \$95,070 plus a 15% contingency for a total cost of \$109,330.50 and a related budget amendment.

FISCAL IMPACT:

Staff requests that City Council authorize a Professional Services Agreement with AEG in the amount of \$95,070 plus a 15% contingency for a total cost of \$109,330.50. CIP PS 15-02 currently holds a budget of \$50,000 for engineering services. The CMAQ funding can only be used for construction, therefore, staff requests a budget amendment in the amount of \$59,330.50 from the Gas Tax Fund (2030) to authorize the agreement for Louise Avenue and McKinley Avenue, PS 15-02.

Transfer Out	
2030-9900-990-9010	\$59,330.50
Transfer In	
3310-9900-393-000 PS 15-02	\$59,330.50
Appropriation	
3310-8000-420-8400 PS 15-02	\$59,330.50

ATTACHMENTS:

- A. Resolution Approving a Professional Services Agreement with Associated Engineering Group for Design Engineering Services for the Louise Avenue and McKinley Avenue Intersection Improvement Project PS 15-02 and Authorizing Related Budget Amendment.
- B. Agreement for Professional Engineering Consulting Services with Associated Engineering Group for Design Engineering Services.

CITY MANAGER'S REPORT **PAGE 3**
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVE PROFESSIONAL SERVICES AGREEMENT FOR DESIGN
ENGINEERING SERVICES FOR THE LOUISE AVENUE AND MCKINLEY AVENUE
INTERSECTION IMPROVEMENT PROJECT PS 15-02 AND AUTHORIZING
RELATED BUDGET AMENDMENT

APPROVALS



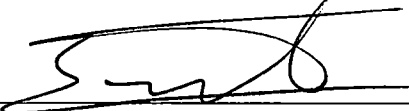
Brad Taylor
Associate Engineer

3/7/19
Date



Michael King
Assistant Public Works Director

3-7-19
Date



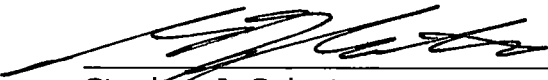
Salvador Navarrete
City Attorney

3-7-19
Date

for 

Cari James
Administrative Services & Finance Director

3-7-19
Date



Stephen J. Salvatore
City Manager

3-7-19
Date

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING A PROFESSIONAL SERVICES AGREEMENT WITH ASSOCIATED ENGINEERING GROUP FOR DESIGN ENGINEERING SERVICES FOR THE LOUISE AVENUE AND MCKINLEY AVENUE INTERSECTION CAPITAL IMPROVEMENT PROJECT PS 15-02 AND AUTHORIZE RELATED BUDGET AMENDMENT

WHEREAS, the Louise Avenue and McKinley Avenue Intersection Improvement Project PS 15-02 was included in the approved FY 2018/19 budget; and

WHEREAS, the project consists of the installation of new traffic signals and widening the intersection of Louise Avenue and McKinley Avenue; and

WHEREAS, the intersection improvements will help reduce delays, excessive traffic back up and provide Surface Transportation Assistance Act (STAA) truck route compliance; and

WHEREAS, staff applied for and received CMAQ funding from San Joaquin Council of Governments (SJCOG) in the amount of \$400,000 to construct the improvements; and

WHEREAS, design engineering services are needed to advance the Louise Avenue and McKinley Avenue Intersection Improvement Project PS 15-02; and

WHEREAS, staff requested proposals for design engineering services from six (6) firms and received proposals from one (1) firm and Associated Engineering Group (AEG) was reviewed and selected based on previous work history, qualifications, positive references, and their overall understanding of the project requirements.

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Lathrop does hereby approve an agreement with AEG for Design Engineering Services in the amount of \$95,070 plus a 15% contingency for a total cost of \$109,330.50 and a related budget amendment in the amount of \$59,330.50 from the Gas Tax Fund (2030).

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby authorize the following budget amendment to the following accounts:

Transfer Out	
2030-9900-990-9010	\$59,330.50
Transfer In	
3310-9900-393-000 PS 15-02	\$59,330.50
Appropriation	
3310-8000-420-8400 PS 15-02	\$59,330.50

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

AYES:

NOES:

ABSTAIN:

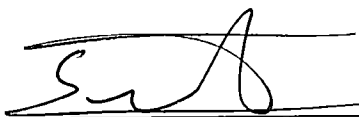
ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

CITY OF LATHROP AGREEMENT FOR PROFESSIONAL ENGINEERING CONSULTING SERVICES WITH ASSOCIATED ENGINEERING GROUP FOR THE LOUISE AVENUE AND MCKINLEY AVENUE INTERSECTION CAPITAL IMPROVEMENT PROJECT PS 15-02

THIS AGREEMENT, dated for convenience this 11th day of March 2019, is by and between Associated Engineering Group (“CONSULTANT”) and the CITY OF LATHROP, a California municipal corporation (“CITY”);

RECITALS:

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

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

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

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

AGREEMENT

(1) Scope of Service.

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

(2) Compensation.

CITY hereby agrees to pay CONSULTANT a sum not to exceed \$95,070, for the Professional Engineering Consulting Services set forth in Exhibit “A”. CONSULTANT shall be paid any uncontested sum due and payable within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. Compensation for any task must be equal to or less than the percentage of task complete. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit “A”, unless a written change order or authorization describing the extra work and payment terms has been executed by CITY’s authorized representative prior to the commencement of the work. Payment is made based on a time and materials basis.

(3) Effective Date and Term.

The effective date of this Agreement is March 11, 2019, and it shall terminate no later than June 30, 2020.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

(4) Independent Contractor Status

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

(5) Billings

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

(6) Advice and Status Reporting

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

(7) Assignment of Personnel

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

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

(8) Assignment and Subcontracting

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

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

(9) Insurance

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

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars. In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.
- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

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

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

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

- (i) CITY, its officers, employees, agents, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT, including the insider's general supervision of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.
 - (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
 - (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
 - (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
 - (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
 - (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.
- (c) Professional Liability. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than One Million Dollars (\$1,000,000) per claim made and per policy aggregate covering the licensed professionals' errors and omissions, as follows:
- (i) Any deductible or self-insured retention shall not exceed \$150,000 per claim.
 - (ii) Notice of cancellation, material change, or non-renewal must be received by the CITY at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
 - (iii) The policy must contain a cross liability or severability of interest clause.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

- (iv) The following provisions shall apply if the professional liability coverages are written on a claims made form:
 - 1. The retroactive date of the policy must be shown and must be before the date of the Agreement.
 - 2. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
 - 3. If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this Agreement, CONSULTANT must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. The CITY shall have the right to exercise at the CONSULTANT'S cost, any extended reporting provisions of the policy should the CONSULTANT cancel or not renew the coverage.
 - 4. A copy of the claim reporting requirements must be submitted to the CITY prior to the commencement of any work under this Agreement.
- (d) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of the CITY's authorized representative, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY's authorized representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.
- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT'S earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (f) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:
 - (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

- (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
- (iii) Terminate this Agreement.

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

(10) Indemnification - CONSULTANT'S Responsibility

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

Acceptance by CITY of the work performed under this Agreement does not operate as a release of said CONSULTANT from such professional responsibility for the work performed.

It is further understood and agreed that CONSULTANT is apprised of the scope of the work to be performed under this Agreement and CONSULTANT agrees that said work can and shall be performed in a fully competent manner in accordance with the standard of care applicable to CONSULTANT'S profession.

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

(11) Licenses

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

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

(12) Business Licenses

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

(13) Termination

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

(14) Funding

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

(15) Notices

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

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

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

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

To Consultant: Associated Engineering Group
4206 Technology Dr., Ste. 4
Modesto, CA 95356

Phone: (209) 545-3390

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

(16) **Miscellaneous**

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- (c) Definitions. The definitions and terms are as defined in these specifications.
- (d) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- (e) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
- (f) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in the Agreement and shall be deemed to be part of this Agreement.
- (g) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, and there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (h) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (i) Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (j) Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

- (k) Status of CONSULTANT. In the exercise of rights and obligations under this Agreement, CONSULTANT acts as an independent contractor and not as an agent or employee of CITY. CONSULTANT shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and CONSULTANT expressly waives any and all claims to such right and benefits.
- (l) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (m) Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.
- (n) Venue. In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
- (o) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

(17) Notice to Proceed

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

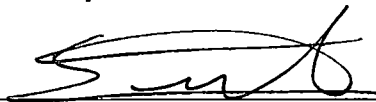
(18) Signatures

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

CITY OF LATHROP – CONSULTING SERVICES AGREEMENT
ASSOCIATED ENGINEERING GROUP

Approved as to Form:

City of Lathrop
City Attorney



Salvador Navarrete

3-7-19

Date

Recommended for Approval:

City of Lathrop
Assistant Public Works Director

Michael King

Date

Accepted By:

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore

Date

City Manager

Consultant:

Associated Engineering Group
4206 Technology Drive, Ste. 4
Modesto, CA 95356

Fed ID # _____

Business License # _____

Date

(Print Name and Title)

Scope of Work

After reviewing the Request for Proposal, dated January 17, 2019, it is our understanding that the project will include but not be limited to the outlined scope identified in the RFP. See below for a summary of the scope of work to be performed:

TASK 1 – RECONNAISSANCE AND FIELD SURVEYS

Topographic Survey

Associated Engineering Group, Inc. will perform the required services for the preparation and coordination of a topographic survey as required for design purposes. We will perform the field data collection to include horizontal locations of planimetric features along with surface and subsurface utilities. The preparation of the base mapping and topographic plans will be prepared in AutoCAD format and provided to design team as needed to perform task items 3 & 4.

- Obtain and review project related documents.
- Perform field survey.
- Prepare topographic plan and base mapping.
- Coordinate with property owners, utility agencies and city staff as needed during field survey.
- Maintain coordination with utility agencies throughout the project.
- Potholing requirements will be determined during preliminary engineering and will be addresses on the construction document specification and contractors' requirements.

Site Visit and As-Built Plan Review

Fehr & Peers will perform a site visit to observe traffic patterns including pedestrian, bicycle, and truck activity. We will field check existing traffic signal equipment to evaluate its condition and verify as-built traffic signal plans provided by the City. Visible utilities and drainage facilities will be noted for use in the design to reduce potential of conflict with proposed traffic signal equipment.

Traffic Counts

We will perform weekday AM and PM peak hour traffic counts at the intersection to determine the existing volumes and turning movements for cars, trucks, pedestrians, and bicyclists.

TASK 2 – ENVIRONMENTAL

BaseCamp Environmental will perform the necessary work for the environmental task to include the following:

NEPA Compliance Tasks

It appears that the project will qualify for a Categorical Exclusion under NEPA. BaseCamp will prepare a Caltrans Preliminary Environmental Study form and any required technical studies in order to support a Caltrans Categorical Exclusion determination. NEPA compliance would involve the following tasks.

Prepare PES Form

BaseCamp will prepare a preliminary version of the Caltrans PES form in consultation with Associated and submit an Administrative Draft to the City for review and comment. The PES form will be revised in response to City comments, and, on City approval, submit the PES form to Caltrans. If required, BaseCamp will attend a field meeting with Caltrans to discuss the PES, anticipated NEPA determination, required technical studies and Area of Potential Effect. It is anticipated Caltrans will complete and sign the PES form as submitted, subject to Caltrans staff modifications; if requested by Caltrans, BaseCamp will revise the PES as requested.

TASK 2 – ENVIRONMENTAL (continued)

Technical Studies

BaseCamp Environmental will prepare technical studies for the project as specified in the signed PES form. The following environmental technical studies are expected to be required based on BaseCamp's understanding of the project and its environmental setting, experience with District 10 environmental staff and the probable content of the PES form. During the environmental determination, additional technical studies may be warranted and are listed below as add alternatives. All technical studies will initially be submitted to the City for review and comment, revised as requested and submitted to Caltrans. Each study will be revised as required by Caltrans comment until approved.

Initial Site Assessment (ISA)- add alternative item to be determined during environmental process

If required, BaseCamp will prepare an Initial Site Assessment (ISA) of potential hazardous waste and hazardous material concerns on and near the project site in accordance with the requirements of the Caltrans SER and ASTM 1527 guidance for the preparation of Phase I Environmental Site Assessments. The technical basis for the document will include a search of the applicable government databases, review of aerial photographs and maps, a field survey of the project site, analysis of potential hazardous waste and material issues.

Natural Environment Study – Minimal Impact (NES-MI) - add alternative item to be determined during environmental process

Significant biological concerns are not anticipated, and no documentation may be required of the City. If required, an NES-MI will be the appropriate biological resource document. The NES-MI will be prepared under the direction of BaseCamp Environmental by subcontractor Moore Biological Consultants in accordance with Caltrans SER requirements. The technical basis for the document will include a search of the CNDDDB, US Fish and Wildlife and other applicable databases, a field survey of the project site, analysis of potential biological effects and identification of avoidance, minimization and mitigation measures needed to assure compliance with applicable federal statutes and executive orders.

Area of Potential Effect (APE) Map

BaseCamp Environmental will work with Associated to prepare a draft APE map for review and approval by the City. The APE will be plotted on a project base map clearly depicting existing and proposed right-of-way and intersection geometrics, proposed improvement geometrics and the proposed archaeological, and if necessary historical, APE boundaries. Signature lines will be provided for the City Project Engineer, the Caltrans PQS and the Local Assistance Engineer. On City approval, the APE map will be submitted for Caltrans review and comment and revised as required until approved by Caltrans.

Archaeological Survey Report (ASR) and Historic Properties Survey Report (HPSR)

If required, an ASR and accompanying HPSR will be prepared under the direction of BaseCamp Environmental by subcontractor Solano Archaeology in accordance with Caltrans SER, Section 106 of the NHPA and CEQA requirements as well as any applicable programmatic agreements. The technical basis for the document will include a search of the CSU Stanislaus database, contextual research, consultation with Native American representatives, a field survey of the project site, analysis of potential cultural resource effects and identification of avoidance, minimization and mitigation measures needed to assure compliance with applicable federal statutes and executive orders. The ASR/HPSR will be submitted to the City for review and approval, revised as required and submitted to Caltrans for review and comment; the ASR/HPSR will be revised as required until approved by Caltrans.

Noise - add alternative item to be determined during environmental process

The project is not a Type 1 project requiring a Noise Study Report and does not appear to involve sensitive receptors - residences – in the project vicinity. Nonetheless, Caltrans may require preparation of a Noise technical memorandum addressing potential construction noise impacts. BaseCamp will prepare and submit a draft Noise technical memorandum for City review and approval. The memo will be revised as required and submitted to Caltrans for review and comment, and then revised as required to obtain Caltrans approval.

TASK 2 – ENVIRONMENTAL (continued)

Air Quality

The project appears to be exempt from regional conformity per 40 CFR 93.127 and should not be considered a Project Of Air Quality Concern (POAQC) or require quantitative modeling. BaseCamp will prepare the necessary confirmation documents for City submittal to the Interagency Consultation process.

Assist NEPA Categorical Exclusion

On behalf of the City, BaseCamp will coordinate with Caltrans staff and provide assistance, information and documentation as required to support completion of Categorical Exclusion documentation

CEQA Compliance Tasks

It is anticipated that required CEQA documentation will require preparation of an Initial Study/Mitigated Negative Declaration and that the Lathrop Department of Public Works will be the CEQA Lead Agency. The following tasks define the required CEQA document preparation and processing tasks.

Administrative Draft IS/MND

BaseCamp Environmental will prepare an Administrative Draft Initial Study based on Appendix G of the most recent CEQA Guidelines that describes the environmental setting of the project and the project's potential environmental effects in each of the areas of concern listed in the Initial Study Checklist. The Initial Study will include:

A Project Description will describe the major elements of the project using text and graphics.

The Initial Study will include a narrative presenting background information and impact analysis in each of the areas of concern identified in the CEQA checklist. The analysis will include a significance determination; where potentially significant environmental effects are identified, the Initial Study will present feasible mitigation measures that could avoid, minimize or mitigate the significant effects.

The analyses will rely on technical information included in NEPA technical studies where appropriate and otherwise on available technical publications including the Lathrop City General Plan, previous BaseCamp CEQA studies for projects in the project vicinity, California Air Resources Board air monitoring data, NRCS soils surveys, State Important Farmland Maps, State geologic, fault and seismicity maps, Geotracker and Envirostor databases, FEMA FIRMs and State demographic data, among others.

The administrative Draft IS/MND will be submitted to the City for review and comment. BaseCamp will incorporate City comments into the IS/MND.

Public Review Draft IS/MND

The revised IS/MND will be resubmitted to the City for final (screencheck) review together with a draft Notice of Intent, Notice of Completion and IS/MND Summary. Upon City comment and approval, BaseCamp will transmit the NOC and 15 IS/MND summaries to the State Clearinghouse, the Notice of Intent and 5 copies of the IS/MND to the City, and the electronic version of the entire document for uploading to the City web site, reproduction and distribution to local agencies as required.

BaseCamp will provide technical support City staff in publishing the Notice of Intent, in making the required Notice of Intent and IS/MND filing with the San Joaquin County Clerk/Recorder, and in identifying local parties that should receive a Notice of Intent.

Prepare City Council Adoption Materials

BaseCamp and Associated will review comments received during the public review period and prepare responses to comments, where warranted, in memo format rather than a standalone Final IS/MND. It is assumed that comments do not raise major new issues or objections to the project that require lengthy responses, or that might trigger recirculation of the IS/MND. BaseCamp will also prepare a Mitigation

TASK 2 – ENVIRONMENTAL (continued)

Monitoring/Reporting Plan (MMRP) for review and comment by the City. Both the response to comment memo and the MMRP will be revised to reflect City comments and then resubmitted for incorporation in the City Council approval materials.

Notice of Determination

BaseCamp will prepare a Notice of Determination (NOD) for the project immediately following approval and submit it to City staff for review. BaseCamp will file the NOD with the San Joaquin County Clerk. Filing fees will be the responsibility of the City.

TASK 3 – PRELIMINARY ENGINEERING & FINAL DESIGN

Roadway Design and Civil Improvements

Associated Engineering Group, Inc. will prepare documents, studies, drawings and technical specifications for the intersection improvement project. We will evaluate existing wheel chair ramps, intersection, corridor signage, striping, road widening, and pavement rehabilitation. Truck turning movement simulations will be prepared per STAA truck route compliance for geometric design. Prepare preliminary design recommendations for City review and comments. We will address comments and prepare final design for City approval.

Forecasting and Traffic Study

Fehr & Peers will complete a traffic analysis for the intersection of Louise Avenue and McKinley Avenue to determine the required intersection configurations to provide acceptable level of service conditions for build-out of the City's General Plan.

Using a combination of Existing AM and PM peak hour traffic counts and the San Joaquin Council of Governments (SJCOG) / City of Lathrop Travel Demand Forecasting (TDF) Model, Fehr & Peers will develop Cumulative AM and PM peak hour volumes for the intersection. Fehr & Peers will analyze the intersection using Synchro and SimTraffic to determine intersection geometrics, pocket lengths, phasing plan, and resulting delays, levels of service and queue lengths.

Documentation and Meetings

The results of the traffic analysis and recommendations including traffic index, lane geometry, turn pocket lengths, and traffic signal phasing will be documented in a draft Technical Memorandum for one round of review and comment by the City of Lathrop. Our team will meet with the City to discuss any questions or comments and incorporate feedback into a Final Traffic Operations Technical Memorandum.

Schedule

Associated Engineering Group, Inc. will prepare and maintain a detail schedule for the project and submit regular updates to the City and design team.

TASK 4 – CONSTRUCTION DOCUMENTS

Associated Engineering Group, Inc. with the support services of Fehr & Peers will prepare plans, specifications, and estimates (PS&E) for the intersection improvement project at Louise Avenue and McKinley Avenue.

The traffic signal modification design will accommodate the widening of Louise Avenue and include modification of vehicle, bicycle, and pedestrian detection, vehicle and pedestrian signals, and intersection safety lighting. Our design will include upgrading the existing pedestrian detection to Accessible Pedestrian Signals with equipment located per the latest ADA and CA MUTCD guidance. We expect that the existing controller and service cabinets will be able to remain in place. Plans will include updated conductor and equipment schedules.

Our team will prepare PS&E at 60%, 90%, and 100% levels for City review. We will address comments at each submittal level and prepare written responses to the comments. We will be available to meet with the City following each review to discuss any comments. We have budgeted for one in person meeting and two teleconferences during this task. Final plans will be submitted electronically in both .pdf and .dwg format as well as hard copy mylar. Final specifications will be submitted electronically in Microsoft Word format. The cost estimate will be provided as a lump sum item.

PS&E will comply with the latest City of Lathrop Design Standards, Standard Plans, Standard Specifications, Caltrans Standard Plans (2018), Caltrans Standard Specifications (2018) and the California Manual on Uniform Traffic Control Devices (CA MUTCD) (2014). PS&E will be prepared under the responsible charge of Ryan Carrel P.E., C61619 and Kristin Calia, P.E., C62461.

Traffic Signal Timing Sheet

Fehr & Peers will generate updated traffic signal timing parameters based upon the Task 3 Traffic Study recommendations. We will provide the City with an updated traffic signal timing sheet in Microsoft Excel format.

TASK 5 – BID PERIOD SERVICES

Our team will be available for support during the pre-bid and pre-construction periods. We will attend up to two in-person meetings (pre-bid and pre-construction). We will be available to respond to contractor questions and provide clarification on the Intersection Project PS&E. If necessary, we will provide revised PS&E incorporating addenda resulting from the bidding process.

TASK ITEM	2019									
	March	April	May	June	July	August	September	October	November	
Task 1 - Reconnaissance and Field Survey										
Topographic Survey	█									
Traffic Counts	█									
Task 2 - Environmental										
NEPA Compliance										
PES Form	█	█								
Air Quality Conformity		█								
Area of Potential Effect Map		█								
Archaeological Survey Report		█	█	█						
Initial Site Assessment (if required)			Add alternative item							
Natural Environmental Study (if required)			Add alternative item							
Noise Study (if required)			Add alternative item							
CEQA Compliance Task										
Administrative Draft IS/MND				█		See note				
Public Review Draft IS/MND					█		see note			
Prepare City Council Adoption Materials					█	█	see note			
Notice of Determination							█			see note
Task 3 - Preliminary Engineering										
Roadway Design and Civil Improvements		█	█	█						
Forecasting and Traffic Study		█	█	█						
Design Review and Approval				█						
Task 4 - Construction Documents										
Construction Documents					█	█				
Plan Check Review and Approval							█			
Task 5 - Bid Period Services										
Bidding and Support Services								█		

Note: CEQA Start time frame adjusted for additional required technical studies.

Fee Proposal
 Louise Avenue / McKinley Avenue
 Intersection Improvement Project (PS 15-02)
 Revised March 6, 2019



Task	Task Description	HOURS																		TOTAL	
		Civil Engineer	Qualified SWPPP Developer	Project Manager	Associate Civil Engineer	Senior Designer	Designer	SWPPP Technician	CADD Technician	Land Surveyor	Assistant Surveyor	Survey Technician	Field Technician (Robot/GPS)	Two-Person Field Crew	Field Tech (Robot-GPS) (PW)	Two-Person Field Crew (PW)	Land Planner	Project Planner	Assistant Planner		Graphic Designer
	Hourly Billing Rate	\$170.00	\$170.00	\$150.00	\$145.00	\$145.00	\$120.00	\$110.00	\$90.00	\$170.00	\$140.00	\$120.00	\$160.00	\$200.00	\$195.00	\$260.00	\$170.00	\$150.00	\$120.00	\$90.00	\$70.00
TASK 1 - RECONNAISSANCE AND FIELD SURVEYS																					
A.	Field Reconnaissance and prepare a photographic record			0.5							2										\$ 355
B.	Obtain and Review Available Record Information			2							3										\$ 720
C.	Field Data Collection															20					\$ 5,200
D.	Prepare Topographic Plans and Base Mapping in AutoCAD			0.5					2	16											\$ 2,655
E.	Coordinate with property owners etc.			1																	\$ 150
F.	Coordinate with Utility Companies			2																	\$ 300
	Subtotal (Task)	0	0	6	0	0	0	0	2	21	0	0	0	0	20	0	0	0	0	0	\$ 9,380
TASK 2 - ENVIRONMENTAL (BY BaseCamp Environmental- See below)																					
TASK 3 - PRELIMINARY ENGINEERING & FINAL DESIGN																					
A.	Right of Way acquisition (not needed)																				
B.	Roadway Design and Civil Improvements	8		4	40				32											1	\$ 10,710
C.	Traffic Signal Design and Intersection Modifications (by Fehrs & Peers), Cord. only	4		2	2																\$ 1,270
D.	Schedule	2		1																1	\$ 560
	Subtotal (Task)	14	0	7	42	0	0	0	32	0	0	0	0	0	0	0	0	0	0	2	\$ 12,540
TASK 4 - CONSTRUCTION DOCUMENTS																					
A.	Prepare construction documents	6		2	16				80											2	\$ 10,980
B.	Coordinate "Boiler Plate" with local agency and incorporate into CD	2		0.5	3																\$ 850
C.	Review plans and specifications for local agency conformance	2		0.5	2																\$ 705
D.	Sign and stamp all plans prepare submittal package for local agency	1		0.5																1	\$ 315
	Subtotal (Task)	11	0	3.5	21	0	0	0	80	0	0	0	0	0	0	0	0	0	0	3	\$ 12,850
TASK 5 - BID PERIOD SERVICES																					
A.	Attend meetings and bid support services	4		4	4																\$ 1,860
	Subtotal (Task)	4	0	4	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	\$ 1,860
	Grand Total	29	0	20.5	67	0	0	0	112	2	21	0	0	0	20	0	0	0	0	5	\$ 36,630

Sub consultants List:		Estimated Cost
1.	Fehrs & Peers (Traffic Engineer - see attached fee summary) TASK 1,3,4 & 5	\$ 35,140
2.	BaseCamp (Environmental Consultant) TASK 2-NEPA & Exemption Evaluation, NOE	\$ 8,500
3.	Krazan (Geotechnical Consultant) TASK 1	\$ 4,300
	Total	\$ 47,940

Add Alternative: (To be determined during environmental process)		Estimated Cost
1.	Air Quality Conformity*	\$ 2,000
2.	Area of Potential Effect Map*	\$ 1,000
3.	Archaeological Survey Report (ASR) & Historic Properties Survey Report (HPSR)*	\$ 7,500
4.	Initial Site Assessment (ISA)	\$ 6,000
5.	Natural Environment Study, Minimal Impact (NES-MI)	\$ 7,500
6.	Noise Technical Memorandum	\$ 1,500
7.	CEQA - Initial Study / Mitigated Negative Declaration	\$ 25,000
	Total	\$ 50,500

Additional Cost	
Sub consultants	\$ 47,940
TOTAL BASE FEE	\$ 48,570

Anticipated Add Alternatives*	
Items 1, 2 & 3 only	\$ 10,500

TOTAL WITH ANTICIPATED ALTERNATIVES \$ 95,070

Note: This fee proposal is valid for a period of 120 days from submittal date.

* Anticipated items that are most likely required based on consultants past experience on similar projects.

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

ITEM: APPROVE THREE REIMBURSEMENT AGREEMENTS WITH SOUTH LATHROP LAND LLC FOR PUBLIC FACILITIES AND INFRASTRUCTURE IMPROVEMENTS TO BE INSTALLED CONCURRENTLY WITH THE DEVELOPMENT OF THE SOUTH LATHROP COMMERCE CENTER PROJECT

RECOMMENDATION: Adopt a Resolution Approving Reimbursement Agreements with South Lathrop Land LLC for 1) South Lathrop Regional Outfall Structure and Related Facilities, 2) Public Infrastructure Relating to South Lathrop Commerce Center Benefitting Properties within South Lathrop Specific Plan Area, and 3) Public Infrastructure Relating to South Lathrop Commerce Center Benefitting Properties Outside South Lathrop Specific Plan Area

SUMMARY:

South Lathrop Land LLC (SLL), the developer of the South Lathrop Commerce Center (SLCC), is required under various entitlements to construct certain public facilities and infrastructure that will be of benefit to other properties/developments in the City. The public improvements include a regional outfall structure, storm drain system, sanitary sewer collection system and water line improvements. SLL has agreed to enter into three separate reimbursement agreements with the City regarding the following: 1) South Lathrop Regional Outfall Structure, 2) Public Infrastructure Benefitting Other Properties within the South Lathrop Specific Plan (SLSP) Area, and 3) Public Infrastructure Benefitting Properties Outside the SLSP Area. The reimbursement agreements describe the public facilities/infrastructure that are a benefit to other properties, the cost of the facilities/infrastructure, a method to calculate the proportionate share of each benefitting property, and the development criteria that triggers the reimbursement fee to be assessed and collected.

Staff recommends City Council approve the three reimbursement agreements between SLL and the City to establish mechanisms to reimburse SLL from reimbursement fees collected from other benefitting property owners as the benefitting properties are developed.

MARCH 11, 2019, CITY COUNCIL REGULAR MEETING**APPROVE THREE REIMBURSEMENT AGREEMENTS WITH SOUTH LATHROP LAND LLC FOR PUBLIC FACILITIES AND INFRASTRUCTURE IMPROVEMENTS TO BE INSTALLED CONCURRENTLY WITH THE SLCC DEVELOPMENT****BACKGROUND:**

On August 3, 2015, the City Council approved entitlements for the SLSP area. The Development Agreement between the City and the developer of SLCC requires the developer to construct public facilities and infrastructure to serve their project and oversize facilities and infrastructure to serve other projects or areas. The public improvements include a regional outfall structure, storm drain system, sanitary sewer collection system and water line improvements. Pursuant to the Lathrop Municipal Code, SLL is entitled to reimbursement for oversizing of public facilities and infrastructure from benefitting property owners as benefitting properties are developed. To document the improvements and related costs that SLL will be eligible for credit and/or reimbursement, SLL has agreed to enter into three separate reimbursement agreements with the City regarding the following: 1) South Lathrop Regional Outfall Structure, 2) Public Infrastructure Benefitting Other Properties within the South Lathrop Specific Plan (SLSP) Area, and 3) Public Infrastructure Benefitting Properties Outside the SLSP Area.

The storm drain outfall structure (Outfall) will be constructed by SLL in the summer of 2019. The Outfall is designed to be regional in nature and is consistent with the City Drainage Master Plan. The outfall structure within the San Joaquin River Levee embankment will serve the SLSP area, Lathrop Gateway Business Park Specific Plan (Gateway) area and development along the McKinley Corridor Planning area. The total estimated cost of the Outfall within the levee embankment for SLL to design, permit, construct and acquire necessary land is \$2,896,762 and will be split evenly between the three areas. To ensure timely reimbursement to SLL, the first building permit for a building over 100,000 square feet in the Gateway area shall be required to pay the entire amount of reimbursable costs owed for the Gateway area, which is one-third the total Outfall cost. In order to enable implementation of the planned growth and related economic development contemplated in the McKinley Corridor Planning Area and to give the City an option of future wastewater discharge, the City will pay that area's one-third of the total cost for the Outfall to SLL over a five-year period. Any development within the McKinley Corridor Planning Area shall be required to pay its respective proportionate share of reimbursable costs, based on acreage, to the City. The Reimbursement Agreement for South Lathrop Regional Outfall Structure and Related Facilities is included as Attachment "B".

Public facilities and infrastructure installed by SLL within the SLSP area that benefits other properties within the SLSP area include a sanitary sewer collection system, storm drain system and water line improvements. The total estimated cost for the design, permitting and construction of these improvements is \$22,404,230. To ensure timely reimbursement to SLL, any benefitting property owners wanting to develop shall be required to pay their respective proportionate share of reimbursable costs, based on acreage, prior to the issuance of the first subdivision map, parcel map or the first building permit whichever comes first. The Public

CITY MANAGER'S REPORT **PAGE 3**
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVE THREE REIMBURSEMENT AGREEMENTS WITH SOUTH LATHROP
LAND LLC FOR PUBLIC FACILITIES AND INFRASTRUCTURE IMPROVEMENTS
TO BE INSTALLED CONCURRENTLY WITH THE SLCC DEVELOPMENT

Infrastructure Reimbursement Agreement Relating to South Lathrop Commerce Center within South Lathrop Specific Plan Area is included as Attachment "C".

Public infrastructure installed by SLL that benefits other properties outside the SLSP area includes public water mains, valves and fire hydrants along Yosemite Avenue within the limits of the Gateway area. In addition, SLL looped the water main to provide redundancy for the SLSP area and for a small subset of benefitting properties in the Gateway area. The total estimated cost for the design, permitting and construction of these improvements is \$1,729,373. To ensure timely reimbursement to SLL, any benefitting property owners wanting to develop shall be required to pay their respective proportionate share of the reimbursable costs, based on total frontage footage and/or acreage, prior to the issuance of the first subdivision map, parcel map or the first building permit, whichever comes first. The Reimbursement Agreement Relating to South Lathrop Commerce Center for Public Infrastructure Benefitting Properties Outside South Lathrop Specific Plan Area is included as Attachment "D".

REASON FOR RECOMMENDATION:

Staff recommends City Council approve the three reimbursement agreements with SLL to allow the City to establish a mechanism to reimburse SLL from fees collected from benefitting property owners as the benefitting properties are developed.

FISCAL IMPACT:

In accordance with the Reimbursement Agreement for the Outfall structure, the City shall reimburse SLL the full amount for McKinley Corridor Planning Area share over a five-year period. The City will make five (5) equal, annual payments. The first installment of the reimbursement will be included in the Fiscal Year 19/20 General Fund budget and every year thereafter until paid in full. In addition, the Developer will be responsible to pay all costs associated with updating the City's Capital Facility Fees.

MARCH 11, 2019, CITY COUNCIL REGULAR MEETING

APPROVE THREE REIMBURSEMENT AGREEMENTS WITH SOUTH LATHROP LAND LLC FOR PUBLIC FACILITIES AND INFRASTRUCTURE IMPROVEMENTS TO BE INSTALLED CONCURRENTLY WITH THE SLCC DEVELOPMENT

ATTACHMENTS:

- A. Resolution Approving Reimbursement Agreements with South Lathrop Land LLC for 1) South Lathrop Regional Outfall Structure and Related Facilities, 2) Public Infrastructure Relating to South Lathrop Commerce Center Benefitting Properties within South Lathrop Specific Plan Area, and 3) Public Infrastructure Relating to South Lathrop Commerce Center Benefitting Properties Outside South Lathrop Specific Plan Area

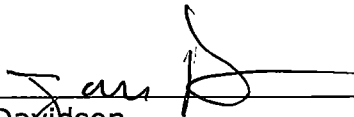
- B. Reimbursement Agreement for South Lathrop Regional Outfall Structure and Related Facilities dated, March 11, 2019

- C. Reimbursement Agreement Relating to South Lathrop Commerce Center for Public Infrastructure Benefitting Properties Within South Lathrop Specific Plan Area dated, March 11, 2019

- D. Reimbursement Agreement Relating to South Lathrop Commerce Center for Public Infrastructure Benefitting Properties Outside South Lathrop Specific Plan Area dated, March 11, 2019

CITY MANAGER'S REPORT
MARCH 11, 2019, CITY COUNCIL REGULAR MEETING
APPROVE THREE REIMBURSEMENT AGREEMENTS WITH SOUTH LATHROP
LAND LLC FOR PUBLIC FACILITIES AND INFRASTRUCTURE IMPROVEMENTS
TO BE INSTALLED CONCURRENTLY WITH THE SLCC DEVELOPMENT

APPROVALS:



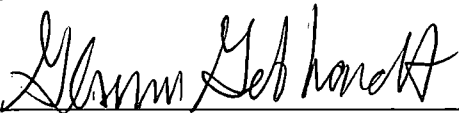
Jay Davidson
Principal Engineer

3-6-18
Date



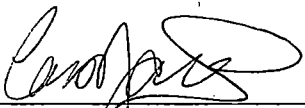
Michael King
Assistant Public Works Director

3-6-19
Date



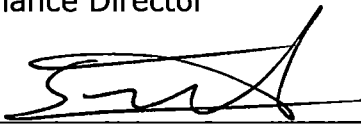
Glenn Gebhardt
City Engineer

3/6/19
Date



Cari James
Administrative Services &
Finance Director

3/6/19
Date



Salvador Navarrete
City Attorney

3-6-19
Date



Stephen J. Salvatore
City Manager

3-7-19
Date

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP APPROVING THREE REIMBURSEMENT AGREEMENTS WITH SOUTH LATHROP LAND LLC: 1) SOUTH LATHROP REGIONAL OUTFALL STRUCTURE AND RELATED FACILITIES, 2) PUBLIC INFRASTRUCTURE RELATING TO SOUTH LATHROP COMMERCE CENTER BENEFITTING PROPERTIES WITHIN SOUTH LATHROP SPECIFIC PLAN ARE, AND 3) PUBLIC INFRASTRUCTURE RELATING TO SOUTH LATHROP COMMERCE CENTER BENEFITTING PROPERTIES OUTSIDE SOUTH LATHROP SPECIFIC PLAN AREA

WHEREAS, on August 3, 2015, the City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area; and

WHEREAS, the Development Agreement between the City and South Lathrop Land LLC (SLL), the developer of the South Lathrop Commerce Center (SLCC) project, requires the SLL to construct public facilities and infrastructure to serve their project including oversizing of facilities and infrastructure to serve other projects or areas; and

WHEREAS, the public improvements include a regional outfall structure, storm drain system, sanitary sewer collection system and water line improvements; and

WHEREAS, pursuant to the Lathrop Municipal Code, SLL is entitled to reimbursement for oversizing of public facilities and infrastructure from owners of benefitting properties as benefitting properties are developed; and

WHEREAS, to document the improvements and related costs eligible for credit and/or reimbursement, SLL has agreed to enter into three separate reimbursement agreements with the City regarding the following: 1) South Lathrop Regional Outfall Structure, 2) Public Infrastructure Benefitting Other Properties within the SLSP Area, and 3) Public Infrastructure Benefitting Properties Outside the SLSP Area; and

WHEREAS, staff recommends City Council approve the three reimbursement agreements with SLL to establish mechanisms for SLL to be reimbursed by other benefitting property owners as the benefitting properties are developed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lathrop that the following three agreements are hereby approved: 1) Reimbursement Agreement for South Lathrop Regional Outfall Structure and Related Facilities, 2) Public Infrastructure Reimbursement Agreement Relating to South Lathrop Commerce Center Within South Lathrop Specific Plan Area, and 3) Reimbursement Agreement Relating to South Lathrop Commerce Center for Public Infrastructure Benefitting Properties Outside South Lathrop Specific Plan Area.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

Sonny Dhaliwal, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

REIMBURSEMENT AGREEMENT FOR SOUTH LATHROP REGIONAL OUTFALL STRUCTURE AND RELATED FACILITIES

This Reimbursement Agreement for South Lathrop Regional Outfall Structure and Related Facilities ("**Agreement**") is made and entered into this 11th day of March, 2019 ("**Effective Date**") by and between the City of Lathrop ("**City**"), a municipal corporation of the State of California ("**City**") and South Lathrop Land, L.L.C., a Delaware limited liability company ("**Developer**"). City and Developer may be collectively referred to herein as the "**Parties**" or individually as a "**Party**".

RECITALS

A. On or about August 3, 2015, City entered into that certain *Development Agreement by and between the City of Lathrop and Richland Developers Inc. Relating to the South Lathrop Specific Plan ("DA")*, which was subsequently recorded on September 5, 2015 (Instrument No. 2015-106926) and adopted by City via Ordinance No. 18-390, in connection with the South Lathrop Specific Plan area ("**SLSP Area**"), located in the City of Lathrop, County of San Joaquin, for purposes of developing a master planned business park that includes, among other things, industrial and logistics uses, ancillary highway commercial uses, various open space uses, and related on- and off-site improvements (collectively, "**Project**" or "**South Lathrop Commerce Center**").

B. On or about April 18, 2016, the City Council approved Vesting Tentative Parcel Map No. 15-94 for the Project Site (as that term is defined below) pursuant to Resolution No. 16-4059 ("**VTPM**").

C. On or about March 2, 2018, Developer acquired in fee, land within the SLSP Area, as shown on attached Exhibit 1 ("**Project Site**") from Richland Developers Inc. ("**Richland**"), the previous developer and property owner who originally entered into the DA with City. In so doing, Developer assumed the rights and obligations of Richland under the DA with respect to the Project Site and the Project as set forth more fully in that certain *Assignment and Assumption Agreement* (dated March 2, 2018).

D. Among other things, the DA includes obligations that Developer construct specified Public Facilities and Infrastructure (as that term is defined in the DA), and further includes an obligation that Developer oversize certain Public Facilities and Infrastructure pursuant to the terms and conditions set forth therein including, without limitation, those in the DA, section 6.04.2. Furthermore, as described in City's Storm Drainage Master Plan ("**City Drainage Master Plan**") and in the South Lathrop Specific Plan ("**Specific Plan**"), certain new regional storm drainage facilities were identified that are intended to serve the SLSP Area (including, among other lands, the Project Site) as well as other properties within the City. In accordance therewith, City has required that Developer construct a regional storm drain outfall structure ("**ROS**") and related facilities, to be constructed and permanently located at the San Joaquin River Levee embankment (with the land upon which the ROS and related facilities will be constructed being offered for dedication (shown as Parcel C on the Parcel Map, as that term is defined below) by Developer to City and Reclamation District 17 ("**RD-17**") as described more fully below ("**South Lathrop Regional Storm Drain Site**"), and consisting of those

improvements described more fully in the approved improvement plans dated May 2018 (which may be amended from time to time with the Parties' approval) (collectively, "**AIP**"). The Parcel Map subdivides the Project Site (which includes the South Lathrop Regional Storm Drain Site), in substantial compliance with the VTPM. In or about October 2018, the South Lathrop Regional Storm Drain Site was conveyed by Developer to RD-17 (subject to an easement benefitting City) in connection with the Parcel Map process. In addition, City has required that Developer construct the ROS and related facilities such that there will be a total of six (6) pipe connection locations (collectively, "**Pipes**"); two (2) of the Pipes will serve the Project Site and the remaining four (4) Pipes will serve other planning areas, including the Gateway Project Area and McKinley Corridor (as those terms are defined below), as shown on attached Exhibit 2. Collectively, the ROS and Pipes shall be referred to herein as the "**South Lathrop Regional Storm Drain Facilities**".

E. As described more fully in the Draft Environmental Impact Report for the South Lathrop Specific Plan (SCH No. 2013012064) ("**SLSP DEIR**"), said facilities (except for those portions of the Pipes that are located entirely within the Project Site, as shown on Exhibit 2) are designed to be regional in nature and are consistent with the City Drainage Master Plan, which will also serve the Lathrop Gateway Business Park Specific Plan area ("**Gateway Project Area**") and other areas of development in the City of Lathrop. Developer's construction obligation described in this Agreement is subject to fee credits and/or reimbursement to Developer for costs thereof, as set forth more fully in the DA and herein. With the approval and recordation of the Parcel Map, certain areas of land that are within the Project Site were (or will be) dedicated to City and RD-17, respectively, as follows: (1) there is a linear strip of land to be conveyed to City in fee, shown as Parcel B on the Parcel Map; with (2) the balance of the land from the San Joaquin River side of this linear strip to the San Joaquin River, including the San Joaquin River Levee embankment (shown as Parcels C and D on the Parcel Map) being conveyed in fee to RD-17. Once the South Lathrop Regional Storm Drain Facilities are constructed and dedicated to City to be owned and operated as a public facility (subject to City's obligations to accept said offer of dedication, as provided for in Section 2 below), Developer will have fulfilled Developer's obligation under the DA and the SIA (as that term is defined below) with respect to said facilities and shall have no further obligation to City as it relates to the construction of said facilities. City shall thereafter accept such dedication (in accordance with the obligations set forth in Section 2 below and submittal of documentation in connection with the Reconciliation Statement as provided for in Section 3 below) and operate and maintain same. Accordingly, the South Lathrop Regional Storm Drain Facilities will be owned and operated by City as a public improvement, and will benefit City, RD-17, as well as multiple private property owners (as shown on attached Exhibit 2) (collectively, "**Benefitted Property Owners**") in addition to Developer. City has determined it is in City's best interest for the South Lathrop Regional Storm Drain Facilities to be initially funded, permitted and constructed by Developer (subject to fee credits and/or reimbursement provisions herein), including, among other reasons, because it will be more cost effective and efficient and result in a more expeditious delivery of this important public facility.

F. Parcel Map 17-01, containing nine (9) commercial/industrial lots, was approved by the City Council on September 10, 2018 ("**Parcel Map**") after City confirmed that the Parcel Map is in substantial compliance with the VTPM. The Parcel Map was subsequently recorded on October 23, 2018. As a condition of approving and recording the Parcel Map, Developer and City entered into that certain *Subdivision Improvement Agreement* (dated September 10, 2018)

(“*SLA*”) that requires Developer to construct certain specified public improvements, including, among others, the South Lathrop Regional Storm Drain Facilities, pursuant to the terms and conditions set forth therein and subject to fee credits and/or reimbursement.

G. Developer’s actual cost to construct the South Lathrop Regional Storm Drain Facilities shall include all costs associated with entitlement/permitting, land acquisition, engineering, environmental review, design, environmental monitoring (including, without limitation, for the SWPPP as well as cultural and biological resource permitting), dewatering, planning, plan check, inspection(s), any and all construction costs (including, without limitation, materials, start-up costs, overhead and construction management), any and all agency requirements, fees and costs that are required under any and all applicable resource agency and other permits, any and all third party consultant costs and legal fees, any and all other costs associated with governmental actions and fees related to the South Lathrop Regional Storm Drain Facilities, and inflation calculated on all of the foregoing costs using the Engineering News Record Construction Cost Index (which shall be updated by City in January of each year, as is done with all other fees with the year 2018 being the baseline against which to calculate said inflation increase) (collectively, “*South Lathrop Regional Storm Drain Facilities Costs*”). Provided, however, in calculating said costs, Developer intends to deduct certain costs that are “non-regional” in nature to ensure fair share apportionment among Developer and the Benefitted Property Owner(s), and thus said non-regional costs shall not be shown in the Engineer’s Cost Estimate (as that term is defined below).

H. City has an existing development impact fee in place addressing SLSP’s regional storm drain facilities (“*Current City SLSP Drainage Fee*”). However, the Current City SLSP Drainage Fee does not accurately reflect the final design for the South Lathrop Regional Storm Drain Facilities as necessitated by the various governmental agencies’ review of and comment on said plans and as a result, significantly underestimates the costs thereof. Accordingly, City intends to promptly initiate the process to prepare, evaluate, and adopt an updated development impact fee for the South Lathrop Regional Storm Drainage Facilities in accordance with applicable law and the City Drainage Master Plan (“*Updated South Lathrop Regional Outfall Structure Fee*”), in order to ensure the South Lathrop Regional Storm Drain Facilities Costs are accurately reflected in said Fee. As a condition to develop property that may be served by the South Lathrop Regional Storm Drain Facilities, City intends, to the extent permitted by applicable law, to impose a requirement on other Benefitting Property Owner(s) to pay the applicable Updated South Lathrop Regional, Outfall Structure Fee, as explained more fully herein.

I. The Parties desire to set forth the terms and conditions under which Developer shall receive fee credits and/or be reimbursed for the South Lathrop Regional Storm Drain Facilities Costs, and the terms and conditions by which City will facilitate such reimbursement.

NOW, THEREFORE, for good and valuable consideration, City and Developer agree as follows:

AGREEMENT

1. Recitals. The recitals set forth above are true and correct and made a part of this Agreement.

2. Expeditious Acceptance of the South Lathrop Regional Storm Drain Facilities. The Parties acknowledge and agree that it is their collective intention for City to own, operate and maintain the South Lathrop Regional Storm Drain Facilities. Accordingly, once said facilities are complete and Developer offers to dedicate said facilities to City in accordance with the terms and conditions of the SIA, City shall make diligent and good faith efforts to accept said offer of dedication pursuant to applicable laws and regulations within sixty (60) days of receipt of: (a) said offer; (b) all reasonably required documentation (including the documentation associated with the Reconciliation Statement identified in Section 3 below); and (c) completion of any audit of said documentation (which must be conducted pursuant to Section 3 below). Once City accepts the South Lathrop Regional Storm Drain Facilities, City shall have the sole obligation to operate and maintain said facilities and pay any and all costs associated therewith, and Developer shall have no further obligations in this regard.

3. Amount of South Lathrop Regional Storm Drain Facilities Costs. The Parties acknowledge and agree that an updated Engineer's Cost Estimate of the South Lathrop Regional Storm Drain Facilities Costs has been prepared in connection with this Agreement and City's process to adopt the Updated South Lathrop Regional Outfall Structure Fee pursuant to Section 6(a) below. Said Engineer's Cost Estimate, set forth in attached Exhibit 3, reflects the South Lathrop Regional Storm Drain Facilities Costs in accordance with Recital G above, which the Parties agree represents an accurate estimate of such costs based on reasonably available information as of the Effective Date, along with a contingency of ten percent (10%) of said Costs (as is typical to account for unanticipated additional costs that may arise during construction). Notwithstanding anything to the contrary in the foregoing, the Parties further acknowledge and agree that because all of said costs cannot reasonably be determined as of the Effective Date, the Engineer's Cost Estimate shall be updated, as needed, once the South Lathrop Regional Storm Drain Facilities are complete ("**Reconciliation Statement**"), and the South Lathrop Regional Storm Drain Facilities Costs and the related Updated South Lathrop Regional Outfall Structure Fee shall be adjusted accordingly at that time, as needed, to ensure that Developer is "trued up" to provide for full fee credit and/or reimbursement as required hereunder. Said adjusted fee credit and/or reimbursement shall become available to Developer once the relevant Capital Facilities Fee ("**CFFs**") are updated to reflect the Updated South Lathrop Regional Outfall Structure Fee as provided for herein. Developer shall provide reasonable documentation of the actual costs incurred in support of the Reconciliation Statement (which may include, among others, unconditional lien releases, invoices, proof of payment, confirmation on letterhead from relevant contractor(s)/subcontractor(s) of payment, and/or any other reasonable documentation similar in detail and content as has been previously provided to City) at the same time it offers to dedicate the South Lathrop Regional Storm Drain Facilities to City; City shall then have the right, but not the obligation, to reasonably review and audit said documentation, to the extent it determines reasonably appropriate, with any such audit being completed within thirty (30) days. No later than thirty (30) days of either (a) the receipt of said documentation, or (b) the completion of any audit, whichever is applicable, then City shall confirm the Reconciliation Statement. The Parties acknowledge and agree that the amount of detail in the documentation provided by Developer to support the Reconciliation Statement shall be reasonable; shall be

consistent with the level of detail provided to City in connection with the original cost estimates reflected in Exhibit 3; and may consist (in whole or in part) of costs documented in writing by relevant third parties working on any portion of the South Lathrop Regional Storm Drain Facilities that reflect actual costs incurred by Developer. Notwithstanding anything to the contrary in the foregoing, any such adjusted Fee (and the related fee credit/reimbursement for Developer) shall be applied prospectively only (i.e., imposed as a condition on those building permit(s) (or final subdivision or parcel map(s), as may be applicable) that are issued to Benefitted Property Owner(s) after the adjusted Fee has been adopted by City), but in no event shall Developer be required to return to City any funds received hereunder via fee credit and/or reimbursement as a result of any such fee adjustment(s). Once City has accepted the offer of dedication for the South Lathrop Regional Storm Drain Facilities and has released any and all related liens, then City's right to audit the above-referenced documentation shall terminate. The Parties further acknowledge and agree that in the event City conducts an audit pursuant to this Section 3, City shall not withhold any adjusted fee credit and/or reimbursement payments to Developer for any undisputed amounts during the audit period.

4. Developer's Share of Costs. Based on substantial evidence in the record, the Parties acknowledge and agree that Developer's pro rata share of the South Lathrop Regional Storm Drain Facilities Costs to serve the Project shall be one third (1/3) ("**Developer's Share**"). The estimated amount of the South Lathrop Regional Storm Drain Facilities Costs (as shown in Exhibit 3) minus the Developer's Share shall be referred to herein as the "**Reimbursable Costs**." The Fee Credit (as that term is defined below) and/or the reimbursement required hereunder shall be calculated accordingly. This is to ensure that Developer is not being required to pay more than its pro rata share of said costs, in accordance with applicable laws as well as the principles set forth in the DA, section 5.02.01(b), which mandate a "reasonable relationship" between the Project and any Public Facilities and Infrastructure requirement imposed thereon.

5. Fee Credits. Consistent with Chapter 3.22 of the City of Lathrop Municipal Code ("**LMC**"), Developer shall receive a fee credit against the amount of development impact fees that Developer would otherwise be required to pay to City (either under the Current City SLSP Drainage Fee or Updated South Lathrop Regional Outfall Structure Fee, as may be applicable) to obtain building permit(s) for the Project ("**Fee Credit**"). The Parties acknowledge and agree that, as of the Effective Date, given the numerous costs already expended in connection with the South Lathrop Regional Storm Drain Facilities, (a) Developer shall be deemed to have earned a Fee Credit but the amount of the Fee Credit will not be determined until costs are verified as provided above and City's Fees are updated to incorporate said verified costs; (b) Developer shall have no further obligation under any circumstances to pay any fee(s) in connection with the Project under either the City's Current Drainage Fee or the City's Updated South Lathrop Regional Outfall Structure Fee or any other fee related to the South Lathrop Regional Outfall Structure Fee that City is or may be obligated to pay on an annual basis to another governmental action; and (c) other than to update the amount of Developer's Fee Credit and the fees to incorporate costs herein referenced, City shall not seek to impose any such additional or supplementary storm drainage fee(s) on Developer in connection with the Project. Furthermore, the Parties acknowledge and agree that in order for Developer to obtain the benefits contemplated under this Agreement, City shall promptly initiate the process to, and adopt, the Updated South Lathrop Regional Outfall Structure Fee pursuant to Section 6(b) below.

6. Reimbursement.

(a) City's Share of Reimbursable Costs. The Parties acknowledge and agree that City will obtain significant economic and other benefits by having Developer initially fund, permit and construct (subject to the fee credit and reimbursement provisions set forth herein) the South Lathrop Regional Storm Drain Facilities, which will enable implementation of the planned growth and related economic development contemplated in the City's McKinley Corridor Planning Area (which is not expected to develop in the immediate future) and other potential uses. Accordingly, City hereby accepts a pro rata share of the South Lathrop Regional Storm Drain Facilities Costs of one third (1/3) ("*City's Share*"). City shall reimburse Developer the full amount of City's Share no later than five (5) years from the date that the Lathrop City Council accepts the South Lathrop Regional Storm Drain Facilities by making payments to Developer on an annual basis. Each annual payment shall be twenty percent (20%) of the City's Share such that City makes five (5) approximately equal payments until full payment occurs, with the Parties acknowledging that City shall not be required to pay any additional amount to reflect inflation. Within ten (10) days of the date that the Lathrop City Council accepts the South Lathrop Regional Storm Drain Facilities, City shall pay to Developer the first (1st) payment required under this subsection (a), and shall continue to pay Developer the remaining amount(s) due annually no later than the anniversary date of the first (1st) payment.

(b) Preparing, Considering and Adopting Updated South Lathrop Regional Outfall Structure Fee. For the reasons described in Recital H above, City shall promptly and expeditiously after the Effective Date prepare, consider and adopt the Updated South Lathrop Regional Outfall Structure Fee in accordance with applicable laws and regulations. In connection therewith, City shall concurrently initiate the process to adopt a CFF for the Gateway Project Area in an amount that will collect the proportionate share of each Benefitted Property Owner of the Reimbursable Costs of the Benefitted Property Owner(s) within the Gateway Project Area.

(c) Scope and Timing of Reimbursement. The Parties acknowledge and agree that Developer's receipt of the Fee Credit will not be sufficient to reimburse Developer for the total amount of Reimbursable Costs due hereunder. Therefore, in accordance with DA section 5.04.02(e), and to extent permitted by applicable law, City shall ensure that Developer receives the Reimbursable Costs owed to Developer hereunder by reimbursing Developer through the direct repayment required under subsection (a) above and the Updated South Lathrop Regional Outfall Structure Fee (or the Current City SLSP Drainage Fee if the Updated South Lathrop Regional Outfall Structure Fee has not yet been adopted) that City receives from other Benefitting Property Owner(s) in connection with the development of those owner(s)' respective properties until all Reimbursable Costs associated with said development have been paid to Developer. To ensure the timely reimbursement of Developer as contemplated herein, City shall impose, and to the extent permitted by applicable law, conditions on any development approved within the Gateway Project Area, as follows: the Benefitted Property Owner(s) that first seek to develop all or any portion therein shall pay the entire amount of Reimbursable Costs owed for the Gateway Project Area (which shall be one third (1/3) of the South Lathrop

Regional Storm Drain Facilities Costs), which shall be imposed as a condition of approval of the first (1st) building permit for any building over one hundred thousand (100,000) square feet. Timing of reimbursement to Developer shall occur within thirty (30) days of City's receipt of the Updated South Lathrop Regional Outfall Structure Fee(s) from any Benefitted Property Owner(s). Said reimbursement shall occur by City delivering the amount of said fee(s) to Developer, without any offset, at the address set forth in Section 13 below along with a notice of reimbursement of Reimbursable Costs. Said notice shall state the amount of Reimbursable Costs being made by City at that time as well as provide an accounting of the remaining amount of Reimbursable Costs due as of the date of said notice. City further agrees that no Benefitted Property Owner may be issued a credit in lieu of paying said fee, and no Benefitted Property Owner shall have the right to vest into the Current City SLSP Drainage Fee. Once Developer has been fully paid for all Reimbursable Costs as required hereunder, any and all Updated South Lathrop Regional Outfall Structure Fees received by City after this full reimbursement has occurred shall be retained by City.

(d) Accounting of Updated Lathrop Regional Outfall Structure Fee(s) Received by City. Twice every year (in January and in July), commencing in the January after the Effective Date, City shall provide to Developer an accounting of all Current City SLSP Drainage Fee(s) and/or Updated South Lathrop Regional Outfall Structure Fee(s) (as applicable) received by City in connection with the Gateway Project Area, if any, during the prior reporting period, along with reasonable supporting documentation.

(e) Notice of Relevant Development Application(s). Periodically, Developer may request City to confirm whether a Benefitted Property Owner has submitted to City a formal application to develop land within the Gateway Project Area ("**Development Application**") that may trigger the need to utilize all or any portion of the South Lathrop Regional Storm Drain Facilities. Within ten (10) days of any such request, City shall provide Developer with copies of any requested documents that would normally be produced by City in response to a Public Records Act request relating to such Development Application(s).

1. Satisfaction of DA and SIA Obligations. City acknowledges and agrees that Developer's actions of permitting, funding and constructing the South Lathrop Regional Storm Drain Facilities (subject to fee credit and reimbursement provisions set forth herein), along with its offer of dedication of said facilities and the South Lathrop Regional Storm Drain Site, shall constitute full satisfaction of all of Developer's obligations under the DA and SIA with respect to the South Lathrop Regional Storm Drain Facilities, and City shall not seek to impose any further obligations on Developer with respect to the South Lathrop Regional Storm Drain Facilities.

7. Term of Agreement; Termination. This Agreement shall commence on the Effective Date and shall terminate when Developer has received all Reimbursable Costs (through receipt of the Fee Credit and/or the required reimbursement) as provided for in this Agreement. At such time as the foregoing occurs, City shall: (a) notify Developer in writing that City's obligations hereunder have been fully satisfied; (b) provide Developer with reasonable documentation to confirm the satisfaction of said obligations; and (c) inform Developer that City

If to Developer: South Lathrop Land, L.L.C.
527 W 7th Street, Suite 308
Los Angeles, CA 90014
Attn: Philip J. Prassas
Email: pprassas@chindustrial.com

With a concurrent copy to: Nadia Costa
Miller Starr Regalia
1331 North California Blvd., Fifth Floor
Walnut Creek, CA 94596
Email: nadia.costa@msrlegal.com

The date of any notice shall be the date of receipt; provided, however, that rejection or other refusal to accept or the inability to deliver because of a change in address of which no notice was given shall be deemed to constitute receipt of the notice sent. Either Party may change its address for notice by giving notice to the other Party in accordance with this Section 13.

13. Payments to Developer. All payments due to Developer hereunder shall be sent to the following address or at such other address as Developer shall from time to time specify in writing to City:

South Lathrop Land, L.L.C.
527 W 7th Street, Suite 308
Los Angeles, CA 90014
Attn: Philip J. Prassas

14. Amendments. Any modifications to this Agreement shall be in writing and signed by authorized representatives of both Parties.

15. Attorney's Fees and Venue. In the event of a dispute arising under this Agreement, the prevailing Party shall be entitled to an award against the other Party of reasonable attorney's fees and costs incurred in connection with the dispute. The venue for any litigation shall be in San Joaquin County, California.

16. Cumulative Rights; Waiver. The failure by either Party to exercise, or delay in exercising any rights under this Agreement, shall not be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by either Party preclude any other or future exercise thereof or the exercise of any other right. A waiver of any provision or a waiver of any breach of any provision of this Agreement must be in writing, and a waiver by either Party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement.

17. Severability. If any provision of this Agreement is deemed by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be deemed to be severed or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

18. Headings. All headings herein are inserted only for convenience and ease of reference and are not considered in the construction or interpretation of any provision of this Agreement.

19. Signing Authority. The individuals signing this Agreement represent and agree that they have full and actual authority to bind their respective Parties to this Agreement.

20. Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding its subject matters. This Agreement supersedes all proposals, oral and written, and all negotiations, conversations or discussions heretofore and between the Parties related to the subject matters of this Agreement.

21. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

22. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

[Signatures to follow on next page]

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the Effective Date.

CITY

CITY OF LATHROP,
A California municipal corporation

By: _____
Stephen J. Salvatore
City Manager

DEVELOPER

South Lathrop Land, L.L.C., a Delaware
limited liability company

By: CHI West 109 South Lathrop Land,
L.P.,
a Delaware limited partnership,
its managing member

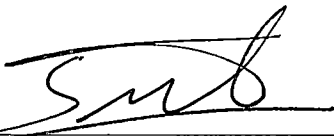
By: CHI LTH GP, L.L.C.,
a Delaware limited liability
company, its general partner

By: _____
Name: _____
Title: _____

ATTEST:
City Clerk of and for the City
of Lathrop, State of California

By: _____
Teresa Vargas, City Clerk

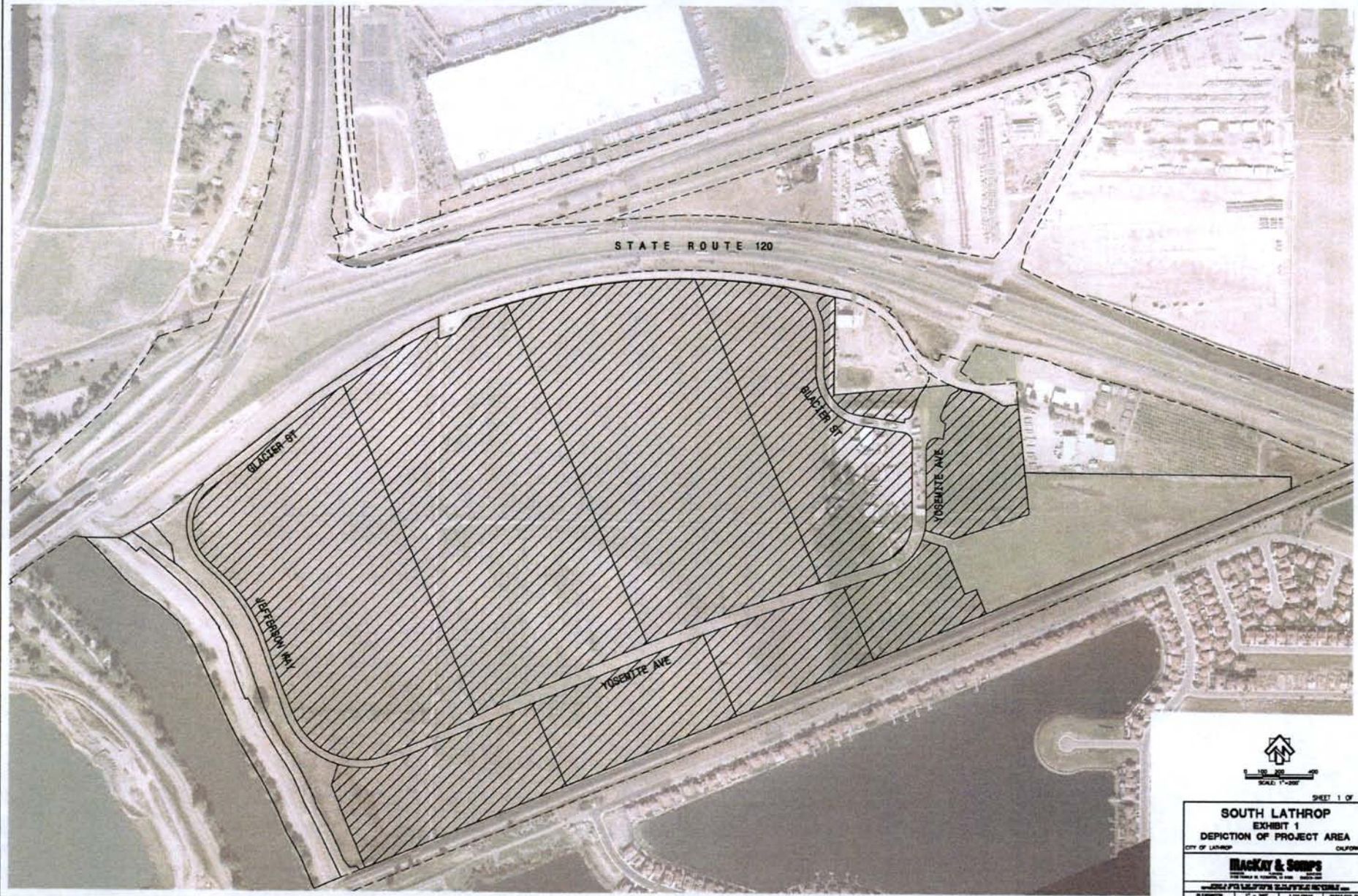
APPROVED AS TO FORM:

By: 

Salvador Navarrete
City Attorney

EXHIBIT 1
DEPICTION OF PROJECT SITE

REIMBURSEMENT AGREEMENT FOR OUTFALL STRUCTURE
 EXHIBIT 1: DEPICTION OF PROJECT SITE
 GROSS AREA 225.4 ACRES



SHEET 1 OF 1

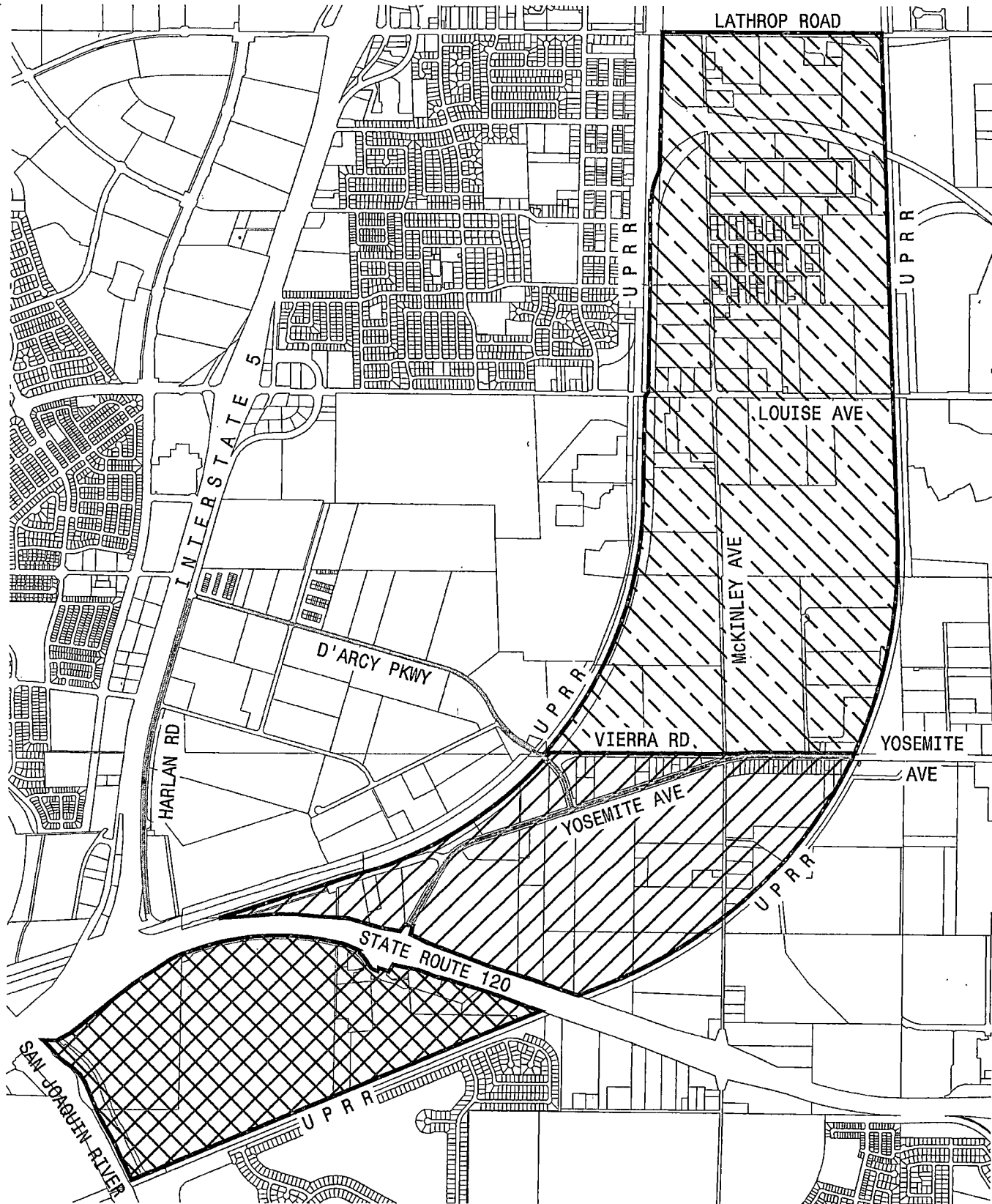
SOUTH LATHROP
 EXHIBIT 1
 DEPICTION OF PROJECT AREA
 CITY OF LATHROP CALIFORNIA




HACKAY & SORPS
 CIVIL ENGINEERS & ARCHITECTS
 1700 17th St, Lathrop, CA 94546
 PHONE: (925) 438-1111 FAX: (925) 438-1112

DATE	1/10/10	BY	SS/ML
SCALE	1" = 200'	DATE	1/10/10

EXHIBIT 2
BENEFITTED PROPERTY OWNERS

REIMBURSEMENT AGREEMENT FOR SOUTH LATHROP ROS
 EXHIBIT 2: BENEFITTED PROPERTY OWNERS



-  SOUTH LATHROP SPECIFIC PLAN
-  LATHROP GATEWAY BUSINESS PARK SPECIFIC PLAN
-  MCKINLEY CORRIDOR



MACKAY & SOMPS
 ENGINEERS PLANNERS SURVEYORS
 JOB NO.: 25223.000 DATE: 12.06.2016

EXHIBIT 3

ENGINEER'S COST ESTIMATE:
REGIONAL OUTFALL STRUCTURE

EXHIBIT 3: REGIONAL STORM DRAIN FACILITIES IMPROVEMENT COST						
<u>Reimbursement Agreement for the Regional Outfall Structure</u>						
	UNIT	UNIT COST	QTY	SUB-TOTAL	RUNNING TOTAL	SOURCE OF COST INFORMATION
HARD COSTS						
Grading, Dewatering and Cleanup	LS	49,390.00	1	49,390.00		Teichert
Piping sheetpile	LS	51,750.00	1	51,750.00		Teichert
Concrete Headwall	LS	919,350.00	1	919,350.00		Teichert
Armorflex	LS	300,035.00	1	300,035.00		Teichert
Rip Rap	LS	104,335.00	1	104,335.00		Teichert
						186,503.00
HARD COST SUBTOTAL:					\$1,611,363	
SOFT COSTS						
Land Acquisition for ROS (determined by City)	SF	3.45	39,245	135,395.25		City
Conservation credits for salmonid habitat restoration	Acre	100,000.00	0.5	50,000.00		Consumes Mitigation Bank
Biological & Environmental Consultants	LS	46,438.00	1	46,438.00		Monk & Associates
Biological & Environmental Legal Counsel	LS	79,998.00	1	79,998.00		Wactor & Wick
Nationwide 7 Permit Biological Consultants	LS	67,111.00	1	67,111.00		ECORP
Civil Engineering & governmental agency coordination, staking	LS	40,000.00	0.678	27,120.00		Mackay & Somps
ROS design, engineering, O&M Manuals and training	LS	72,298.00	1	72,298.00		PACE
Biological Monitoring during Construction of ROS	LS	210,000.00	1	210,000.00		Monk & Associates
Tree Trimming and removal	LS	34,875.00	1	34,875.00		Noceti Farms
SJMSCP Incidental Take Minimization Measures	LS	8,818.00	1	8,818.00		SICOG
Geotechnical Design & Inspections	LS	52,000.00	1	52,000.00		ENGO
Legal	LS	75,190.00	1	75,190.00		Miller Starr
Performance & Material Bond (includes one-year warranty bond)	LS	441,523.00	0.0752	33,202.46		Willis Towers Watson
RD-17 Mandated Insurance Policy	LS	5,170.00	1	5,170.00		Willis Towers Watson
O&M Manual preparation (1/3 of total O&M manual cost)	LS	11,430.00	0.33	3,771.90		PACE
SOFT COST SUBTOTAL:					\$901,388	
CITY RELATED COSTS						
City legal and staff costs						City
City Plan Check, inspection, & Storage Fees		117,181.24		117,181.24		City
Encroachment Permit						City
City staff time for meetings		844.80		844.80		City
Reimbursement Agreement (1/3 of \$7931)	LS	2,643.67	1	2,643.67		City
CITY RELATED COST SUBTOTAL:					\$120,670	
SUBTOTAL REGIONAL OUTFALL STRUCTURE COSTS:					\$2,633,420	
10% Contingency				10%		\$263,342
GRAND TOTAL REGIONAL OUTFALL STRUCTURE COSTS:					\$2,896,762	

**REIMBURSEMENT AGREEMENT
RELATING TO SOUTH LATHROP COMMERCE CENTER
FOR PUBLIC INFRASTRUCTURE BENEFITTING PROPERTIES
WITHIN SOUTH LATHROP SPECIFIC PLAN AREA**

This Public Infrastructure Reimbursement Agreement Relating to South Lathrop Commerce Center Within South Lathrop Specific Plan Area ("**Agreement**") is made and entered into this 11th day of March, 2019 ("**Effective Date**") by and between the City of Lathrop ("**City**"), a municipal corporation of the State of California ("**City**") and South Lathrop Land, L.L.C., a Delaware limited liability company ("**Developer**"). City and Developer may be collectively referred to herein as the "**Parties**" or individually as a "**Party**".

RECITALS

A. On or about August 3, 2015, City entered into that certain *Development Agreement by and between the City of Lathrop and Richland Developers Inc. Relating to the South Lathrop Specific Plan* ("**DA**"), which was subsequently recorded on September 5, 2015 (Instrument No. 2015-106926) and approved by City via Ordinance No. 18-390, in connection with the South Lathrop Specific Plan area ("**SLSP Area**"), as shown on attached Exhibit 1, located in the City of Lathrop, County of San Joaquin, for purposes of developing a master planned business park that includes, among other things, industrial and logistics uses, ancillary highway commercial uses, various open space uses, and related on- and off-site improvements (collectively, "**Project**" or "**South Lathrop Commerce Center**").

B. On or about April 18, 2016, the City Council approved Vesting Tentative Parcel Map No. 15-94 for the Project Site (as that term is defined below) pursuant to Resolution No. 16-4059 ("**VTPM**").

C. On or about March 2, 2018, Developer acquired in fee land within the SLSP Area, as shown on attached Exhibit 2 ("**Project Site**") from Richland Developers Inc. ("**Richland**"), the former developer and property owner who originally entered into the DA with City, for the purpose of developing the Project on the Project Site. In so doing, Developer assumed the rights and obligations of Richland under the DA with respect to the Project Site and the Project as set forth more fully in that certain *Assignment and Assumption Agreement* (dated March 2, 2018).

D. Among other things, the DA includes obligations that Developer construct certain Public Facilities and Infrastructure (as that term is defined in the DA), which have been set forth in the City-approved plans, specifications and related drawings prepared by MacKay & Soms, PACE, and Fehr & Peers and more specifically shown in the City-approved Backbone Infrastructure Improvement Plans (collectively, "**BIIP**") and the Offsite Infrastructure Improvement Plans (collectively, "**OIIP**"), as listed in attached Exhibit 3 and as may be amended from time to time with the mutual consent of the Parties. Collectively, the BIIP and the OIIP are referred to herein as the "**Plans**".

In addition, the DA further includes an obligation that Developer oversize certain Public Facilities and Infrastructure pursuant to the terms and conditions set forth therein including, without limitation, those in DA, section 6.04.2. Said Public Facilities and Infrastructure consist

of certain public improvements that are covered by the City's Capital Facilities Fee ("**CFF**") Program, as well as other public improvements that have been required by City that are not currently covered by the CFF Program. This Agreement is intended to provide for fee credit and/or reimbursement to Developer for those public improvements that would be installed within the SLSP Area and would benefit other property owners within the SLSP Area as well as the Developer. Said fee credit shall become available to Developer once CFFs are updated to include the improvements listed herein and reimbursements to developer shall be limited to actual CFFs updated and collected for the improvements listed herein.

For purposes of this Agreement, all costs of said public improvements that are installed within the SLSP Area and thus shall be subject to fee credit and/or reimbursement by the applicable Benefitting Property Owner(s) (as that term is defined below), as provided for herein, consist of all of the following:

(a) The sanitary sewer collection system and sanitary sewer pump station system and forcemain that will exclusively serve the entire SLSP Area;

(b) The storm drain system that is intended and has been designed to exclusively serve the entire SLSP Area (including the storm drainage collection system within the public right of way; the storm drainage basin; the stormwater quality basin; the levee toe drain; and the storm drain pump station and forcemain, but excluding the South Lathrop Regional Outfall Structure which is covered by a separate reimbursement agreement);

(c) The water line improvements that constitute the required loop, including mains crossing SR 120 from the POC at Harlan Road to the POC on Glacier Street, on Glacier Street to Yosemite Avenue, and on Yosemite Avenue from Glacier Street to the point at the north edge of the State Route 120 right-of-way) (see Exhibit 4A);

(d) The water line improvements on Glacier Street, Jefferson Way and Yosemite excepting the improvements noted in subsection (c) above (see Exhibit 4B); and

(e) City-required conduit and communication fiber (including the cost of the material and the pulling of the fiber from the POC on Harlan Road to the sanitary system/storm drain pump stations).

Collectively, the foregoing improvements shall be referred to herein as the "**SLSP Reimbursable Improvements**". The SLSP Reimbursable Improvements will benefit City, Developer, as well as multiple private property owners owning land within the SLSP Area, as shown on attached Exhibit 5A and Exhibit 5B (collectively, "**Benefitted Property Owner(s)**"), therefore entitling Developer to reimbursement as set forth herein.

City has determined it is in City's best interest for these improvements to be initially funded, permitted and constructed by Developer (subject to reimbursement provisions herein), including, among other reasons, because it will be more cost effective and efficient and result in a more expeditious delivery of these important public facilities.

E. Parcel Map 17-01, containing nine (9) commercial/industrial lots, was approved by City on September 10, 2018 (“*Parcel Map*”) after City confirmed that the Parcel Map was in substantial compliance with the VTPM. As a condition of approving and recording the Parcel Map, Developer entered into that certain *Subdivision Improvement Agreement* dated September 10, 2018 (“*SIA*”) that requires Developer to construct certain specified public improvements pursuant to the terms and conditions set forth therein and subject to fee credit and/or reimbursement. The Parcel Map was subsequently recorded on October 23, 2018.

F. Developer’s actual cost to construct the SLSP Reimbursable Improvements shall include all costs associated with entitlement/permitting, land acquisition, engineering, environmental review, design, environmental monitoring (including, without limitation, for the SWPPP as well as cultural and biological resource permitting), dewatering, planning, plan check, inspection(s), any and all construction costs (including, without limitation, materials, start-up costs, overhead and construction management), any and all agency requirements, fees and costs that are required under any and all applicable resource agency and other permits, any and all third party consultant costs and legal fees, any and all other costs associated with governmental actions and fees related to the SLSP Reimbursable Improvements, and inflation calculated on all of the foregoing costs using the Engineering News Record Construction Cost Index (which shall be updated by City in January of each year, as is done with all other fees with the year 2018 being the baseline against which to calculate said inflation increase) (collectively, “*SLSP Improvement Costs*”).

G. The Parties desire to set forth the terms and conditions under which Developer shall receive fee credit and/or be reimbursed for the SLSP Improvement Costs that are beyond Developer’s Share (as that term is defined below), and the terms and conditions by which City will facilitate such fee credit and/or reimbursement.

NOW, THEREFORE, for good and valuable consideration, City and Developer agree as follows:

AGREEMENT

1. Recitals. The recitals set forth above are true and correct and made a part of this Agreement.

2. Expedient Acceptance of the SLSP Reimbursable Improvements. The Parties acknowledge and agree that it is their collective intention for City to own, operate and maintain the SLSP Reimbursable Improvements. Accordingly, once said improvements are complete and Developer offers to dedicate said improvements to City in accordance with the terms and conditions of the SIA, City shall make diligent and good faith efforts to accept said offer(s) of dedication pursuant to applicable laws and regulations within sixty (60) days of receipt of: (a) said offer; (b) all reasonably required documentation (including the documentation associated with the Reconciliation Statement identified in Section 3 below); and (c) completion of any audit of said documentation (which must be conducted pursuant to Section 3 below). Once City accepts the SLSP Reimbursable Improvements, City shall have the sole obligation to operate and maintain said improvements and pay any and all costs associated therewith, and Developer shall have no further obligations in this regard.

3. Obligation to Construct Improvements. The Parties agree that Developer will construct the SLSP Reimbursable Improvements in accordance with Developer's obligations set forth in the SIA.

4. Fee Credits. Consistent with Chapter 3.22 of the City of Lathrop Municipal Code ("*LMC*"), Developer shall receive a fee credit against the amount of development impact fees that Developer would otherwise be required to pay to City in connection with the SLSP Reimbursable Improvements and the related SLSP Improvement Fee (as that term is defined below) to obtain building permit(s) for the Project ("*Fee Credit*"). The Parties acknowledge and agree that, as of the Effective Date, given the numerous costs already expended in connection with the SLSP Reimbursable Improvements, (a) Developer shall be deemed to have earned a Fee Credit but the amount of the Fee Credit will not be determined until costs are verified as provided above and City's Fees are updated to incorporate said verified costs; (b) Developer shall have no further obligation under any circumstances to pay any fee(s) in connection with the Project under the SLSP Improvement Fee or any other fee related to the SLSP Reimbursable Improvements that City is or may be obligated to pay on an annual basis to another governmental agency; and (c) other than to update the amount of Developer's credit and the fees to incorporate costs herein referenced, City shall not seek to impose any such additional or supplementary fee(s) on Developer with respect to the SLSP Reimbursable Improvements in connection with the Project. Furthermore, the Parties acknowledge and agree that in order for Developer to obtain the benefits contemplated under this Agreement, City shall promptly initiate the process to, and adopt, the SLSP Improvement Fee pursuant to Section 12(a) below.

5. Reimbursement for SLSP Reimbursable Improvements. In the event and to the extent other Benefitted Property Owner(s) outside of the Project Site may benefit from Developer's construction of all or any portion of the SLSP Reimbursable Improvements (as that term is defined below), Developer shall be entitled to reimbursement from any such other property owner(s) once the CFF program is updated, based on an apportionment of the relevant pro rata contribution of costs of said improvements in accordance with the terms and conditions in this Agreement.

6. SLSP Reimbursable Improvements Relating to Sanitary Sewer. As shown on the Plans, the SLSP Reimbursable Improvements relating to the sanitary sewer system consist of all of the following:

- (a) Collection mains and manholes and clean outs;
- (b) Sewer pump station, including, without limitation, the pumps, dewatering, electronic controls, fencing, City conduit with fiber included (for City control and monitoring), lighting, monitoring equipment, security during construction, back-up generator, entry gates, landscaping, driveway, and curb cut; and
- (c) Sanitary sewer force mains that connect the sanitary sewer pump station to the Lathrop Consolidated Treatment Facility ("*LCTF*").

The foregoing improvements shall be referred to herein collectively as the “**Sanitary Sewer System Improvements**”.

Provided, however, that the Sanitary Sewer System Improvements do not include the ability of Benefited Property Owner(s) to be able to connect to the sewer collection system installed by Developer without the Benefited Property Owner(s) having the ability to treat the effluent at the LCTF as confirmed by City. Furthermore, the Sanitary Sewer System Improvements do not include: (i) the cost of sanitary sewer treatment at the LCTF; (ii) the cost of storage of recycled water; or (iii) the cost to dispose of recycled water via spray fields or urban irrigation as may be approved by the Regional Water Quality Control Board and City.

SLSP Improvement Costs for the Sanitary Sewer System Improvements shall include, without limitation, those costs reflected in Recital F and as identified in more detail in the Engineer’s Cost Estimate attached as Exhibit 6.

7. SLSP Reimbursable Improvements Relating to Storm Drainage System. As shown on the Plans, the SLSP Reimbursable Improvements relating to storm drain consist of all of the following:

- (a) Storm drain collection system within the public right-of-way, including pipelines, manholes, public laterals and storm drain inlets;
- (b) Storm drain detention basin and stormwater quality basin;
- (c) Levee toe drain;
- (d) The storm drain pump station and forcemain up to, but not including, the San Joaquin River Regional Outfall Structure; and
- (e) The pumps, electronic controls, fencing, lighting, monitoring equipment, security during construction, back-up generator, City conduit with fiber included (for City control and monitoring), entry gates, landscape, and driveway and curb cut.

The foregoing SLSP Reimbursable Improvements shall be referred to herein collectively as the “**Storm Drainage Improvements**”.

SLSP Improvement Costs for the Storm Drainage Improvements shall include, without limitation, those costs reflected in Recital F and as identified in more detail in the Engineer’s Cost Estimate attached as Exhibit 7.

8. SLSP Reimbursable Improvements Relating to Water System. As shown on the Plans, the SLSP Reimbursable Improvements relating to water system consist of the following:

- (a) Water pipeline improvements and appurtenances that constitute the required “water loop” within the public right-of-way, public utility easements or permitted encroachments under State Route 120 and the Union Pacific Railroad, located as follows: crossing SR 120 from the POC at Harlan Road to the POC at Glacier Street, on Glacier Street to Yosemite Avenue, and on Yosemite Avenue

from the Glacier Street to the point at the north edge of the State Route 120 right-of-way.

(b) The pipeline and appurtenances on Glacier Street, Jefferson Way and Yosemite Avenue excepting the improvements noted in subsection (a) above.

The foregoing SLSP Reimbursable Improvements shall be referred to herein collectively as the “*Water System Improvements*”.

SLSP Improvement Costs for the Water System Improvements shall include, without limitation, those costs reflected in Recital F and as identified in more detail in the Engineer’s Cost Estimate attached as Exhibit 8A and Exhibit 8B.

9. Estimated Amount of SLSP Improvement Costs. The Parties acknowledge and agree that the Engineer’s Cost Estimates for each category of SLSP Reimbursable Improvements, which is the basis for the SLSP Improvement Costs, have been prepared in connection with bonding requirements for the SIA and are set forth in attached Exhibits 5 through 7B, based on reasonably available information as of the Effective Date, along with a contingency of ten percent (10%) of said Costs (as is typical to account for unanticipated additional costs that may arise during construction). Notwithstanding anything to the contrary in the foregoing, the Parties further acknowledge and agree that because all of said costs cannot reasonably be determined as of the Effective Date, the Engineer’s Cost Estimates shall be updated, as needed, once each category of the SLSP Improvements are complete (“*Reconciliation Statement*”), and the relevant SLSP Improvement Costs shall be adjusted accordingly at that time, as needed, to ensure that Developer is “trued up” to provide for full reimbursement as required hereunder. Said adjusted fee credit and/or reimbursement shall become available to Developer once the relevant CFFs are updated to reflect any such additional costs as provided for herein. Developer shall provide reasonable documentation of the actual costs incurred in support of the Reconciliation Statement (which may include, among others, unconditional lien releases, invoices, proof of payment, confirmation on letterhead from relevant contractor(s)/subcontractor(s) of payment, and/or any other reasonable documentation similar in detail and content as has been previously provided to City) at the same time it offers to dedicate the SLSP Reimbursable Improvements to City; City shall then have the right, but not the obligation, to reasonably review and audit said documentation, to the extent it determines reasonably appropriate, with any such audit being completed within thirty (30) days. No later than thirty (30) days of either (a) the receipt of said documentation, or (b) the completion of any audit, whichever is applicable, then City shall confirm the Reconciliation Statement. The Parties acknowledge and agree that the amount of detail in the documentation provided by Developer to support the Reconciliation Statement shall be reasonable; shall be consistent with the level of detail provided to City in connection with the original cost estimates reflected in Exhibits 5 through 7B; and may consist (in whole or in part) of costs documented in writing by relevant third parties working on any portion of the SLSP Reimbursable Improvements that reflect actual costs incurred by Developer. Notwithstanding anything to the contrary in the foregoing, any such adjusted reimbursement costs (and the related fee credit/reimbursement for Developer) shall be applied prospectively only (i.e., imposed as a condition on those building permit(s) (or final subdivision or parcel map(s), as may be applicable) that are issued to Benefitted Property Owner(s) after the adjusted Fee has been adopted by City), but in no event shall Developer be required to return to City any funds received hereunder via fee credit and/or reimbursement as a

result of any such fee adjustment(s). Once the City has accepted the offer of dedication for the SLSP Reimbursable Improvements and has released any and all related liens, then City's right to audit the above-referenced documentation shall terminate. The Parties further acknowledge and agree that in the event City conducts an audit pursuant to this Section 8, City shall not withhold any adjusted fee credit and/or reimbursement payments to Developer for any undisputed amounts during the audit period.

10. Methodology for Determining Pro Rata Share of Costs. The Parties acknowledge and agree that the methodology to be utilized to determine the pro rata share of costs for the SLSP Reimbursable Improvements for both Developer and the Benefitted Property Owner(s) shall be based on the total number of gross acres of the lands as of the Effective Date, as shown and delineated by Assessor Parcel Numbers on Exhibits 5A and 5B.

The reimbursement obligations set forth in this Agreement are to ensure that Developer is not being required to pay more than its pro rata share of said costs, in accordance with applicable laws as well as the principles set forth in the DA, section 5.02.01(b), which mandate a "reasonable relationship" between the Project and any Public Facilities and Infrastructure requirement imposed thereon.

11. Reimbursement.

(a) Preparing, Evaluating and Adopting the SLSP Improvement Fee. For the reasons described in Recital G above, City shall promptly and expeditiously after the Effective Date initiate the process to prepare, evaluate, and adopt a development impact fee to cover the SLSP Reimbursable Improvement Costs in accordance with applicable laws and regulations ("**SLSP Improvement Fee**"). In connection therewith, City shall, to the extent permitted by applicable law, concurrently initiate process to prepare, consider and adopt Capital Facilities Fee(s) ("**CFF**") for those lands of the Benefitted Property Owner(s) in an amount that will collect the proportionate share of each Benefitted Property of the Reimbursable Costs.

(b) Scope and Timing of Reimbursement. The Parties acknowledge and agree that Developer's receipt of the Fee Credit will not be sufficient to reimburse Developer for the total amount of Reimbursable Costs due hereunder. Therefore, in accordance with DA section 5.04.02(e), and to the extent permitted by applicable law, City shall ensure that Developer receives the SLSP Improvement Fee collected by City from other Benefitting Property Owner(s) in connection with the development of those owner(s)' respective properties until all Reimbursable Costs associated with said development have been paid to Developer. To help ensure timely reimbursement to Developer as contemplated hereunder, City shall impose, to the extent permitted by applicable law, a condition of approval for any development on property owned by any Benefitted Property Owner(s) that requires each said Owner to pay the entirety of its respective pro rata share of the SLSP Improvement Costs prior to issuance of the first (1st) building permit for any building on said property. In connection therewith, the Benefitted Property Owner(s) shall be required, to the extent permitted by applicable law, as a condition of development approval, to participate in, and/or waive any right(s) to protest or otherwise object to the establishment of the SLSP Improvement Fee that would collect the proportionate share of each Benefitted Property Owner of the Reimbursable Costs.

Timing of reimbursement to Developer shall occur within thirty (30) days of City's receipt of the SLSP Improvement Fee(s) from any Benefitted Property Owner(s). Said reimbursement shall occur by City delivering the amount of said fee(s) to Developer, without any offset, at the address set forth in Section 19 below along with a notice of reimbursement of Reimbursable Costs. Said notice shall state the amount of Reimbursable Costs being made by City at that time as well as provide an accounting of the remaining amount of Reimbursable Costs due as of the date of said notice. City further agrees that no Benefitted Property Owner may be issued a credit in lieu of paying said fee, and no Benefitted Property Owner shall have the right to vest into the SLSP Improvement Fee.

(c) Accounting of SLSP Improvement Fee(s) Received by City. Twice every year (in January and in July), commencing in the January after the Effective Date, City shall provide to Developer an accounting of all SLSP Improvement Fees received by City, if any, during the prior reporting period, along with reasonable supporting documentation.

(d) Notice of Relevant Development Application(s). Periodically, Developer may request City to confirm whether a Benefitted Property Owner has submitted to City a formal application to develop land within the areas shown on Exhibits 5A and 5B ("***Development Application***") that may trigger the need to utilize all or any portion of the SLSP Reimbursable Improvements. Within ten (10) days of any such request, City shall provide Developer with copies of any requested documents that would normally be produced by City in response to a Public Records Act request relating to any such Development Application(s).

(e) At such time as a Benefitted Property Owner submits to City a formal application to develop land ("***Development Application***") that may trigger the need to utilize all or any portion of the SLSP Reimbursable Improvement(s), then City shall notify said Owner that if the Development Application is approved, then as a condition of approval, said Owner will be required to reimburse Developer for the Benefitted Developer's pro rata share of costs for the SLSP Reimbursable Improvements. Thereafter, in connection with City's consideration of any such Development Application, City shall impose on such application the foregoing condition of approval pursuant to this subsection (e) and subsection (b) above.

(f) Each Benefitted Property Owner's pro rata share shall be calculated as provided for herein. City shall not issue any building permit(s) for any building(s) in connection with any such Development Application for a Benefitted Property Owner until said Owner pays the Benefitted Property Owner's pro rata share. Furthermore, in addition to not issuing any building permit(s) for any building(s) to a Benefitted Property Owner until it has paid its pro rata share to City, City shall not allow a Benefitted Property Owner to utilize the relevant SLSP Reimbursable Improvement(s) to serve the development at issue until said Benefitted Property Owner pays to City the entirety of the Benefitted Property Owner's pro rata share. Once Developer has been fully paid for all SLSP Improvement Costs as required hereunder, any and all SLSP Improvement Fees received by City after this full reimbursement has occurred shall be retained by City. Before a Benefitted Property Owner would be allowed by City to utilize any portion of

the SLSP Reimbursable Improvement(s) (e.g., connect to the sewer collection system), City shall require payment, to the extent permitted by applicable law, of the relevant Benefitted Property Owner's pro rata share of the entire SLSP Reimbursable Improvements in accordance with the provisions set forth herein.

(g) Upon request of a Benefitted Property Owner or Developer (as the case may be), City shall calculate the Benefitted Property Owner's pro rata share in accordance with this Agreement, and shall promptly notify the Benefitted Property Owner in writing of same. A Benefitted Property Owner shall pay the entirety of its pro rata share prior to issuance of the first (1st) building permit for any building(s).

12. Term of Agreement; Termination. This Agreement shall commence on the Effective Date and shall terminate when Developer has received all SLSP Reimbursable Costs (through receipt of the required reimbursement) as provided for in this Agreement. At such time as the foregoing occurs, City shall: (a) notify Developer in writing that City's obligations hereunder have been fully satisfied; (b) provide Developer with reasonable documentation to confirm the satisfaction of said obligations; and (c) inform Developer that City intends to terminate this Agreement within thirty (30) days of receipt of said notice ("**Termination Notice**"). Notwithstanding anything to the contrary in the foregoing, Developer may dispute said Termination Notice and/or the documentation submitted in connection therewith by providing notice to City of same. Any such notice from Developer shall include reasonable documentation identifying the outstanding obligations under this Agreement. This Agreement shall not terminate until such time as the Parties mutually determine that all SLSP Reimbursable Costs have been paid to Developer and that there is no outstanding reimbursement due hereunder to Developer.

13. Indemnification. Developer, on its own behalf, and on behalf of any successor(s) in interest, agrees to defend and indemnify City against any third party action, claim, counterclaim, suit or demand (collectively, "**Claims**") that challenges City's approval and/or implementation of this Agreement, including any Claims pertaining to the above listed reimbursements is made or instituted against City, its employees, officers, or agents challenging City's actions to collect Developer's reimbursement pursuant to section 12 above. Said indemnification shall include the costs of City to defend, pay and satisfy any such Claims including necessary expenses of investigation, attorneys' fees, and costs.

14. Applicable Law. This Agreement shall be governed by the laws of the State of California.

15. Binding Effect. This Agreement is for the benefit of and shall be binding upon both Parties and their respective successors, heirs, executors, administrators, assigns and successors in interest.

16. Assignment. Developer shall have the right, in its sole discretion, to assign its rights and obligations under this Agreement in whole or in part upon thirty (30) day' prior written notice to City. So long as Developer provides the foregoing notice and a copy of a fully executed Assignment and Assumption Agreement between Developer and its assignee, then Developer shall be thereafter released from any and all obligations hereunder so assigned, and the assignee shall have any and all rights and obligations so assumed.

17. Notices. For purposes of this Agreement, “*notice*” means any notice, demand, request, or other communication to be provided under this Agreement. All notices shall be in writing and shall be sent to the below addresses or at such other addresses as either Party may later specify for that purpose. All notices required or permitted under this Agreement shall be personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx or UPS, with charges prepaid for next business day delivery, addressed to the Parties as follows:

If to City: City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330
Attn: Stephen J. Salvatore, City Manager
Email: ssalvatore@ci.lathrop.ca.us

With a concurrent copy to: City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330
Attn: Salvador Navarrete, City Attorney
Email: snavarrete@ci.lathrop.ca.us

If to Developer: South Lathrop Land, LLC
527 W 7th Street, Suite 308
Los Angeles, CA 90014
Attn: Philip J. Prassas
Email: pprassas@chindustrial.com

With a concurrent copy to: Nadia Costa
Miller Starr Regalia
1331 North California Blvd., Fifth Floor
Walnut Creek, CA 94596
Email: nadia.costa@msrlegal.com

The date of any notice shall be the date of receipt, provided that rejection or other refusal to accept or the inability to deliver because of a change in address of which no notice was given shall be deemed to constitute receipt of the notice sent. Either Party may change its address for notice by giving notice to the other Party in accordance with this Section 18.

18. Payments to Developer. All payments due to Developer hereunder shall be sent to the following address or at such other address as Developer shall from time to time specify in writing to City:

South Lathrop Land, L.L.C.
527 W 7th Street, Suite 308
Los Angeles, CA 90014
Attn: Philip J. Prassas

19. Amendments. Any modifications to this Agreement shall be in writing and signed by authorized representatives of both Parties.

20. Attorney's Fees and Venue. In the event of a dispute arising under this Agreement between the Parties, the prevailing Party shall be entitled to an award against the other Party of reasonable attorney's fees and costs incurred in connection with the dispute. The venue for any litigation shall be in San Joaquin County, California.

21. Cumulative Rights; Waiver. The failure by either Party to exercise, or delay in exercising any rights under this Agreement, shall not be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by either Party preclude any other or future exercise thereof or the exercise of any other right. Any waiver of any provision or any waiver of any breach of any provision of this Agreement must be in writing, and any waiver by either Party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement.

22. Severability. If any provision of this Agreement is deemed by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be deemed to be severed or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

23. Headings. All headings herein are inserted only for convenience and ease of reference and are not considered in the construction or interpretation of any provision of this Agreement.

24. Signing Authority. The individuals signing this Agreement represent and agree that they have full and actual authority to bind their respective Parties to this Agreement.

25. Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding its subject matters. This Agreement supersedes all proposals, oral and written, and all negotiations, conversations or discussions heretofore and between the Parties related to the subject matters of this Agreement.

26. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

27. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

[Signatures to follow on next page]

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the Effective Date.

CITY

CITY OF LATHROP,
A California municipal corporation

By: _____
Stephen J. Salvatore
City Manager

DEVELOPER

South Lathrop Land, L.L.C., a Delaware
limited liability company

By: CHI West 109 South Lathrop Land,
L.P.,
a Delaware limited partnership,
its managing member

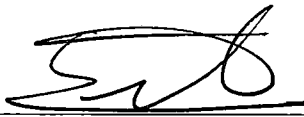
By: CHI LTH GP, L.L.C.,
a Delaware limited liability
company, its general partner

By: _____
Name: _____
Title: _____

ATTEST:
City Clerk of and for the City
of Lathrop, State of California

By: _____
Teresa Vargas, City Clerk

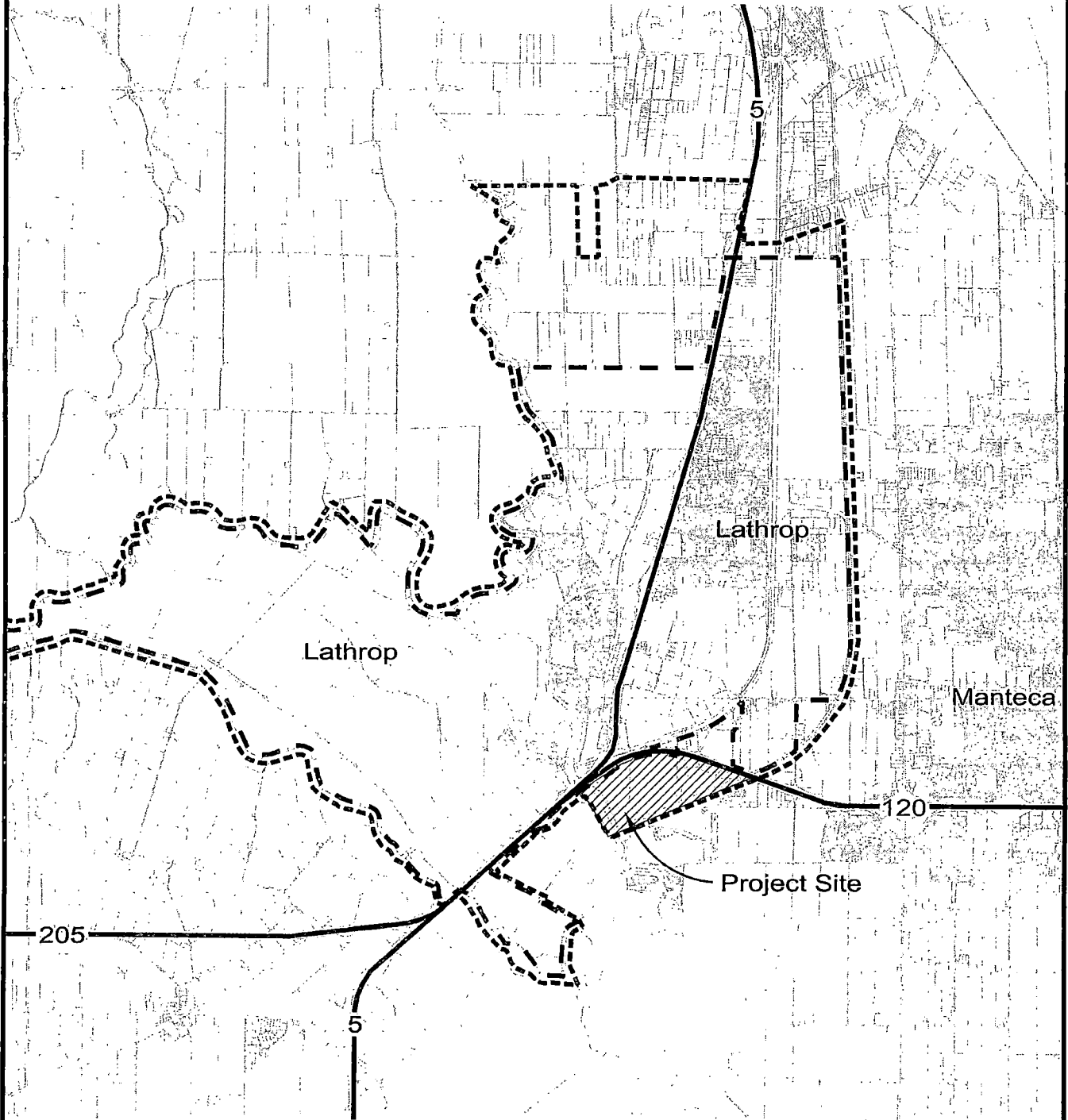
APPROVED AS TO FORM:

By: 

Salvador Navarrete
City Attorney

EXHIBIT 1
DEPICTION OF SOUTH LATHROP SPECIFIC AREA

EXHIBIT 1: DEPICTION OF SOUTH LATHROP SPECIFIC AREA



Mackay & SompS
ENGINEERS PLANNERS SURVEYORS

LEGEND	
	Project Location
	City Limits
	Sphere of Influence

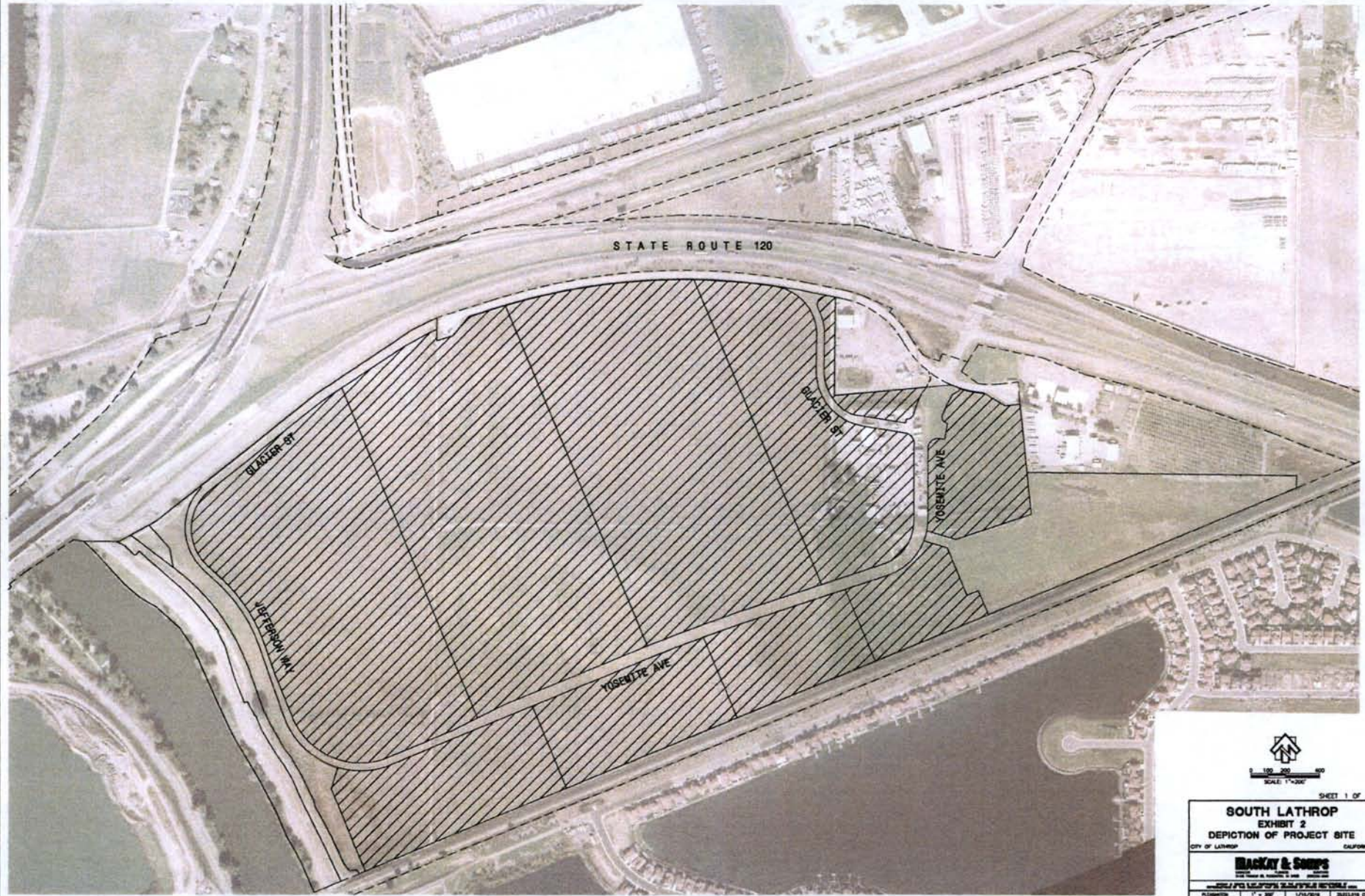
Depiction of South Lathrop
Specific Plan Area
Lathrop, Ca


01-15-2019 7:51am Jeff Malson P:\25223\DES\FXH-D\REIMBURSEABLE_EXHIBITS\EXHIBIT_11 - DEPICTION OF SOUTH LATHROP SPECIFIC AREA.DWG

REFERENCES: parcels
R14025

EXHIBIT 2
DEPICTION OF PROJECT SITE

REIMBURSEMENT AGREEMENT FOR OTHER PUBLIC IMPROVEMENTS WITHIN SPECIFIC PLAN AREA
 EXHIBIT 2: DEPICTION OF PROJECT SITE
 GROSS AREA 225.4 ACRES




 0 100 200 400
 SCALE: 1"=200'
 SHEET 1 OF 1

SOUTH LATHROP
EXHIBIT 2
DEPICTION OF PROJECT SITE
 CITY OF LATHROP CALIFORNIA

BLACK & SOUPE
 CIVIL ENGINEERS AND ARCHITECTS
 1000 S. GARDEN ST. SUITE 100
 LATHROP, OR 97030

EXHIBIT 3

**LIST OF APPLICABLE PLANS AND SPECIFICATIONS
FOR IDENTIFIED IMPROVEMENTS**

EXHIBIT 3
LIST OF APPLICABLE PLANS AND SPECIFICATIONS FOR IDENTIFIED IMPROVEMENTS

SHEET NO.	SHEET NAME	DATE	PREPARED BY
TRAFFIC SIGNING AND STRIPING IMPROVEMENT PLANS			
S-1	COVER, GENERAL NOTES, & LEGEND	9/4/2018	FEHR & PEERS
S-2	SIGNING & STRIPING PLAN YOSEMITE AVENUE	9/4/2018	FEHR & PEERS
S-3	SIGNING & STRIPING PLAN YOSEMITE AVENUE	9/4/2018	FEHR & PEERS
S-4	SIGNING & STRIPING PLAN YOSEMITE AVENUE	9/4/2018	FEHR & PEERS
S-5	SIGNING & STRIPING PLAN JEFFERSON WAY	9/4/2018	FEHR & PEERS
S-6	SIGNING & STRIPING PLAN GLACIER STREET	9/4/2018	FEHR & PEERS
S-7	SIGNING & STRIPING PLAN GLACIER STREET	9/4/2018	FEHR & PEERS
S-8	SIGNING & STRIPING PLAN GLACIER STREET	9/4/2018	FEHR & PEERS
TRAFFIC SIGNAL IMPROVEMENT PLANS			
E-1	COVER, GENERAL NOTES, & LEGEND	8/27/2018	FEHR & PEERS
E-2	TRAFFIC SIGNAL PLAN YOSEMITE AVE AND GLACIER ST	8/27/2018	FEHR & PEERS
E-3	TRAFFIC SIGNAL PLAN YOSEMITE AVE AND GLACIER ST	8/27/2018	FEHR & PEERS
EXHIBIT C	LIGHTING ANALYSIS	8/27/2018	FEHR & PEERS
PAGES 1-8	IMPROVEMENT SPECIFICATIONS FOR SLCC YOSEMITE/GLACIER	8/1/2018	FEHR & PEERS
SEWER PUMP STATION GENERAL			
G1.0	TITLE SHEET	9/5/2018	PACE
G2.0	GENERAL NOTES	9/5/2018	PACE
G3.0	LEGEND & ABBREVIATIONS LIST	9/5/2018	PACE
SEWER PUMP STATION CIVIL			
C1.0	SITE PLAN	9/5/2018	PACE
C2.0	YARD PIPING & GRADING PLAN	9/5/2018	PACE
C3.0	CIVIL DETAILS	9/5/2018	PACE
C3.1	CIVIL DETAILS	9/5/2018	PACE
SEWER PUMP STATION MECHANICAL			
M0.0	EQUIPMENT LIST	9/5/2018	PACE
M1.0	PUMP STATION MECHANICAL PLAN	9/5/2018	PACE
M1.1	PUMP STATION MECHANICAL SECTIONS	9/5/2018	PACE
M2.0	CHEMICAL AND ELECTRICAL EQUIPMENT PLAN	9/5/2018	PACE
M3.0	MECHANICAL DETAILS	9/5/2018	PACE
M3.1	MECHANICAL DETAILS	9/5/2018	PACE
SEWER PUMP STATION ELECTRICAL			
E1.0	ELECTRICAL LEGEND AND ABBREVIATION LIST	9/5/2018	PACE
E2.0	ONE LINE DIAGRAM, MSLS AND PANEL SCHEDULE	9/5/2018	PACE
E2.1	ELEMENTARY CONTROL DIAGRAM	9/5/2018	PACE
E2.2	EXHAUST FAN 1 & 2 ELEMENTARY CONTROL DIAGRAM	9/5/2018	PACE
E3.0	ELECTRICAL PLAN	9/5/2018	PACE
E4.0	POWER AND CONTROL CONDUIT AND WIRE SCHEDULE	9/5/2018	PACE
E5.0	LIGHTING AND RECEPTACLE PLAN	9/5/2018	PACE
E6.0	GROUNDING PLAN	9/5/2018	PACE
E7.0	ELECTRICAL DETAILS	9/5/2018	PACE
E7.1	ELECTRICAL DETAILS	9/5/2018	PACE
E8.0	PLC INPUTS (PUMPS 1, 2, AND 3)	9/5/2018	PACE
E8.1	PLC INPUTS (PUMPS 1, 2, 3, CHEMICAL)	9/5/2018	PACE
E8.2	PLC INPUTS (PUMPS 1, 2, AND 3)	9/5/2018	PACE
E8.3	PLC INPUTS (PUMPS 1, 2 AND 3)	9/5/2018	PACE
E8.4	PLC INPUTS (LEVEL SW)	9/5/2018	PACE
E8.5	PLC INPUTS (LEVEL SW AND FLOW)	9/5/2018	PACE
E8.6	PLC INPUTS (PUMPS 1, 2, AND CHEMICAL)	9/5/2018	PACE
E8.7	PLC INPUTS (CHEMICAL PUMP)	9/5/2018	PACE
E8.8	PLC INPUTS (UPS)	9/5/2018	PACE
E8.9	PLC INPUTS (GENERATOR)	9/5/2018	PACE

SEWER PUMP STATION P&ID			
I1.0	P&ID LEGENDS AND SYMBOLS	9/5/2018	PACE
I1.1	SEWER LIFT STATION WET WELL	9/5/2018	PACE
I1.2	OXIDIZER	9/5/2018	PACE
I1.3	PUMP STATION GENERATOR AND SERVICE ENTRANCE	9/5/2018	PACE
STORM WATER PUMP STATION GENERAL			
G1.0	TITLE SHEET	9/5/2018	PACE
G2.0	GENERAL NOTES	9/5/2018	PACE
G3.0	LEGEND & ABBREVIATIONS LIST	9/5/2018	PACE
STORM WATER PUMP STATION CIVIL			
C1.0	SITE PLAN	9/5/2018	PACE
C1.1	PLAN & PROFILES	9/5/2018	PACE
C2.0	CIVIL DETAILS	9/5/2018	PACE
C2.1	CIVIL DETAILS	9/5/2018	PACE
STORM WATER STATION PUMP MECHANICAL			
M1.0	MECHANICAL PLAN ABOVE	9/5/2018	PACE
M1.1	MECHANICAL PLAN BELOW	9/5/2018	PACE
M1.2	MECHANICAL SECTIONS	9/5/2018	PACE
M1.3	MECHANICAL SECTIONS	9/5/2018	PACE
M1.4	MECHANICAL SECTIONS	9/5/2018	PACE
M1.5	MECHANICAL SECTIONS	9/5/2018	PACE
M2.0	MECHANICAL DETAILS	9/5/2018	PACE
M2.1	MECHANICAL DETAILS	9/5/2018	PACE
M2.2	MECHANICAL DETAILS	9/5/2018	PACE
M2.3	PNEUMATIC ACTUATOR LAYOUT SCHEMATIC	9/5/2018	PACE
STORM WATER PUMP STATION ELECTRICAL			
E1.0	DRAWING INDEX, SYMBOLS, LEGEND AND NOTES	9/5/2018	PACE
E2.0	ONE LINE DIAGRAM	9/5/2018	PACE
E2.1	MAIN SWITCHBOARD ELEVATION AND LOAD PANEL SCHEDULE	9/5/2018	PACE
E2.2	ELEMENTARY CONTROL DIAGRAMS	9/5/2018	PACE
E2.3	ELEMENTARY CONTROL DIAGRAMS	9/5/2018	PACE
E2.4	ELEMENTARY CONTROL DIAGRAMS	9/5/2018	PACE
E3.0	ELECTRICAL PLAN	9/5/2018	PACE
E4.0	POWER AND CONTROL CONDUIT AND WIRE SCHEDULE	9/5/2018	PACE
E5.0	LIGHTING AND RECEPTACLE PLAN	9/5/2018	PACE
E6.0	GROUNDING PLAN	9/5/2018	PACE
E7.0	ELECTRICAL DETAILS	9/5/2018	PACE
E7.1	ELECTRICAL DETAILS	9/5/2018	PACE
E8.0	TITLE 24 FORMS 1	9/5/2018	PACE
E8.1	TITLE 24 FORMS 2	9/5/2018	PACE
STORM WATER PUMP STATION P&ID			
I1.0	P&ID LEGENDS AND SYMBOLS	9/5/2018	PACE
I1.1	PUMP STATION WET WELL PIPING AND CONTROL	9/5/2018	PACE
I1.2	PUMP STATION POWER SUPPLY SYSTEM CONTROL	9/5/2018	PACE
I1.3	WQ BASIN LEVEL AND PUMP STATION ALARM SYSTEM	9/5/2018	PACE
LANDSCAPE CONSTRUCTION DOCUMENTS			
L0.0	COVER SHEET	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L1.1 - L1.5	IRRIGATION PLANS	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L2.1	IRRIGATION LEGEND	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L2.2	IRRIGATION NOTES	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L2.3 - L2.5	IRRIGATION CALCULATIONS	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L3.1 - L3.4	IRRIGATION DETAILS	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L4.0	PLANTING SCHEDULES & NOTES	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L4.1 - L4.15	PLANTING PLAN	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L5.1	PLANTING DETAILS & NOTES	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
L6.1 - L6.4	SPECIFICATIONS	8/7/2018	RIDGE LANDSCAPE ARCHITECTS
REGIONAL OUTFALL GENERAL			

G1.0	TITLE SHEET AND INDEX	9/6/2018	PACE
REGIONAL OUTFALL CIVIL REVISION 4			
C1.0	SITE PLAN	9/6/2018	PACE
C2.0	OUTFALL PLAN & DETAILS	9/6/2018	PACE
C2.1	CIVIL DETAILS	9/6/2018	PACE
C2.2	OUTFALL STRUCTURE DETAILS	9/6/2018	PACE
C2.3	CIVIL DETAILS	9/6/2018	PACE
C2.4	CIVIL DETAILS	9/6/2018	PACE
PGE GAS CONSTRUCTION DRAWINGS			
G1	PGE GAS CONSTRUCTION DRAWING	12/1/2017	GIACALONE DESIGN SERVICES
G2	JOINT TRENCH INTENT PLAN	12/1/2017	GIACALONE DESIGN SERVICES
G3	JOINT TRENCH INTENT PLAN	12/1/2017	GIACALONE DESIGN SERVICES
G4	JOINT TRENCH INTENT PLAN	12/1/2017	GIACALONE DESIGN SERVICES
G5	JOINT TRENCH INTENT PLAN	12/1/2017	GIACALONE DESIGN SERVICES
G6	JOINT TRENCH INTENT PLAN	12/1/2017	GIACALONE DESIGN SERVICES
G7	JOINT TRENCH INTENT PLAN	12/1/2017	GIACALONE DESIGN SERVICES
DRY UTILITIES			
1 - 7	PRELIMINARY ELECTRIC	8/13/2018	PENNINO MANAGEMENT GROUP
8 - 11	PRELIMINARY GAS	8/13/2018	PENNINO MANAGEMENT GROUP
12 - 15	PRELIMINARY FRONTIER	8/13/2018	PENNINO MANAGEMENT GROUP
STREET LIGHT PLANS			
PM-1	PHOTOMETRIC TITLE SHEET	9/6/2018	RGA DESIGN
PM-2 TO 7	PHOTOMETRIC PLAN	9/6/2018	RGA DESIGN
STREET LIGHT PLANS REV 1			
1 - 7	STREET LIGHTS	9/6/2018	PENNINO MANAGEMENT GROUP
ONSITE & OFFSITE BACKBONE INFRASTRUCTURE AND ROUGH GRADE PLAN			
1	SIGNATURE SHEET	September 2018	MACKAY & SOMPS
2	SURVEYORS STATEMENT	September 2018	MACKAY & SOMPS
3	BOUNDARY AND SHEET INDEX	September 2018	MACKAY & SOMPS
4	MADRUGA ROAD	September 2018	MACKAY & SOMPS
5	EXISTING EASEMENTS	September 2018	MACKAY & SOMPS
6 THRU 9	PARCEL MAP	September 2018	MACKAY & SOMPS
CIVIL - BACKBONE IMPROVEMENT PLANS			
C1	COVER SHEET	9/7/2018	MACKAY & SOMPS
C2	GENERAL NOTES	9/7/2018	MACKAY & SOMPS
C3	STREET SECTIONS & DETAILS	9/7/2018	MACKAY & SOMPS
C4A THRU C4D	UTILITY PLAN & SHEET INDEX	9/7/2018	MACKAY & SOMPS
C5	SOUTH EVA / SOUTHSIDE ROAD PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C6 THRU C8	SOUTHSIDE ROAD PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C9	SOUTHSIDE ROAD / STORM DRAIN TO BASIN PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C9A THRU C9B	STORM DRAIN BASIN	9/7/2018	MACKAY & SOMPS
C10	STORM DRAIN PIPE TO PUMP STATION	9/7/2018	MACKAY & SOMPS
C11	YOSEMITE AVENUE PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C12	PARK / EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C12A	LEVEE SEEPAGE DRAIN PIPE PARK / EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C13	PARK / EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C13A	LEVEE SEEPAGE DRAIN PIPE PARK / EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C14 THRU C15	NORTH EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C16 THRU C19	MADRUGA ROAD PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C20 THRU C21	WATER MAIN PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C22 THRU C25	STORM DRAIN FORCE MAIN PLAN & PROFILE	9/7/2018	MACKAY & SOMPS

EXHIBIT 4A
WATER LINE IMPROVEMENTS

EXHIBIT 4A: UTILITY IMPROVEMENTS - "WATER LOOP"



WATER LINE IMPROVEMENT SUMMARY

Total length from POC on Harlan to POC on D'Arcy	10014 LF
Total Length North of SR 120 Interchange	3439 LF
% of water line improvements North of SR 120	34.34%
% of water line improvements South of SR 120	65.66%



SHEET 1 OF 1

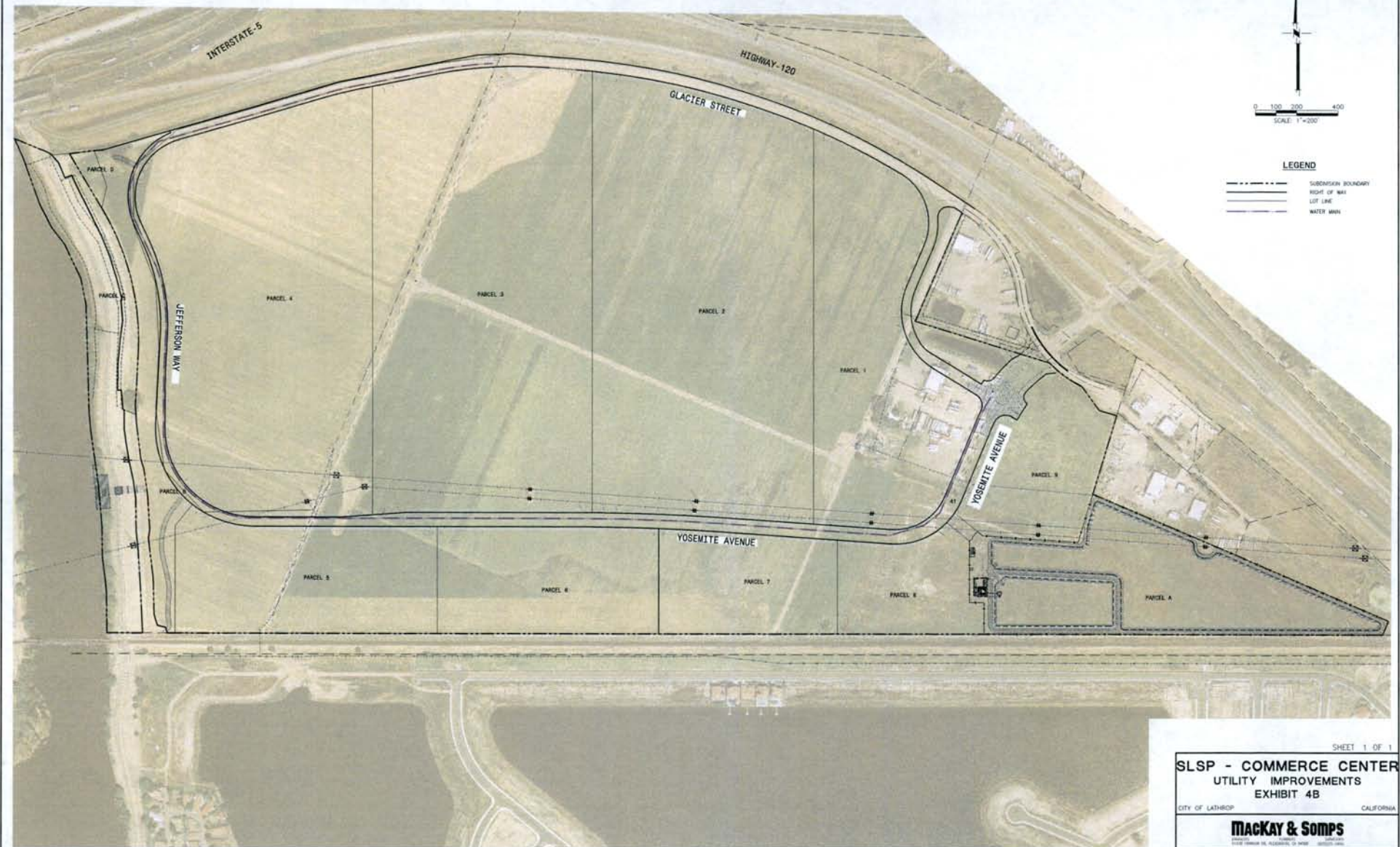
SLSP - COMMERCE CENTER
EXHIBIT 4A
UTILITY IMPROVEMENTS
 CITY OF LATHROP CALIFORNIA

Mackay & Somp
10000 NE 28th St, Portland, OR 97218

PROJECT NO.	1" = 200'	DATE	12/11/2018	DRAWN BY	25223.010 CH
ISSUE NO.		SCALE		CHECKED BY	JGB WL

EXHIBIT 4B
WATER LINE IMPROVEMENTS

EXHIBIT 4B: WATERLINE IMPROVEMENTS – EXCLUDING REQUIRED LOOP



SHEET 1 OF 1

**SLSP - COMMERCE CENTER
UTILITY IMPROVEMENTS
EXHIBIT 4B**

CITY OF LATHROP CALIFORNIA

Mackay & SompS
CIVIL ENGINEERS, ARCHITECTS, PLANNERS AND LANDSCAPE ARCHITECTS

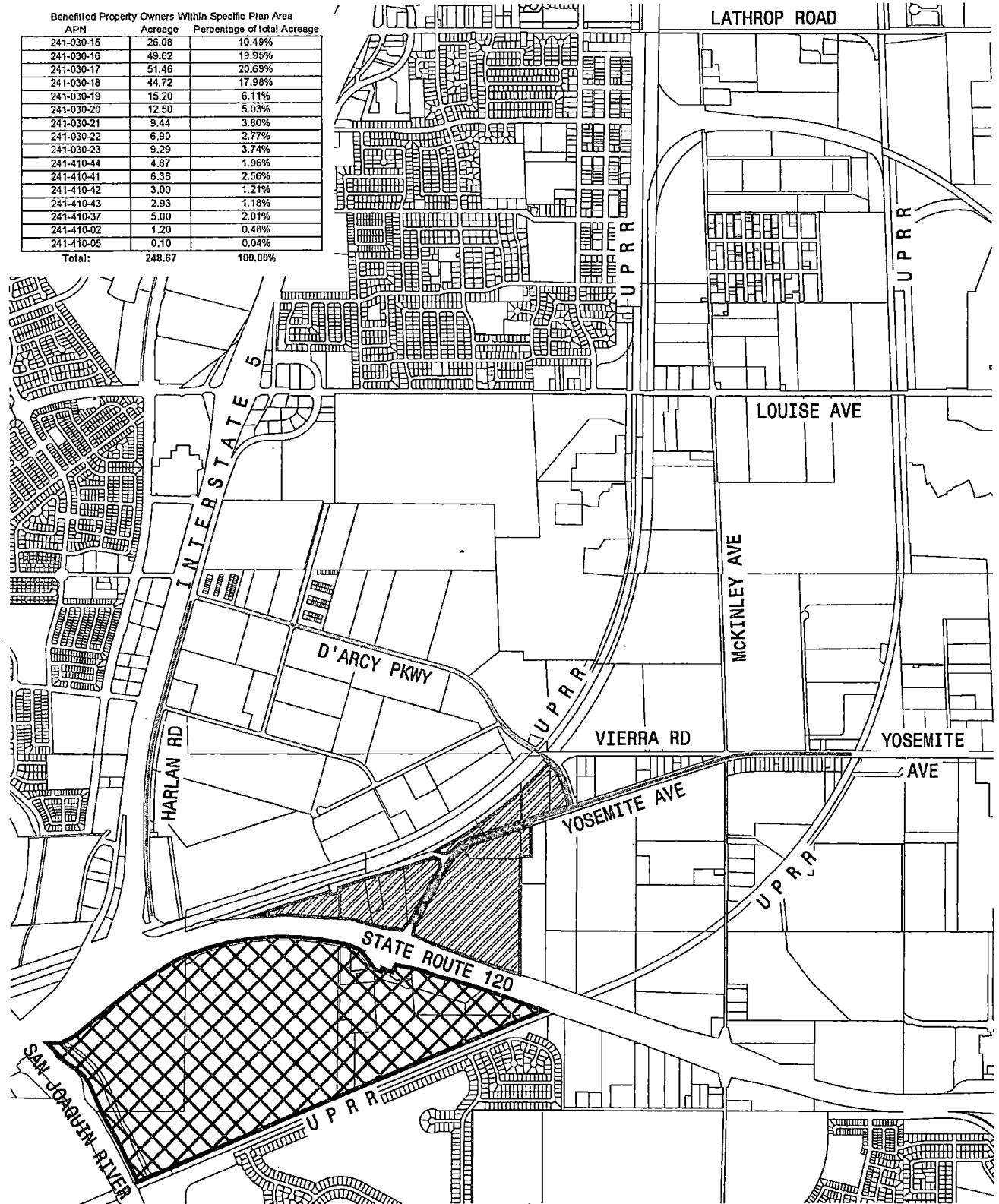
PLANNING	1" = 200'	12/11/2018	25223 010.DWG
DATE	SCALE	DATE	DWG NO.



EXHIBIT 5A
BENEFITTED PROPERTY OWNERS

**REIMBURSEMENT AGREEMENT WITHIN SOUTH LATHROP SPECIFIC PLAN AREA
EXHIBIT 5A: BENEFITTED PROPERTY OWNERS - "WATER LOOP"**

Benefitted Property Owners Within Specific Plan Area

APN	Acreage	Percentage of Total Acreage
241-030-15	26.08	10.49%
241-030-16	49.62	19.95%
241-030-17	51.46	20.69%
241-030-18	44.72	17.98%
241-030-19	15.20	6.11%
241-030-20	12.50	5.03%
241-030-21	9.44	3.80%
241-030-22	6.90	2.77%
241-030-23	9.29	3.74%
241-410-44	4.87	1.96%
241-410-41	6.35	2.56%
241-410-42	3.00	1.21%
241-410-43	2.93	1.18%
241-410-37	5.00	2.01%
241-410-02	1.20	0.48%
241-410-05	0.10	0.04%
Total:	248.67	100.00%



 SOUTH LATHROP SPECIFIC PLAN
 LATHROP GATEWAY BUSINESS PARK SPECIFIC PLAN
 (INCLUDED IN REIMBURSEMENT AGREEMENT FOR
 PROPERTIES OUTSIDE SLSP)

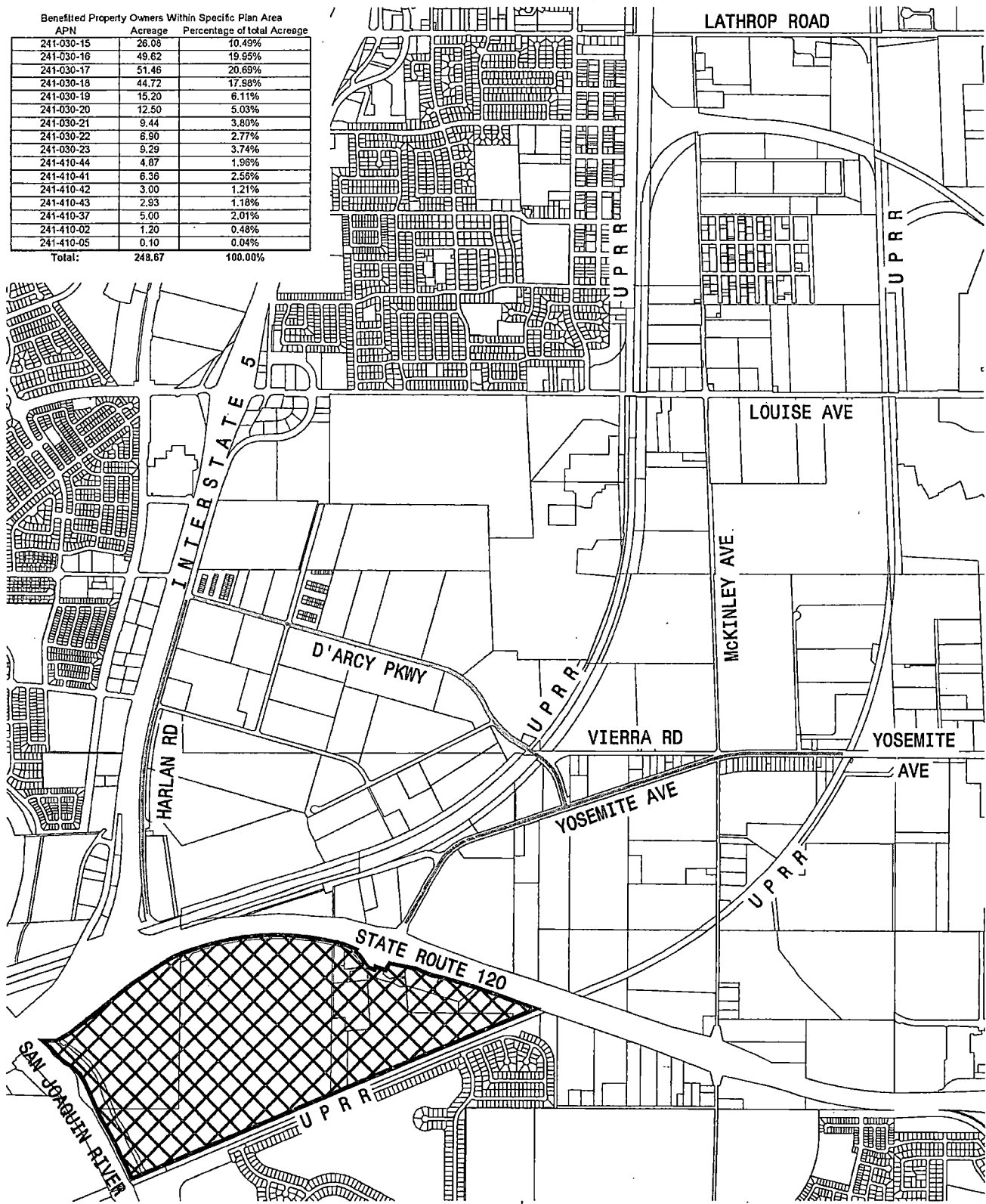


MACKAY & SOMPS
 ENGINEERS PLANNERS SURVEYORS
 JOB NO.: 25223.000 DATE: 12.06.2018

EXHIBIT 5B
BENEFITTED PROPERTY OWNERS

REIMBURSEMENT AGREEMENT WITHIN SOUTH LATHROP SPECIFIC PLAN AREA
 EXHIBIT 5B: BENEFITTED PROPERTY OWNERS

Benefitted Property Owners Within Specific Plan Area		
APN	Acreage	Percentage of total Acreage
241-030-15	26.08	10.49%
241-030-16	49.62	19.95%
241-030-17	51.46	20.69%
241-030-18	44.72	17.88%
241-030-19	15.20	6.11%
241-030-20	12.50	5.03%
241-030-21	9.44	3.80%
241-030-22	6.90	2.77%
241-030-23	9.29	3.74%
241-410-44	4.87	1.96%
241-410-41	6.36	2.58%
241-410-42	3.00	1.21%
241-410-43	2.93	1.18%
241-410-37	5.00	2.01%
241-410-02	1.20	0.48%
241-410-05	0.10	0.04%
Total:	248.67	100.00%



 SOUTH LATHROP SPECIFIC PLAN



MACKAY & SOMPS
 ENGINEERS PLANNERS SURVEYORS
 JOB NO.: 25223.000 DATE: 12.08.2018

EXHIBIT 6

SANITARY SEWER SYSTEM COSTS

EXHIBIT 6 - SANITARY SEWER PUMP STATION AND SYSTEM COSTS
Reimbursement Agreement for Other Public Improvements Within Specific Plan Area

	UNIT	UNIT COST	QTY	SUB-TOTAL	RUNNING TOTAL	SOURCE OF COST INFORMATION
HARD COSTS						
Dual 6"SSFM's including bore & Jack	LF	298.28	2790.00	832,201.20		Teichert
Sanitary Sewer Pump Station Construction (includes dewatering)	LS	1,670,000.00	1.00	1,670,000.00		Teichert
8" Sanitary sewer pipe	LF	100.00	3325.00	332,500.00		Teichert
10" Sanitary sewer pipe	LF	91.00	599.00	54,509.00		Teichert
12" Sanitary sewer pipe	LF	110.50	1620.00	179,010.00		Teichert
15" Sanitary sewer pipe	LF	138.00	846.00	116,748.00		Teichert
Manholes	EA	13,200.00	20.00	264,000.00		Teichert
Removal of debris, fencing, irrigation pipe, wells, etc.	LS	513,253.00	0.20	100,860.98		Noceti Farms
HARD COST SUBTOTAL:					<u>\$3,549,829.18</u>	
SOFT COSTS						
Wetland replacement Purchase	LS	43,400.00	0.16	6,944.00		Consumnes Floodplain Mitigation Bank
Sanitary Sewer Pump Station Design	LS	112,716.50	1.00	112,716.50		PACE
SJMSCP Incidental Take Minimization Measures	LS	8,818.00	0.68	5,978.60		SJCOG
Geotechnical Design, SWPPP & Inspections	LS	774,000.00	0.20	152,101.20		ENGO
Legal	LS	68,705.00	0.20	13,501.44		Miller Starr
Performance & Material Bond (includes one-year warranty bond)	LS	441,523.00		71,066.68		Willis Towers Watson
Civil Engineering & governmental agency coordination, staking	LS	652,000.00	0.20	128,126.60		Mackay & Soms
O&M Manual preparation (1/3 of total O&M manual cost)	LS	11,430.00	0.33	3,771.90		PACE
SOFT COST SUBTOTAL:					<u>\$494,206.92</u>	
CITY RELATED COSTS						
City legal and staff costs						City
City Plan Check, Inspection, & Storage Fees (Civil Improvement plans 36.1% reimbursable)	LS	343,170.10	0.06	19,821.50		City
City Plan Check, inspection, & Storage Fees (SS pump Station)	LS	62,332.50	0.16	9,973.20		City
Encroachment Permit						City
City staff time for meetings						City
Reimbursement Agreement (1/3 of \$7931)	LS	2,643.67	0.25	660.92		City
CITY RELATED COST SUBTOTAL:					<u>\$30,455.62</u>	
SUBTOTAL SANITARY SEWER SYSTEM COSTS:					<u>\$4,074,491.73</u>	
Contingency				10%	\$407,449	
GRAND TOTAL SANITARY SEWER SYSTEM COSTS:					<u>\$4,481,940.90</u>	

EXHIBIT 7
STORM DRAIN IMPROVEMENT COSTS

EXHIBIT 7 - STORM DRAIN IMPROVEMENT COSTS						
<u>Reimbursement Agreement for Other Public Improvements Within Specific Plan Area</u>						
	UNIT	UNIT COST	QTY	SUB-TOTAL	RUNNING TOTAL	SOURCE OF COST INFORMATION
HARD COSTS						
Gravity storm drain - from SR-120 to SD pump station (includes dewatering)	LS	866,420.00	1.00	866,420.00		Teichert
Gravity storm drain - from SD pump station to Regional Outfall Structure (includes dewatering)	LS	2,776,997.00	1.00	2,776,997.00		Teichert
48" SDFM - from SD pump station to Regional outfall structure	LF	4,279.00	270.00	1,155,330.00		Teichert
Detention Basin construction	LS	913,495.00	1.00	913,495.00		Teichert
Storm Drain Pump Station Construction (includes dewatering)	LS	4,272,200.00	1.00	4,272,200.00		Teichert
Conduit for Fiber Line from Harlan Road to Pump Stations	LS	75,000.00	1.00	75,000.00		Tennyson
Allocation of ROS construction costs	LS	1,717,944.00	1.00	1,717,944.00		ROS reimbursement agreement
Removal of debris, fencing, irrigation pipe, wells, etc.	LS	513,253.00	0.73	374,124.48		Noceti Farms
HARD COST SUBTOTAL:					\$12,151,510	
SOFT COSTS						
Wetland replacement Purchase	LS	43,400.00	0.67	29,078.00		Consumnes Floodplain Mitigation Bank
Storm Drain Pump Stations Design	LS	186,560.50	1.00	186,560.50		PACE
SJMSCP Incidental Take Minimization Measures	LS	8,818.00	0.68	5,978.60		SJCOG
Geotechnical Design, SWPPP & Inspections	LS	774,000.00	0.73	564,189.59		ENGEO
Legal	LS	68,705.00	0.73	50,080.94		Miller Starr
Performance & Material Bond (includes one-year warranty bond)	LS	441,523.00	0.58	263,607.92		Willis Towers Watson
Civil Engineering & governmental agency coordination, staking	LS	652,000.00	0.73	475,260.48		Mackay & Soms
O&M Manual preparation (1/3 of total O&M manual cost)	LS	11,430.00	0.33	3,771.90		PACE
SOFT COST SUBTOTAL:					\$1,578,528	
CITY RELATED COSTS						
City legal and staff costs						City
City Plan Check, Inspection, & Storage Fees (Civil Improvement plans 36.1% reimbursable)		343,170.10	0.24	83,002.55		City
City Plan Check, Inspection, & Storage Fees (SD pump Station)		157,102.50	0.67	105,258.68		City
Encroachment Permit						City
City staff time for meetings						City
Reimbursement Agreement (1/3 of \$7931)		2,643.67	0.25	660.92		City
CITY RELATED COST SUBTOTAL:					\$188,922	
SUBTOTAL STORM DRAIN IMPROVEMENT (ONSITE) COSTS:					\$13,918,961	
Contingency				10%	\$1,391,896	
GRAND STORM DRAIN IMPROVEMENT (ONSITE) COSTS:					\$15,310,857	

EXHIBIT 8A
WATER SYSTEM IMPROVEMENT COSTS

EXHIBIT 8A - WATER SYSTEM IMPROVEMENT COSTS - "WATER LOOP"
Reimbursement Agreement for Other Public Improvements Within Specific Plan Area

	UNIT	UNIT COST	QTY	SUB-TOTAL	RUNNING TOTAL	SOURCE OF COST INFORMATION
HARD COSTS						
12" Waterline from Harlan Road POC to D'arcy Pkwy POC	LF	131.13	9434.00	1,237,046.00		Teichert
Bore & Jack for 12" Water (includes dewatering)	LF	1,485.00	580.00	861,300.00		Teichert
Additional Dewatering transport Pipe	LF	80.27	1865.00	149,703.55		Teichert
Removal of debris, fencing, irrigation pipe, wells, etc.	LS	513,253.00	0.03	17,509.45		Noceti Farms
HARD COST SUBTOTAL:					\$2,265,559	
SOFT COSTS						
Geotechnical Design, SWPPP & Inspections	LS	774,000.00	0.03	26,404.74		Engeo
Legal	LS	68,705.00	0.03	2,343.85		Miller Starr
Performance & Material Bond (includes one-year warranty bond)	LS	441,523.00	0.11	46,682.30		Willis Towers Watson
Civil Engineering & governmental agency coordination, staking	LS	652,000.00	0.03	22,242.75		Mackay & Soms
SOFT COST SUBTOTAL:					\$97,674	
CITY RELATED COSTS						
City legal and staff costs						City
City Plan Check, inspection, & Storage Fees (Civil improvement plans 36.1% reimbursable)		343,170.10	0.05	17,343.82		City
Encroachment Permit						City
City staff time for meetings						City
Reimbursement Agreement (2/3 of \$7931)		5,287.34	0.25	1,321.84		City
CITY RELATED COST SUBTOTAL:					\$18,666	
SUBTOTAL WATER SYSTEM IMPROVEMENT (ONSITE) COSTS:						\$2,381,898
Contingency				10%	\$238,189.83	
(34.04% applied to areas outside SLSP. 65.96% applied to areas within SLSP.)						65.96%
GRAND TOTAL WATER SYSTEM IMPROVEMENT (ONSITE) COSTS:						\$1,728,210

EXHIBIT 8B

WATER SYSTEM IMPROVEMENT COSTS

EXHIBIT 8B - WATER SYSTEM IMPROVEMENT COSTS - "EXCLUDING WATER LOOP"
Reimbursement Agreement for Other Public Improvements Within Specific Plan Area

	UNIT	UNIT COST	QTY	SUB-TOTAL	RUNNING TOTAL	SOURCE OF COST INFORMATION
HARD COSTS						
12" Waterline Excluding Loop from Harlan Road POC to D'arcy Pkwy POC	LF	52.00	7927.00	412,204.00		Teichert
6" Water	LF	30.00	891.00	26,730.00		Teichert
12" Gate Valves	EA	2,200.00	25.00	55,000.00		Teichert
Fire Hydrants	EA	6,168.86	35.00	215,910.00		Teichert
Removal of debris, fencing, irrigation pipe, wells, etc.	LS	513,253.00	0.04	20,758.55		Noceti Farms
HARD COST SUBTOTAL:					\$709,844	
SOFT COSTS						
Geotechnical Design, SWPPP & Inspections	LS	774,000.00	0.04	31,304.47		Engeo
Legal	LS	68,705.00	0.04	2,778.78		Miller Starr
Performance & Material Bond (includes one-year warranty bond)	LS	441,523.00	0.03	14,626.48		Willis Towers Watson
Civil Engineering & governmental agency coordination, staking	LS	652,000.00	0.04	26,370.18		Mackay & Soms
SOFT COST SUBTOTAL:					\$75,080	
CITY RELATED COSTS						
City legal and staff costs						City
City Plan Check, inspection, & Storage Fees (Civil improvement plans 36.1% reimburseable)		343,170.10	0.05	17,343.82		City
Encroachment Permit						City
City staff time for meetings						City
Reimbursement Agreement (1/3 of \$7931)		2,643.67	0.25	660.92		City
CITY RELATED COST SUBTOTAL:					\$18,005	
SUBTOTAL WATER SYSTEM IMPROVEMENT (ONSITE) COSTS:					\$802,929	
Contingency				10%	\$80,292.86	
GRAND TOTAL WATER SYSTEM IMPROVEMENT (ONSITE) COSTS:					\$883,222	

**REIMBURSEMENT AGREEMENT
RELATING TO SOUTH LATHROP COMMERCE CENTER
FOR PUBLIC INFRASTRUCTURE BENEFITTING PROPERTIES
OUTSIDE SOUTH LATHROP SPECIFIC PLAN AREA**

This Reimbursement Agreement Relating to South Lathrop Commerce Center For Public Infrastructure Benefitting Properties Outside South Lathrop Specific Plan Area (“*Agreement*”) is made and entered into this 11th day of March, 2019 (“*Effective Date*”) by and between the City of Lathrop (“*City*”), a municipal corporation of the State of California (“*City*”) and South Lathrop Land, L.L.C., a Delaware limited liability company (“*Developer*”). City and Developer may be collectively referred to herein as the “*Parties*” or individually as a “*Party*”.

RECITALS

A. On or about August 3, 2015, City entered into that certain *Development Agreement by and between the City of Lathrop and Richland Developers Inc. Relating to the South Lathrop Specific Plan* (“*DA*”), which was subsequently recorded on September 5, 2015 (Instrument No. 2015-106926) and approved by City via Ordinance No. 18-390, in connection with the South Lathrop Specific Plan area (“*SLSP Area*”), as shown on attached Exhibit 1, located in the City of Lathrop, County of San Joaquin, for purposes of developing a master planned business park that includes, among other things, industrial and logistics uses, ancillary highway commercial uses, various open space uses, and related on- and off-site improvements (collectively, “*Project*” or “*South Lathrop Commerce Center*”).

B. On or about April 18, 2016, the City Council approved Vesting Tentative Parcel Map No. 15-94 for the Project Site (as that term is defined below) pursuant to Resolution No. 16-4059 (“*VTPM*”).

C. On or about March 2, 2018, Developer acquired land within the SLSP Area, as shown on attached Exhibit 2 (“*Project Site*”) from Richland Developers Inc. (“*Richland*”), the former developer and property owner who originally entered into the DA with City, for the purpose of developing the Project on the Project Site. In so doing, Developer assumed the rights and obligations of Richland under the DA with respect to the Project Site and the Project as set forth more fully in that certain *Assignment and Assumption Agreement* (dated March 2, 2018).

D. Among other things, the DA includes obligations that Developer construct certain Public Facilities and Infrastructure (as that term is defined in the DA), which have been set forth in the City-approved plans, specifications and related drawings prepared by MacKay & Soms and more specifically shown in the City-approved Backbone Infrastructure Improvement Plans (collectively, “*BIIP*”) and the Offsite Infrastructure Improvement Plans (collectively, “*OIIP*”), as listed in attached Exhibit 3 and as may be amended from time to time with the mutual consent of the Parties. Collectively, the BIIP and the OIIP are referred to herein as the “*Plans*”.

In addition, the DA further includes an obligation that Developer oversize certain Public Facilities and Infrastructure pursuant to the terms and conditions set forth therein including, without limitation, those in DA, section 6.04.2. Said Public Facilities and Infrastructure consist of certain

public improvements that are covered by the City's Capital Facilities Fee ("**CFF**") Program, as well as other public improvements that have been required by City that are not currently covered by the CFF Program. This Agreement is intended to provide for fee credit and/or reimbursement to Developer for those public improvements that would be installed for the benefit of properties outside of the SLSP Area as well as for Developer. Said fee credit shall become available to Developer once CFFs are updated to include the improvements listed herein and reimbursements to developer shall be limited to actual CFFs updated and collected for the improvements listed herein.

For purposes of this Agreement, said public improvements that are installed for the benefit of properties outside of the SLSP Area and thus shall be subject to fee credit and/or reimbursement by the applicable Benefitting Property Owner(s) (as that term is defined below), as provided for herein, consist of all of the following:

- (1) All public water lines, pipes, mains, valves and fire hydrants located in or adjacent to Yosemite Avenue within the limits of the Gateway Project Area from the SR120 right-of-way at the Yosemite Avenue interchange to D'Arcy Parkway, plus the pipelines on D'Arcy Parkway to the point of connection, as shown on the Plans.
- (2) All public water lines, pipes, mains, and valves directly related to the water line improvements from Harlan Road, under the SR120 freeway, along Glacier Road and connecting to Yosemite Avenue in order to complete the water line loop.

The foregoing improvements shall be collectively referred to herein as the "**Utility Improvements**", as shown in Exhibits 4A and 4B. The Utility Improvement Costs (as that term is defined below) for the Utility Improvements shall include, without limitation, those costs reflected in Recital E and as identified in more detail in attached Exhibits 5A and 5B.

The Utility Improvements will benefit City as well as multiple private property owners within the Gateway Project Area, as shown on attached Exhibit 6A and Exhibit 6B (collectively, "**Benefitted Property Owner(s)**") in addition to Developer, therefore entitling Developer to fee credit and/or reimbursement as set forth herein. City has determined it is in City's best interest for these improvements to be initially funded, permitted and constructed by Developer (subject to fee credit/reimbursement provisions herein), including, among other reasons, because it will be more cost effective and efficient and result in a more expeditious delivery of these important public facilities.

E. Parcel Map 17-01, containing nine (9) commercial/industrial lots, was approved by City on September 10, 2018 ("**Parcel Map**") after City confirmed that the Parcel Map was in substantial compliance with the VTPM. As a condition of approving and recording the Parcel Map, Developer entered into that certain *Subdivision Improvement Agreement* dated September 10, 2018 ("**SLA**") that requires Developer to construct certain specified public improvements pursuant to the terms and conditions set forth therein and subject to fee credit and/or reimbursement. The Parcel Map was subsequently recorded on October 23, 2018.

F. Developer's actual cost to construct the Utility Improvements shall include all costs associated with entitlement/permitting, land acquisition, engineering, environmental review,

design, environmental monitoring (including, without limitation, for the SWPPP as well as cultural and biological resource permitting), dewatering, planning, plan check, inspection(s), any and all construction costs (including, without limitation, materials, start-up costs, overhead and construction management), any and all agency requirements, fees and costs that are required under any and all applicable resource agency and other permits, any and all third party consultant costs and legal fees, any and all other costs associated with governmental actions and fees related to the South Lathrop Regional Storm Drain Facilities, and inflation calculated on all of the foregoing costs using the Engineering News Record Construction Cost Index (which shall be updated by City in January of each year, as is done with all other fees with the year 2018 being the baseline against which to calculate said inflation increase) (collectively, "*Utility Improvement Costs*").

G. The Parties desire to set forth the terms and conditions under which Developer shall receive fee credit and/or be reimbursed for the Utility Improvement Costs that are beyond Developer's Share (as that term is defined below), and the terms and conditions by which City will facilitate such fee credit and/or reimbursement.

NOW, THEREFORE, for good and valuable consideration, City and Developer agree as follows:

AGREEMENT

1. Recitals. The recitals set forth above are true and correct and made a part of this Agreement.

2. Expeditious Acceptance of the Utility Improvements. The Parties acknowledge and agree that it is their collective intention for City to own, operate and maintain the Utility Improvements. Accordingly, once said improvements are complete and Developer offers to dedicate said improvements to City in accordance with the terms and conditions of the SIA, City shall make diligent and good faith efforts to accept said offer of dedication pursuant to applicable laws and regulations within sixty (60) days of receipt of: (a) said offer; (b) all reasonably required documentation (including the documentation associated with the Reconciliation Statement identified in Section 6 below); and (c) completion of any audit of said documentation (which must be conducted pursuant to Section 3 below).

3. Obligation to Construct Improvements. The Parties agree that Developer will construct the Utility Improvements in accordance with Developer's obligations set forth in the SIA.

4. Fee Credits. Consistent with Chapter 3.22 of the City of Lathrop Municipal Code ("*LMC*"), Developer shall receive a fee credit against the amount of development impact fees that Developer would otherwise be required to pay to City in connection with the Utility Improvements and the related Utility Improvement Fee (as that term is defined below) to obtain building permit(s) for the Project ("*Fee Credit*"). The Parties acknowledge and agree that, as of the Effective Date, given the numerous costs already expended in connection with the Utility Improvements: (a) Developer shall be deemed to have earned a Fee Credit but the amount of the Fee Credit will not be determined until costs are verified as provided above and City's Fees are updated to incorporate

said verified costs; (b) Developer shall have no further obligation under any circumstances to pay any fee(s) in connection with the Project under the Utility Improvement Fee or any other fee related to the Utility Improvements that City is or may be obligated to pay on an annual basis to another governmental agency; and (c) other than to update the amount of Developer's Fee Credit and the fees to incorporate costs referenced herein, City shall not seek to impose any such additional or supplementary fee(s) on Developer with respect to the Utility Improvements in connection with the Project. Furthermore, the Parties acknowledge and agree that in order for Developer to obtain the benefits contemplated under this Agreement, City shall promptly initiate the process to, and adopt, the Utility Improvement Fee pursuant to Section 8(a) below.

5. Obligation to Reimburse for Utility Improvements. In the event and to the extent other Benefitted Property Owner(s) outside of the Project Site may benefit from Developer's construction of all or any portion of the Utility Improvements, Developer shall be entitled to reimbursement from any such other Benefitted Property Owner(s) once the CFF program is updated, based on an apportionment of the relevant pro rata contribution of costs of said improvements in accordance with the terms and conditions in this Agreement.

6. Estimated Amount of Utility Improvement Costs. The Parties acknowledge and agree that an Engineer's Cost Estimate for the Utility Improvements, which is the basis for the Utility Improvement Costs, has been prepared in connection with bonding requirements for the SIA and is set forth in attached Exhibits 5A and 5B, based on reasonably available information as of the Effective Date, along with a contingency of ten percent (10%) of said Costs (as is typical to account for unanticipated additional costs that may arise during construction). Notwithstanding anything to the contrary in the foregoing, the Parties further acknowledge and agree that because all of said costs cannot reasonably be determined as of the Effective Date, the Engineer's Cost Estimate shall be updated, as needed, once the Utility Improvements are complete ("**Reconciliation Statement**"), and the Utility Improvement Costs shall be adjusted accordingly at that time, as needed, to ensure that Developer is "trued up" to provide for full reimbursement as required hereunder. Said adjusted fee credit and/or reimbursement shall become available to Developer once the relevant CFFs are updated to reflect any such additional costs as provided for herein. Developer shall provide reasonable documentation of the actual costs incurred in support of the Reconciliation Statement (which may include, among others, unconditional lien releases, invoices, proof of payment, confirmation on letterhead from relevant contractor(s)/subcontractor(s) of payment, and/or any other reasonable documentation similar in detail and content as has been previously provided to City) at the same time it offers to dedicate the Utility Improvements to City; City shall then have the right, but not the obligation, to reasonably review and audit said documentation, to the extent it determines reasonably appropriate, with any such audit being completed within thirty (30) days. No later than thirty (30) days of either (a) the receipt of said documentation, or (b) the completion of any audit, whichever is applicable, then City shall confirm the Reconciliation Statement. The Parties acknowledge and agree that the amount of detail in the documentation provided by Developer to support the Reconciliation Statement shall be reasonable; shall be consistent with the level of detail provided to City in connection with the original cost estimates reflected in Exhibits 5A and 5B; and may consist (in whole or in part) of costs documented in writing by relevant third parties working on any portion of the Utility Improvements that reflect actual costs incurred by Developer. Notwithstanding anything to the contrary in the foregoing, any such adjusted costs (and the related

fee credit/reimbursement for Developer) shall be applied prospectively only (i.e., imposed as a condition on those building permit(s) (or final subdivision or parcel map(s), as may be applicable) that are issued to Benefitted Property Owner(s) after the adjusted fee has been adopted by City), but in no event shall Developer be required to return to City any funds received hereunder via fee credit and/or reimbursement as a result of any such fee adjustment(s). Once the City has accepted the offer of dedication for the Utility Improvements and has released any and all related liens, then City's right to audit the above-referenced documentation shall terminate. The Parties further acknowledge and agree that in the event City conducts an audit pursuant to this Section 6, City shall not withhold any adjusted fee credit and/or reimbursement payments to Developer for any undisputed amounts during the audit period.

7. Methodology for Determining Pro Rata Share of Costs. The Parties acknowledge and agree that the methodology to be utilized to determine the pro rata share of costs for the Utility Improvement Costs for both Developer and the Benefitted Property Owner(s) shall be based on the following:

(a) For Utility Improvements (1) as listed in Recital D above, the pro rata share shall be based on front footage on Yosemite Avenue of the lands as of the Effective Date, as shown and delineated by Assessor Parcel Numbers on Exhibits 6A and 6B, including the full cost of the water main and appurtenances along the border of the developing parcel (that parcel would wait for reimbursement of half the cost when the other side of the street develops), plus from the parcel to the Point of Connection on D'Arcy for any portion of the main and appurtenances not yet reimbursed to Developer.

(b) For Utility Improvements (2) as listed in Recital D above, the pro rata share shall be based on the total gross acres of the lands as of the Effective Date, as shown and delineated by Assessor Parcel Numbers on Exhibits 6A and 6B. Because Utility Improvements (2) benefit both the entire SLSP Area and a portion of the Gateway Specific Plan area, Exhibits 6A and 6B provides the percentage share of the areas within the Gateway Specific Plan area, to allow calculation of those Benefitted Property Owner(s)' pro rata share(s). The Fee Credit (as that term is defined below) and/or the reimbursement required hereunder shall be calculated accordingly. The fee credit and/or reimbursement obligations set forth in this Agreement are to ensure that Developer is not being required to pay more than its pro rata share of said costs, in accordance with applicable laws as well as the principles set forth in the DA, section 5.02.01(b), which mandate a "reasonable relationship" between the Project and any Public Facilities and Infrastructure requirement imposed thereon. The difference between Developer's pro rata fair share obligations as determined in accordance with this Section 7 and those obligations of other Benefitted Property Owner(s) shall be referred to collectively herein as the "**Reimbursable Costs**".

8. Process for Fee Credit and Reimbursement.

(a) Preparing, Evaluating and Adopting the Utility Improvement Fee. For the reasons described in Recital F above, City shall promptly and expeditiously after the Effective Date initiate the process to prepare, evaluate and adopt a development impact fee to cover the Utility Improvement Costs in accordance with applicable laws and regulations ("**Utility Improvement Fee**"). In connection therewith, City shall, to the extent permitted by applicable law, concurrently initiate process to prepare, consider and adopt Capital

Facilities Fee(s) (“*CFF*”) for those lands of the Benefitted Property Owner(s) in an amount that will collect the proportionate share of each Benefitted Property Owner of the Reimbursable Costs.

(b) Scope and Timing of Reimbursement. The Parties acknowledge and agree that Developer’s receipt of the Fee Credit will not be sufficient to reimburse Developer for the total amount of Reimbursable Costs due hereunder. Therefore, in accordance with DA section 5.04.02(e), and to the extent permitted by applicable law, City shall ensure that Developer receives the Utility Improvement Fee collected by City from other Benefitting Property Owner(s) in connection with the development of those owner(s)’ respective properties until all Reimbursable Costs associated with said development have been paid to Developer. To help ensure timely reimbursement to Developer as contemplated hereunder, City shall, to the extent permitted by applicable law, impose a condition of approval for any development on property owned by any Benefitted Property Owner(s) that requires each said Owner to pay the entirety of its respective pro rata share of the Utility Improvement Costs prior to issuance of the first (1st) building permit for any building on said property. In connection therewith, the Benefitted Property Owner(s) shall be required, to the extent permitted by applicable law, as a condition of development approval, to participate in, and/or waive any right(s) to protest or otherwise object to the establishment of the Utility Improvement Fee that would collect the proportionate share of each applicable Benefitted Property Owner of the Reimbursable Costs. Timing of reimbursement to Developer shall occur within thirty (30) days of City’s receipt of the Utility Improvement Fee(s) from any Benefitted Property Owner(s). Said reimbursement shall occur by City delivering the amount of said fee(s) to Developer, without any offset, at the address set forth in Section 15 below along with a notice of reimbursement of Reimbursable Costs. Said notice shall state the amount of Reimbursable Costs being made by City at that time as well as provide an accounting of the remaining amount of Reimbursable Costs due as of the date of said notice. City further agrees that no Benefitted Property Owner may be issued a credit in lieu of paying said fee, and no Benefitted Property Owner shall have the right to vest into the Utility Improvement Fee. Once Developer has been fully reimbursed for all Utility Improvement Costs as required hereunder, any and all Utility Improvement Fee(s) received by City after this full reimbursement has occurred shall be retained by City.

(c) Accounting of Utility Improvement Fee(s) Received by City. Twice every year (in January and in July), commencing in the January after the Effective Date, City shall provide to Developer an accounting of all Utility Improvement Fees received by City, if any, during the prior reporting period, along with reasonable supporting documentation.

(d) Notice of Relevant Development Application(s). Periodically, Developer may request City to confirm whether a Benefitted Property Owner has submitted to City a formal application to develop land within the areas shown on Exhibits 6A and 6B (“Development Application”) that may trigger the need to utilize all or any portion of the Utility Improvements. Within ten (10) days of any such request, City shall provide Developer with copies of any requested documents that would normally be produced by City in response to a Public Records Act request relating to any such Development Application(s).

(e) At such time as a Benefitted Property Owner submits to City a formal application to develop land ("**Development Application**") that may trigger the need to utilize all or any portion of the Utility Improvement(s), then City shall notify said Owner that if the Development Application is approved, then as a condition of approval, said Owner will be required to reimburse Developer for the Benefitted Property Owner's pro rata share of costs for the Utility Improvements. Thereafter, in connection with City's consideration of any such Development Application, City shall impose on such application the foregoing condition of approval pursuant to this subsection (e) and subsection (b) above.

(f) Each Benefitted Property Owner's pro rata share shall be calculated as provided for herein. City shall not issue any building permit(s) for any building(s) in connection with any such Development Application for a Benefitted Property Owner until said Owner pays the Benefitted Property Owner's pro rata share. Furthermore, in addition to not issuing any building permit(s) for any building(s) to a Benefitted Property Owner until it has paid its pro rata share to City, City shall not allow a Benefitted Property Owner to utilize the relevant Utility Improvements to serve the development at issue until said Benefitted Property Owner pays to City the entirety of the Benefitted Property Owner's pro rata share.

(g) Upon request of a Benefitted Property Owner or Developer (as the case may be), City shall calculate the Benefitted Property Owner's pro rata share in accordance with this Agreement, and shall promptly notify the Benefitted Property Owner in writing of same. A Benefitted Property Owner shall pay the entirety of its pro rata share prior to issuance of the first (1st) building permit for any building(s).

9. Term of Agreement; Termination. This Agreement shall commence on the Effective

Date and shall terminate when Developer has received the required reimbursement as provided for in this Agreement. At such time as the foregoing occurs, City shall: (a) notify Developer in writing that City's obligations hereunder have been fully satisfied; (b) provide Developer with reasonable documentation to confirm the satisfaction of said obligations; and (c) inform Developer that City intends to terminate this Agreement within thirty (30) days of receipt of said notice ("**Termination Notice**"). Notwithstanding anything to the contrary in the foregoing, Developer may dispute said Termination Notice and/or the documentation submitted in connection therewith by providing notice to City of same. Any such notice from Developer shall include reasonable documentation identifying the outstanding obligations under this Agreement. This Agreement shall not terminate until such time as the Parties mutually determine that Developer has been fully reimbursed as provided for hereunder and that there is no outstanding reimbursement due under this Agreement to Developer.

10. Indemnification. Developer, on its own behalf, and on behalf of any successor(s) in interest, agrees to defend and indemnify City against any third party action, claim, counterclaim, suit or demand (collectively, "**Claims**") that challenges City's approval and/or implementation of this Agreement, including any Claims pertaining to the above listed reimbursements is made or instituted against City, its employees, officers, or agents challenging City's actions to collect Developer's reimbursement pursuant to sections 7 and 8 above. Said indemnification shall include

the costs of City to defend, pay and satisfy any such Claims including necessary expenses of investigation, attorneys' fees, and costs.

11. Applicable Law. This Agreement shall be governed by the laws of the State of California.

12. Binding Effect. This Agreement is for the benefit of and shall be binding upon both Parties and their respective successors, heirs, executors, administrators, assigns and successors in interest.

13. Assignment. Developer shall have the right, in its sole discretion, to assign its rights and obligations under this Agreement in whole or in part upon thirty (30) day' prior written notice to City. So long as Developer provides the foregoing notice and a copy of a fully executed Assignment and Assumption Agreement between Developer and its assignee, then Developer shall be thereafter released from any and all obligations hereunder so assigned, and the assignee shall have any and all rights and obligations so assumed.

14. Notices. For purposes of this Agreement, "*notice*" means any notice, demand, request, or other communication to be provided under this Agreement. All notices shall be in writing and shall be sent to the below addresses or at such other addresses as either Party may later specify for that purpose. All notices required or permitted under this Agreement shall be personally delivered or sent by registered or certified mail, return receipt requested, postage prepaid, or by a nationally recognized overnight courier, such as FedEx or UPS, with charges prepaid for next business day delivery, addressed to the Parties as follows:

If to City: City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330
Attn: Stephen J. Salvatore, City Manager
Email: ssalvatore@ci.lathrop.ca.us

With a concurrent copy to: City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330
Attn: Salvador Navarrete, City Attorney
Email: snavarrete@ci.lathrop.ca.us

If to Developer: South Lathrop Land, LLC
527 W 7th Street, Suite 308
Los Angeles, CA 90014
Attn: Philip J. Prassas
Email: pjprassas@chindustrial.com

With a concurrent copy to: Nadia Costa
Miller Starr Regalia
1331 North California Blvd., Fifth Floor
Walnut Creek, CA 94596
Email: nadia.costa@mrsrlegal.com

The date of any notice shall be the date of receipt, provided that, rejection or other refusal to accept or the inability to deliver because of a change in address of which no notice was given shall be deemed to constitute receipt of the notice sent. Either Party may change its address for notice by giving notice to the other Party in accordance with this Section 14.

15. Payments to Developer. All payments due to Developer hereunder shall be sent to the following address or at such other address as Developer shall from time to time specify in writing to City:

South Lathrop Land, L.L.C.
527 W 7th Street, Suite 308
Los Angeles, CA 90014
Attn: Philip J. Prassas

16. Amendments. Any modifications to this Agreement shall be in writing and signed by authorized representatives of both Parties.

17. Attorney's Fees and Venue. In the event of a dispute arising under this Agreement, the prevailing Party shall be entitled to an award against the other Party of reasonable attorney's fees and costs incurred in connection with the dispute. The venue for any litigation shall be in San Joaquin County, California.

18. Cumulative Rights; Waiver. The failure by either Party to exercise, or delay in exercising any rights under this Agreement, shall not be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by either Party preclude any other or future exercise thereof or the exercise of any other right. Any waiver of any provision or any waiver of any breach of any provision of this Agreement must be in writing, and any waiver by either Party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement.

19. Severability. If any provision of this Agreement is deemed by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be deemed to be severed or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

20. Headings. All headings herein are inserted only for convenience and ease of reference and are not considered in the construction or interpretation of any provision of this Agreement.

21. Signing Authority. The individuals signing this Agreement represent and agree that they have full and actual authority to bind their respective Parties to this Agreement.

22. Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding its subject matters. This Agreement supersedes all proposals, oral and written, and all negotiations, conversations or discussions heretofore and between the Parties related to the subject matters of this Agreement.

23. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

24. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

[Signatures to follow on next page]

IN WITNESS WHEREOF, City and Developer have executed this Agreement as of the Effective Date.

CITY

CITY OF LATHROP,
A California municipal corporation

By: _____
Stephen J. Salvatore
City Manager

DEVELOPER

South Lathrop Land, L.L.C., a Delaware limited liability company

By: CHI West 109 South Lathrop Land, L.P.,
a Delaware limited partnership,
its managing member

By: CHI LTH GP, L.L.C.,
a Delaware limited liability company,
its general partner

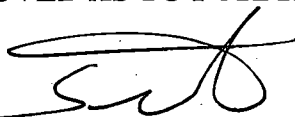
By: _____
Name: _____
Title: _____

ATTEST:

City Clerk of and for the City
of Lathrop, State of California

By: _____
Teresa Vargas
City Clerk

APPROVED AS TO FORM:

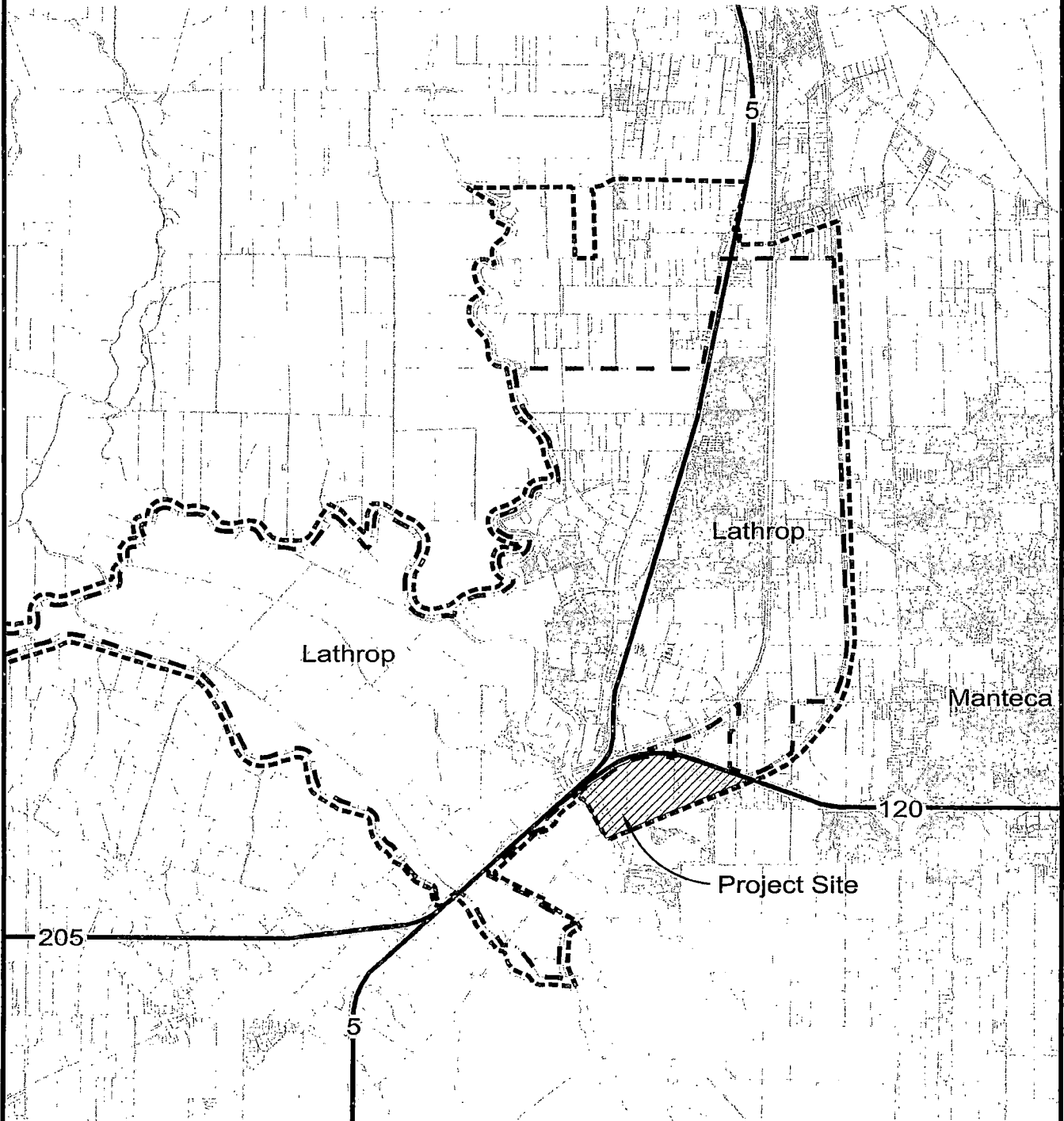
By: 

Salvador Navarrete
City Attorney

EXHIBIT 1




DEPICTION OF SOUTH LATHROP SPECIFIC AREA

EXHIBIT 1: DEPICTION OF SOUTH LATHROP SPECIFIC AREA



NORTH
NTS

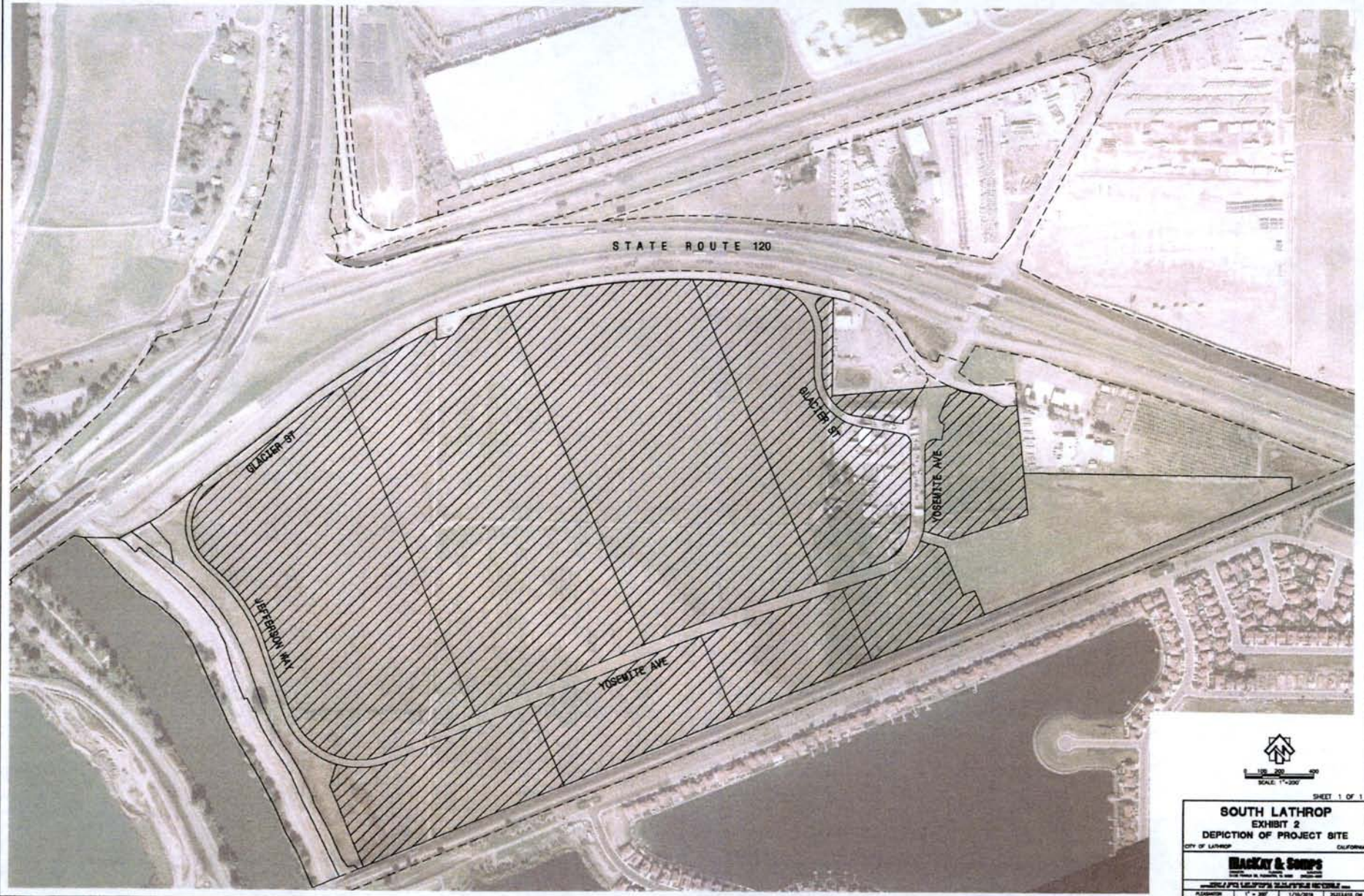
MACKAY & SOMPS
ENGINEERS PLANNERS SURVEYORS

- LEGEND
-  Project Location
 -  City Limits
 -  Sphere of Influence


Depiction of South Lathrop
Specific Plan Area
Lathrop, Ca

EXHIBIT 2
DEPICTION OF PROJECT SITE

REIMBURSEMENT AGREEMENT FOR SOUTH LATHROP BENEFITTING PROPERTY OWNERS OUTSIDE SPECIFIC PLAN AREA
 EXHIBIT 2: DEPICTION OF PROJECT SITE
 GROSS AREA 225.4 ACRES



SHEET 1 OF 1


 SCALE: 1"=300'
 0 100 200 300

SOUTH LATHROP
 EXHIBIT 2
 DEPICTION OF PROJECT SITE
 CITY OF LATHROP, CALIFORNIA

MACKAY & SOMPS
 CIVIL ENGINEERS AND ARCHITECTS
 2001 J.P.C. LATHROP BLVD. SUITE 100
 LATHROP, CALIFORNIA 94546
 PHONE: (925) 438-1100 FAX: (925) 438-1101

EXHIBIT 3

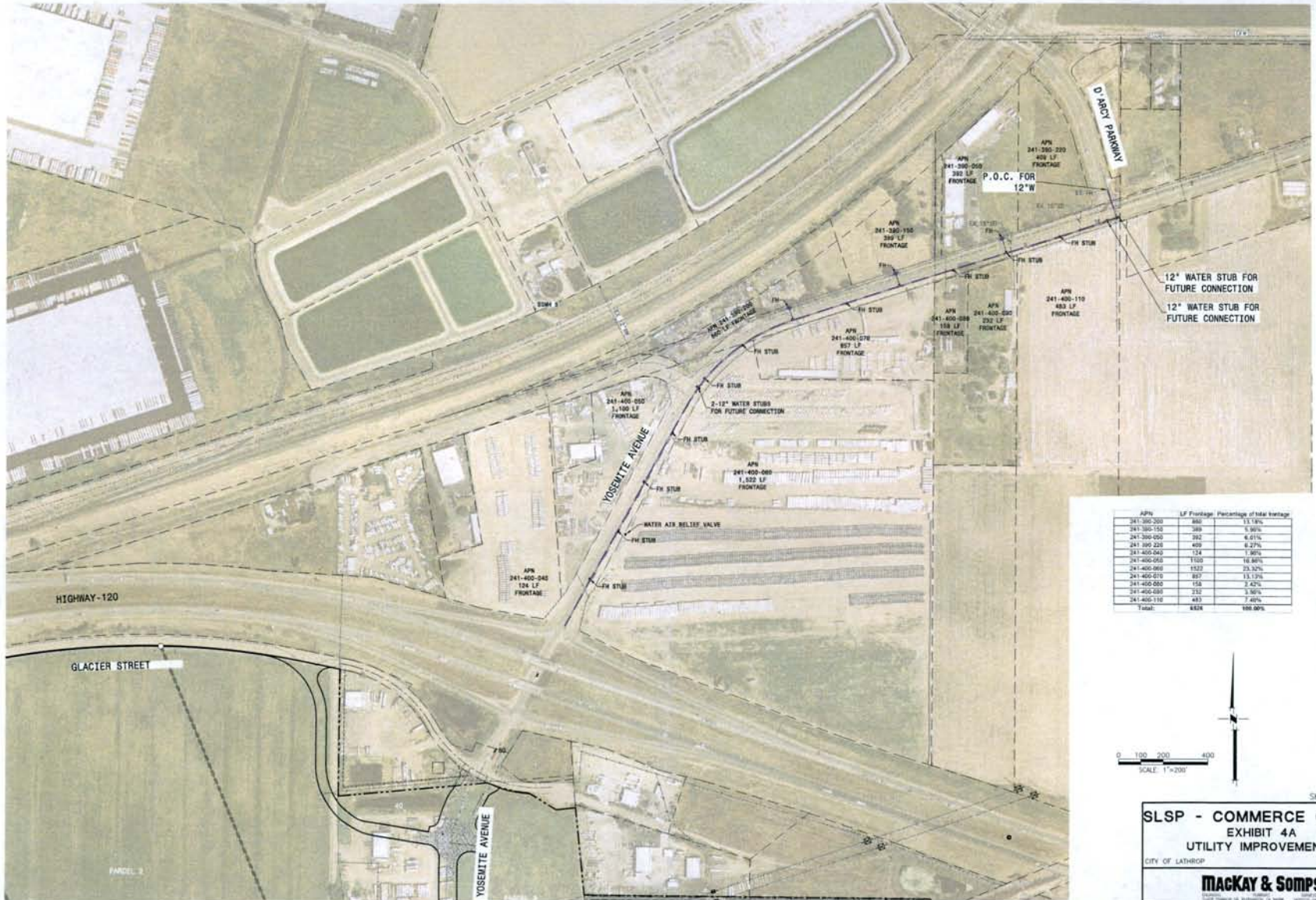
**LIST OF APPLICABLE PLANS AND SPECIFICATIONS
FOR IDENTIFIED IMPROVEMENTS**

EXHIBIT 3
LIST OF APPLICABLE PLANS AND SPECIFICATIONS FOR IDENTIFIED IMPROVEMENTS

SHEET NO.	SHEET NAME	DATE	PREPARED BY
ONSITE & OFFSITE BACKBONE INFRASTRUCTURE AND ROUGH GRADE PLAN			
1	SIGNATURE SHEET	September 2018	MACKAY & SOMPS
2	SURVEYORS STATEMENT	September 2018	MACKAY & SOMPS
3	BOUNDARY AND SHEET INDEX	September 2018	MACKAY & SOMPS
4	MADRUGA ROAD	September 2018	MACKAY & SOMPS
5	EXISTING EASEMENTS	September 2018	MACKAY & SOMPS
6 THRU 9	PARCEL MAP	September 2018	MACKAY & SOMPS
CIVIL - BACKBONE IMPROVEMENT PLANS			
C1	COVER SHEET	9/7/2018	MACKAY & SOMPS
C2	GENERAL NOTES	9/7/2018	MACKAY & SOMPS
C3	STREET SECTIONS & DETAILS	9/7/2018	MACKAY & SOMPS
C4A THRU C4D	UTILITY PLAN & SHEET INDEX	9/7/2018	MACKAY & SOMPS
C5	SOUTH EVA / SOUTHSIDE ROAD PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C6 THRU C8	SOUTHSIDE ROAD PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C9	SOUTHSIDE ROAD / STORM DRAIN TO BASIN PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C9A THRU C9B	STORM DRAIN BASIN	9/7/2018	MACKAY & SOMPS
C10	STORM DRAIN PIPE TO PUMP STATION	9/7/2018	MACKAY & SOMPS
C11	YOSEMITE AVENUE PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C12	PARK / EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C12A	LEVEE SEEPAGE DRAIN PIPE PARK / EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C13	PARK / EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C13A	LEVEE SEEPAGE DRAIN PIPE PARK / EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C14 THRU C15	NORTH EVA PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C16 THRU C19	MADRUGA ROAD PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C20 THRU C21	WATER MAIN PLAN & PROFILE	9/7/2018	MACKAY & SOMPS
C22 THRU C25	STORM DRAIN FORCE MAIN PLAN & PROFILE	9/7/2018	MACKAY & SOMPS

EXHIBIT 4A
UTILITY IMPROVEMENTS

EXHIBIT 4A: UTILITY IMPROVEMENTS - "FRONTAGE"



APN	LF Frontage	Percentage of Total Frontage
241-380-200	480	11.1%
241-380-150	380	5.9%
241-380-050	280	4.0%
241-380-220	400	6.2%
241-400-040	124	1.9%
241-400-050	1100	16.8%
241-400-060	1520	23.3%
241-400-070	867	13.1%
241-400-080	158	2.4%
241-400-090	232	3.5%
241-400-110	483	7.4%
Total	4324	100.0%



SHEET 1 OF 1

SLSP - COMMERCE CENTER
EXHIBIT 4A
UTILITY IMPROVEMENTS
 CITY OF LATVROP CALIFORNIA

Mackay & SompS
 2025 THOMAS ST. SUITE 100, LATVROP, CA 95026

DATE: 12/11/2018
 DRAWN BY: [Name]
 CHECKED BY: [Name]

EXHIBIT 4B
UTILITY IMPROVEMENTS

EXHIBIT 4B: UTILITY IMPROVEMENTS - "WATER LOOP"



WATER LINE IMPROVEMENT SUMMARY

Total Length from POC on Harlan to POC on D'Arcy	18914 LF
Total Length North of SR 120 (sewerage)	3459 LF
% of Water line improvements North of SR 120	18.29%
% of water line improvements South of SR 120	81.71%



SHEET 1 OF 1

SLSP - COMMERCE CENTER
EXHIBIT 4B
UTILITY IMPROVEMENTS
 CITY OF LATHROP, CALIFORNIA

Mackay & Somp
 2020 Register No. 00000000, 00000000

DATE OF PREPARED FOR THE CITY OF LATHROP: 12/11/2018
 PLANNING: 1" = 200' SCALE: 12/11/2018 2023 810 CH 28 90

EXHIBIT 5A
UTILITY IMPROVEMENT COSTS

EXHIBIT 5A: UTILITY IMPROVEMENT COSTS - "FRONTAGE"
Reimbursement Agreement for Other Public Improvements Outside Specific Plan Area

	UNIT	UNIT COST	QTY	SUB-TOTAL	RUNNING TOTAL	SOURCE OF COST INFORMATION
HARD COSTS						
12" Waterline from SR 120 to POC on D'Arcy	LF	145.35	3409.00	495,498.15		Teichert
Fire Hydrants	EA	11,750.00	3.00	35,250.00		Teichert
6" Fire Hydrant Stubs w/valve	EA	2,250.00	9.00	20,250.00		Teichert
Patch Pave (Detail R-288)	SF	13.10	1500.00	19,650.00		Teichert
Traffic Control	LS	20,689.00	1.00	20,689.00		Teichert
12" Blind Flange Valve	EA	2.00	2500.00	5,000.00		Teichert
General Conditions	LS	2,403.00	1.00	2,403.00		Teichert
HARD COST SUBTOTAL:					\$598,740.15	
SOFT COSTS						
Geotechnical Design & Inspections	LS	65,000.00	1.00	65,000.00		ENGEO
Legal	LS	20,001.00	1.00	20,001.00		Miller Star
Performance & Material Bond (one-year warranty bond)	LS	441,523.00	0.03	12,337.16		Willis Towers Watson
Civil Engineering & governmental agency coordination, staking (67.8% applies to reimbursable)	LS	100,388.00	0.68	68,063.06		Mackay & Soms
SOFT COST SUBTOTAL:					\$165,401.23	
CITY RELATED COSTS						
City legal and staff costs						City
City Plan Check, inspection, & Storage Fees (67.8% is reimbursable)		77,580.31	0.83	64,701.98		City
Encroachment Permit						City
City staff time for meetings						City
Reimbursement Agreement (1/3 of \$7931)		2,643.67	0.75	1,982.75		City
CITY RELATED COST SUBTOTAL:					\$66,684.73	
SUBTOTAL WATER IMPROVEMENT (OFFSITE) COSTS:					\$830,826.10	
Contingency				10%	\$6,668	
GRAND TOTAL WATER IMPROVEMENT (OFFSITE) COSTS:					\$837,495	

EXHIBIT 5B

UTILITY IMPROVEMENT COSTS

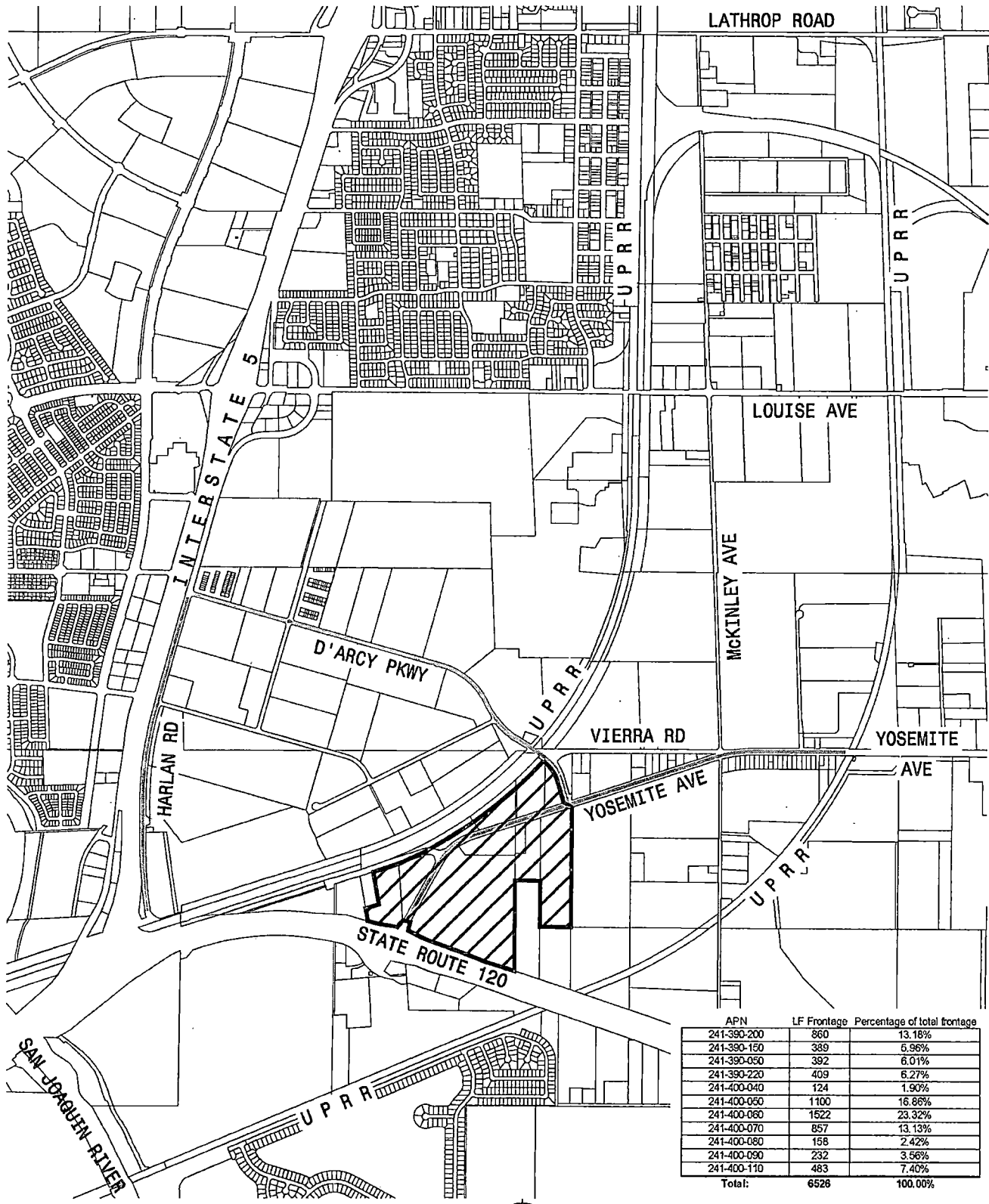
EXHIBIT 5B - WATER SYSTEM IMPROVEMENT COSTS - "WATER LOOP"
Reimbursement Agreement for Other Public Improvements Outside Specific Plan Area

	UNIT	UNIT COST	QTY	SUB-TOTAL	RUNNING TOTAL	SOURCE OF COST INFORMATION
HARD COSTS						
12" Waterline from Harlan Road POC to D'arcy Pkwy POC	LF	131.13	9434.00	1,237,046.00		Teichert
Bore & Jack for 12" Water (includes dewatering)	LF	1,485.00	580.00	861,300.00		Teichert
Additional Dewatering transport Pipe	LF	80.27	1865.00	149,703.55		Teichert
Removal of debris, fencing, irrigation pipe, wells, etc.	LS	513,253.00	0.03	17,509.45		Noceti Farms
HARD COST SUBTOTAL:					<u>\$2,265,559</u>	
SOFT COSTS						
Geotechnical Design, SWPPP & Inspections	LS	774,000.00	0.03	26,404.74		Engeo
Legal	LS	68,705.00	0.03	2,343.85		Miller Starr
Performance & Material Bond (includes one-year warranty bond)	LS	441,523.00	0.11	46,682.30		Willis Towers Watson
Civil Engineering & governmental agency coordination, staking	LS	652,000.00	0.03	22,242.75		Mackay & Soms
SOFT COST SUBTOTAL:					<u>\$97,674</u>	
CITY RELATED COSTS						
City legal and staff costs						City
City Plan Check, inspection, & Storage Fees (Civil improvement plans 36.1% reimburseable)		343,170.10	0.05	17,343.82		City
Encroachment Permit						City
City staff time for meetings						City
Reimbursement Agreement (2/3 of \$7931)		5,287.34	0.25	1,321.84		City
CITY RELATED COST SUBTOTAL:					<u>\$18,666</u>	
SUBTOTAL WATER SYSTEM IMPROVEMENT (OFFSITE) COSTS:						
Contingency				10%	<u>\$2,381,898</u>	
					<u>\$238,190</u>	
(34.04% applied to areas outside SLSP. 65.96% applied to areas within SLSP.)				34.04%	<u>\$891,878</u>	
GRAND TOTAL WATER SYSTEM IMPROVEMENT (OFFSITE) COSTS:					<u>\$891,878</u>	

Engineers Estimate of ROS revised 2.14.2019.xls.xls

EXHIBIT 6A
BENEFITTED PROPERTY OWNERS

REIMBURSEMENT AGREEMENT FOR SOUTH LATHROP BENEFITTING PROPERTY OWNERS OUTSIDE SOUTH LATHROP
 EXHIBIT 6A: BENEFITTED PROPERTY OWNERS - FRONTAGE



APN	LF Frontage	Percentage of total frontage
241-390-200	860	13.18%
241-390-150	389	6.96%
241-390-050	392	6.01%
241-390-220	409	6.27%
241-400-040	124	1.90%
241-400-050	1100	16.86%
241-400-060	1522	23.32%
241-400-070	857	13.13%
241-400-080	158	2.42%
241-400-090	232	3.56%
241-400-110	483	7.40%
Total:	6528	100.00%

LATHROP GATEWAY BUSINESS PARK SPECIFIC PLAN



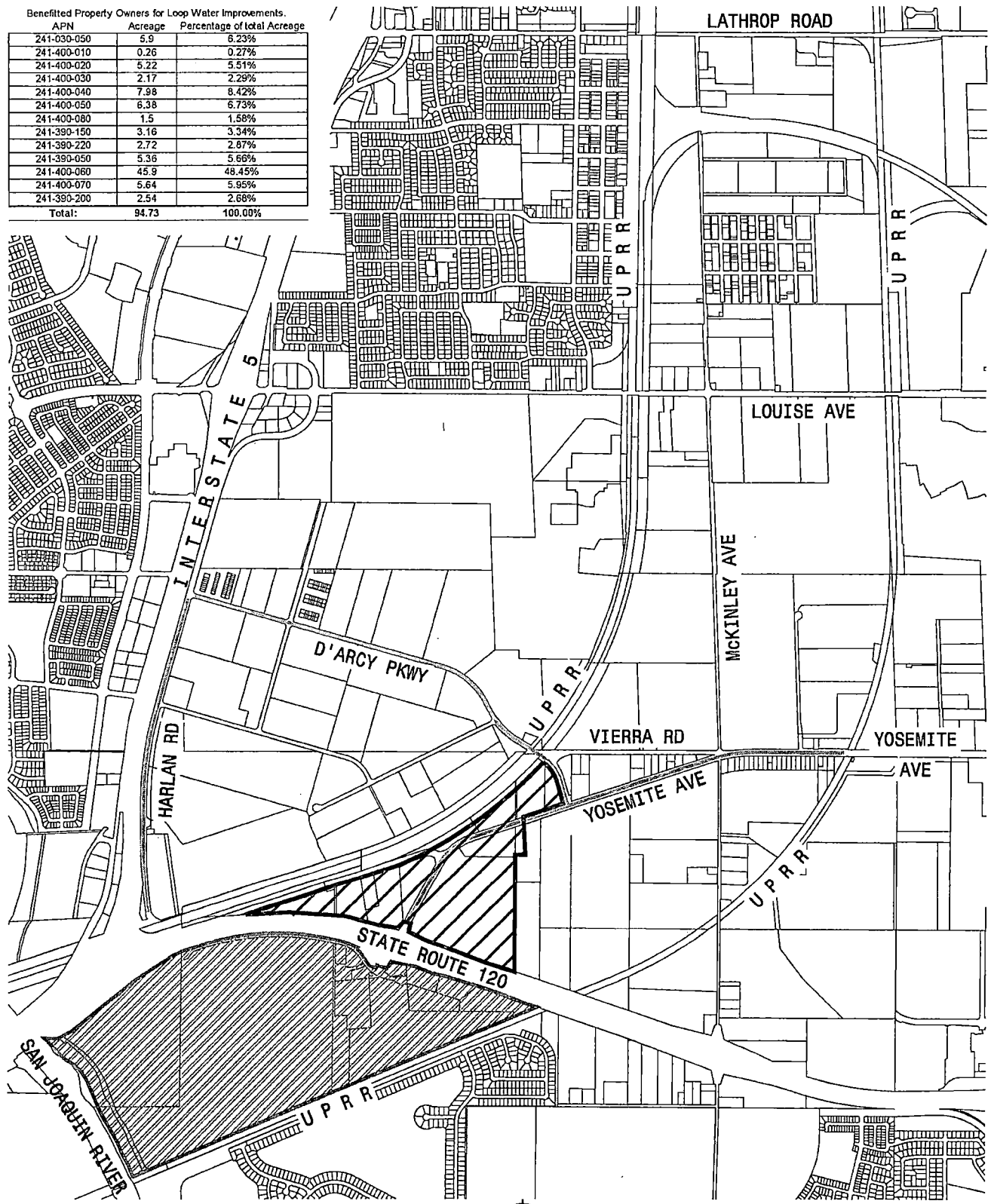
MACKAY & SOMPS
 ENGINEERS PLANNERS SURVEYORS
 JOB NO.: 25223.000 DATE: 12.06.2018

EXHIBIT 6B
BENEFITTED PROPERTY OWNERS

REIMBURSEMENT AGREEMENT FOR SOUTH LATHROP BENEFITTING PROPERTY OWNERS OUTSIDE SOUTH LATHROP
 EXHIBIT 6B: BENEFITTED PROPERTY OWNERS - "WATER LOOP"

Benefitted Property Owners for Loop Water Improvements.

APN	Acreage	Percentage of total Acreage
241-030-050	5.9	6.23%
241-400-010	0.26	0.27%
241-400-020	5.22	5.51%
241-400-030	2.17	2.29%
241-400-040	7.98	8.42%
241-400-050	6.38	6.73%
241-400-080	1.5	1.58%
241-390-150	3.16	3.34%
241-390-220	2.72	2.87%
241-390-050	5.36	5.66%
241-400-060	45.9	48.45%
241-400-070	5.64	5.95%
241-390-200	2.54	2.68%
Total:	94.73	100.00%



LATHROP GATEWAY BUSINESS PARK SPECIFIC PLAN
 SOUTH LATHROP SPECIFIC PLAN
 (INCLUDED IN REIMBURSEMENT AGREEMENT FOR
 PROPERTIES WITHIN SLSP)



MACKAY & SOMPS
 ENGINEERS PLANNERS SURVEYORS
 JOB NO.: 25223.000 DATE: 12.06.2018

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

ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER CDBG AND HOME FUNDING ALLOCATIONS FOR FY 2019/2020

RECOMMENDATION: Council to Consider the Following:
1. Hold a Public Hearing; and
2. Adopt Resolution Recommending the Allocation of the CDBG and HOME Funds for FY 2019/2020

SUMMARY:

Each year the City of Lathrop (City) receives an allocation of Community Development Block Grant (CDBG) and HOME Investment Partnership Act (HOME) funds. Both programs are funded by the U.S. Housing and Urban Development Department (HUD), and administered by San Joaquin County, under the Urban Cooperative Agreement between San Joaquin County and the cities of Escalon, Lathrop, Manteca, Ripon, and Tracy.

Recently, the County developed a new set of funding guidelines to better meet the needs of the community and the requirements set forth by HUD. The following are important highlights of the changes that are now in effect:

- Multi-entitlement agencies must apply directly to San Joaquin County for both County and City funding.
- The City will impose a 50% expenditure rule for each agency that has received funding. The expenditure rule will require grantees to expend and report 50% of its current or past year's allocations, prior to applying for future funds.
- The minimum public service grant request for local organizations should be at least \$5,000.00.
- Cities will be recommending the allocation of funds to the County and HUD.

This fiscal year 2019/2020, the City of Lathrop is expected to receive approximately \$78,164 in CDBG funds and \$19,970 in HOME funds. Before CDBG and HOME funds can be allocated, the City Council must conduct a public hearing to consider funding requests. Staff published a legal advertisement on March 1, 2019 promoting the availability of CDBG and HOME funds and to solicit applications.

The process for allocating these funds to identified local activities is a three-step process, as outlined below:

- STEP 1. Allocate the service organization funds (15% of total CDBG funds.)
- STEP 2. Allocate 85% of CDBG funds to eligible capital facility projects.
- STEP 3. Allocate HOME funds to an eligible program administered by the County.

Staff recommends that the City Council consider the information given at the public hearing and during the staff presentation, and make a recommendation for allocating the 2019/2020 fiscal years CDBG and HOME funds. Thereafter, all projects will be screened by the San Joaquin County Community Development staff to verify eligibility under HUD regulations.

BACKGROUND:

The City of Lathrop, in accordance with the Urban Cooperative Agreement with San Joaquin County, will make recommendations to allocate \$11,724 (15% of the total \$78,164 CDBG funds) for public services, breakdown as follows:

- \$5,000 for local organizations.
- \$6,724 to be proportionally allocated to multi-agency organizations

STEP 1: Allocate funds to Public Service Organizations

Multi-agency Organizations:

Multi-agency Organization applicants include Meals on Wheels, Emergency Food Bank, Second Harvest, San Joaquin Fair Housing, and Give Every Child a Chance (GECAC). Each of these organizations have applied directly to the County for both County and City funding which qualifies/defines them as multi-agency organizations.

The following summaries of the multi-agency applicants describe the services provided by each agency to the citizens of the City of Lathrop, and the amounts the organizations have requested:

San Joaquin Fair Housing **\$1,000**

The San Joaquin Fair Housing Board processes housing discrimination complaints and provides housing information to the public. It is important to note that it is mandated by HUD that each jurisdiction is required to include their proportionate share of the anticipated expenditures by San Joaquin Fair Housing for the fiscal year. In other words, the \$1,000 is a requirement. The program expects to benefit about 220 Lathrop residents.

Give Every Child a Chance **\$5,000**

Give Every Child a Chance (GECAC) is a literacy based mentor/tutoring program, which provides free tutoring to students who are having difficulties passing proficiencies, or have a "D" or "F" on their report card. Programs are conducted year round. All sites are open each day after school during the school year and a summer drop in program is available as well. Classes for Lathrop are held at Lathrop School, Joseph Widmer School, Mossdale School, Lathrop High School and a summer site (which is usually conducted at Our Lady Guadalupe Church). For FY 19-20, GECAC anticipates providing services to about 225-265 Lathrop children.

CITY MANAGER'S REPORT **PAGE 3**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER CDBG AND HOME
FUNDING ALLOCATIONS FOR FISCAL YEAR 2019/2020

The funds requested will be used to provide supplies and nutritious snacks for the students at the beginning of each tutoring session.

Stockton Emergency Food Bank – Mobile Farmer **\$1,000**

The Stockton Emergency Food Bank operates from its onsite food pantry as well as its 12 satellite food pantries and over 60 Mobile Farmer's Market (MFM) sites throughout the county. Of the 60 sites currently visited by the Mobile Farmer's Market one day per month, three are in Lathrop; Head Start, Senior Center, and Our Lady of Guadalupe Church. The requested funds help provide access to fresh fruits and vegetables along with nutrition education to various underserved areas throughout San Joaquin County, free of charge. The program expects to serve 989 residents of Lathrop.

SJC Human Services Agency – Meals on Wheels **\$1,000**

The Home Delivered Meals Program "Meals on Wheels" serves seniors throughout the county by providing a package of five meals delivered once a week. The program goals are targeted to reduce social isolation and to promote better health by providing nutritional meals to seniors who are homebound by reason of illness or disability, or who are otherwise isolated. The program is mandated by the Older Americans Act and administered through the Department of Aging. The requested funds will be spent on operational costs associated with the procurement of meals, delivery, and other associated expenses. The program expects to benefit seven (7) senior residents of Lathrop.

Local Organizations:

Organizations whose services and operations are limited to specific cities are considered Local Organizations. They are encouraged to apply directly to the cities they serve. For FY 2019-20, the City has received two applications from local organizations. The following summaries of the local applicants describe the services provided by each agency to the citizens of the City of Lathrop, and the amounts the organizations have requested:

City of Lathrop Activity Assistance Program **\$5,000**

The Activity Assistance Program, formerly the Youth Scholarship Program, is administered by the City Parks & Recreation Department. Previously limited to the youth, the new program is now designed to extend assistance to all families and individuals who meet low household income guidelines established by HUD. qualified participants receive assistance to participate in recreation services and activities. Each individual is eligible to use up to \$250 annually, but only 50% of the program fees may be covered through the Activity Assistance Program; families must pay the remaining percentage.

CITY MANAGER'S REPORT **PAGE 4**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER CDBG AND HOME
FUNDING ALLOCATIONS FOR FISCAL YEAR 2019/2020

Boys & Girls Club of Manteca/Lathrop **\$5,000**

The Lathrop Boys & Girls Club operates an after-school program at Lathrop Elementary School. The Lathrop Club offers the following programs to youth on a daily basis: Health & Life Skills, the Arts, Character & Leadership Development, and Sports Fitness & Recreation. The requested funds will be used to purchase various supplies and materials for the ongoing activities and a portion of the salary and benefit costs. The Club is expected to benefit approximately 63 children of low income families.

During the previous year, the Boys and Girls Club of Manteca and Lathrop Parks & Recreations Youth Scholarship Program were received CDBG funding allocations of \$5,000 each. To date, Boys and Girls Club has successfully used 100% of their funds.

On the other hand, the Youth Scholarship Program, now a part of the Activity Assistance Program, has not disbursed the required percentage of their award. Due to the funding guidelines that requires grant applicants to expend at least 50% of the previous years' grants, the Parks and Recreations Department Activity Scholarship Program is disqualified from the awarding process. They will have a chance to re-apply next awarding cycle.

With these considerations, Staff recommends allotment to each qualified public service organization as follows.

SERVICE ORGANIZATIONS ALLOTMENT SUMMARY

Organization	Requested Amounts for FY 19/20	Recommended Allotment for FY 19-20
San Joaquin Fair Housing	\$1,000	\$1,000
Give Every Child a Chance (GECAC)	\$5,000	\$3,724
Emergency Stockton Food Bank Mobile Farmer's Market	\$1,000	\$1,000
Human Services Agency, Meals on Wheels	\$1,000	\$1,000
City of Lathrop Activity Assistance Program	\$5,000	\$0
Boys & Girls Club of Manteca & Lathrop	\$5,000	\$5,000
TOTAL FUNDS REQUESTED		\$11,724

STEP TWO: Eligible Capital Facility Project

According to HUD requirements, the City of Lathrop may use 85% of the CDBG allocation (\$66,439) for eligible capital facility projects and administration. In addition, San Joaquin County has offered an extra \$17,000 in public facility funding, thereby increasing our available capital facility fund to a total of \$ 86,439.

CITY MANAGER'S REPORT **PAGE 5**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER CDBG AND HOME
FUNDING ALLOCATIONS FOR FISCAL YEAR 2019/2020

This year, the Parks and Recreations Department has submitted a Senior Center Rehabilitation project that meets the criteria to be eligible as a capital facility project. The Lathrop Senior Center, located at 15707 Lathrop Road, is an approximately 5,000 square-foot modular building that went into service in September of 2000. This facility has since served the daily needs of the seniors of Lathrop and surrounding communities. The project proposes to repair and improve the nearly 20-year-old facility that is showing its age.

The repairs and improvements are as follows:

\$44,000	- Remove and replace existing floor
\$ 5,000	- Subfloor repairs - restrooms / kitchen
\$ 7,000	- Replacement of 700+ ceiling tiles
\$ 2,000	- Repair and replace drop down ceiling grid
\$ 4,000	- Painting of interior walls
\$ 3,000	- Installation of taller ADA-compliant toilets
\$ 3,000	- Repair or replace restroom partitions
<u>\$ 4,000</u>	- Replace Commercial Refrigerator
\$72,000	- Project Subtotal
<u>\$ 7,200</u>	- 10% Contingency
\$79,200	- Estimated Project Total

STEP THREE: Home Funds

The estimated HOME fund allocation for FY 2019-20 is \$19,970. The City of Lathrop participates in two eligible HOME Loan programs, the Homebuyer Down-Payment Assistance (GAP) and the Housing Rehabilitation Programs. These programs are available as low-interest loans for qualified low income families. The City advertises these programs through the City website and through flyers distributed at the Community Center, Senior Center and the library. Information about these programs was also included on our monthly water bill newsletter insert.

The HOME funds are being continuously applied for and dispersed by San Joaquin County. The current fund balance for the Lathrop Housing Rehabilitation program is \$50,182, and the GAP program has a balance of \$19,970. At this time, the County has received three applications for the Housing Rehabilitation Program. Staff recommends all HOME Funds be allocated to the City Housing Rehabilitation Loan Program, as there were no applications received for the GAP Program. With the current rising home prices and high income ratios, residents are finding it difficult to qualify for the GAP Program.

RECOMMENDATION:

Staff recommends that the City Council consider the information given at the public hearing and during the staff presentation, and make a recommendation allocating the 2019/2020 fiscal year CDBG and HOME program funds as follows:

- Step 1: Allocate CDBG funds to Public Service Organizations as indicated on the Service Organizations Allotment (\$11,724) Summary on Attachment 2.
- Step 2: Allocate Non-Service funds (\$86,439) to the City of Lathrop Senior Center Rehabilitation Capital Improvement Project.
- Step 3: Allocate all HOME funds (\$19,970) to the City’s Housing Rehabilitation Loan Program administered by the County.

FISCAL IMPACT:

Staff time to review the applications, prepare this report, presentation and monitor and manage this program.

Recent changes to the County’s disbursement process required the City to set up a separate account to accommodate the County’s new CDBG reimbursement program. The funds required will be charged to the county and will be received by the City prior to the reimbursement of the submitted expenditure. The proposed budget is an amount not to exceed \$5,000.

Staff is requesting the following budget amendment for the Boys and Girls Club of Lathrop and Manteca:

<u>Increase Revenues</u>	
2650-2010-333-0100	\$5,000.00
<u>Increase Appropriations</u>	
2650-2010-440-4200	\$5,000.00

CITY MANAGER'S REPORT **PAGE 7**
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER CDBG AND HOME
FUNDING ALLOCATIONS FOR FISCAL YEAR 2019/2020

GOALS ADVANCED BY THIS AGENDA:

The proposed Resolution promotes Public Safety by providing funding for those in need of assistance and support.

ATTACHMENTS:

1. Resolution Recommending the Allocation of the Community Development Block Grant and Home Investment Program Funds for FY 2019/2020.


CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER CDBG AND HOME
FUNDING ALLOCATIONS FOR FISCAL YEAR 2019/2020

APPROVALS:



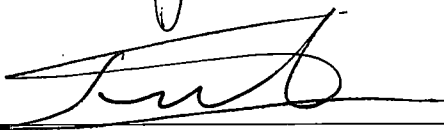
Mark Meissner
Director of Community Development

2-27-19
Date




Cari James
Director of Finance

2/28/19
Date



Salvador Navarrete
City Attorney

2-28-19
Date



Stephen J. Salvatore
City Manager

3.5.19
Date

RESOLUTION NO. 19-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP RECOMMENDING THE ALLOCATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT AND HOME INVESTMENT PROGRAM FUNDS FOR FISCAL YEAR 2019/2020

WHEREAS, it is estimated that the City will receive an allocation of \$78,164 for Community Development Block Grant (CDBG) and \$19,970 for the HOME Investment Program (HOME) from the United States Department of Housing and Urban Development (HUD) for Fiscal Year (FY) 2019-2020, and an additional \$17,000 in non-service allotment funds from San Joaquin County; and

WHEREAS, the City of Lathrop has properly published a 30-day public notice of availability of funds for the programs in accordance with HUD regulations; and

WHEREAS, the City Council has determined in accordance with the California Environmental Quality Act, Article 18, Section 15273, that this item is categorically exempt because CEQA does not apply to the establishment or modification of HUD funding programs to public agencies which are to meet community needs; and

WHEREAS, the City Council conducted a duly noticed public hearing on March 11, 2019 to consider applications for CDBG and HOME Funds for FY 2019-2020, and has considered the information given at the public hearing and during the staff presentation, and determines that the recommended allocations represent the community needs in Lathrop; and

WHEREAS, the recipients of CDBG funding are required to enter into an agreement with the City to ensure that funds are spent in accordance with HUD regulations.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop, does hereby recommend the following service agencies and allocated amounts for funding in the Fiscal Year 2019/2020 for the CDBG program:

SERVICE ORGANIZATION ALLOCATIONS

<u>Organizations</u>	<u>Allocations</u>
San Joaquin Fair Housing	\$ 1,000.00
Emergency Stockton Food Bank (MFM)	\$ 1,000.00
Human Services Agency (Meals on Wheel)	\$ 1,000.00
Give Every Child a Chance (GECAC)	\$ 3,724.00
Boys & Girls Club of Manteca & Lathrop	\$ 5,000.00
Total Allocation (15% of \$78,164)	<u>\$ 11,724.00</u>

BE IT FURTHER RESOLVED that a budget amendment for FY 2019-2020 is required as follows:

For the Boys and Girls Club of Lathrop and Manteca:

Increase Revenues

2650-2010-333-0100	\$5,000.00
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Increase Appropriations

2650-2010-440-4200	\$5,000.00
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BE IT FURTHER RESOLVED that the City does hereby recommend allocating \$79,200 of the Non-Service Allotment funds to the City of Lathrop Senior Center Rehabilitation project; and

BE IT FURTHER RESOLVED that the City does hereby recommend allocating the \$19,970 HOME Program funds to the City's Rehabilitation Loan Program.

PASSED AND ADOPTED this 11th day of March 2019, by the following vote:

AYES:

NOES:

ABSENT:

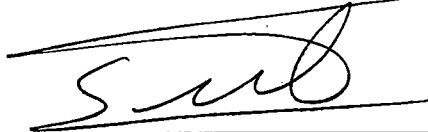
ABSTAIN:

SONNY DHALIWAL, MAYOR

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

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

ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER ADOPTION OF ENERGY COST SAVINGS FINDINGS AND ENTERING INTO A SOLAR POWER PURCHASE AGREEMENT AND SOLAR UTILITY EASEMENTS AGREEMENT WITH GENERAL ELECTRIC INTERNATIONAL, INC., AUTHORIZING FILING A CEQA NOTICE OF EXEMPTION AND CIP GG 19-10 SOLAR ENERGY PROJECT

RECOMMENDATION: Council to Consider the following:

- 1. Hold Public Hearing Pursuant to Government Code Section 4217.12; and**
- 2. Adopt a Resolution Adopting the Energy Cost Savings Findings and Entering into a Solar Power Purchase Agreement and Solar Utility Easements Agreement with General Electric International, Inc., Authorizing Filing a CEQA Notice of Exemption and Creating CIP GG 19-10**

SUMMARY:


In 2012, City Council approved the Solar Energy Project Capital Improvement Project (CIP) General Government (GG) 12-14 to fulfill a long-standing City goal to conserve energy and produce future cost savings for the City's general fund and utility ratepayers. In 2013, the City Council approved a contract with TerraVerde Renewable Partners, LLC (TerraVerde), to develop and evaluate optimum locations, size, configurations, costs, and savings for solar arrays at City Facilities.

TerraVerde recommended a solar program that would potentially save the City money annually on the City's electricity costs at three City locations: City Hall, Community/Senior Center, and the South Harlan Road Storm Drain Basin. CIP GG 12-14 Phase 1 Solar Energy Project included installation of solar power systems at the City Corp Yard/Water Treatment Plant and South Harlan Road Storm Drain Basin. The project has since been completed and accepted by City Council.

Phase 2 of the solar project was initiated in early 2018. City Council authorized a contract with TerraVerde to conduct a competitive bid process for solar project installation, procurement, and financing. After extensive qualitative and technical evaluations of the six proposals received, General Electric International, Inc. was selected based on qualifications and expected annual cost savings for electricity.

**CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING
SOLAR ENERGY PROJECT, CIP GG 19-10**

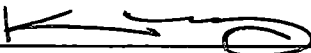
APPROVALS:



Ken Reed
Senior Construction Manager

3-5-2019

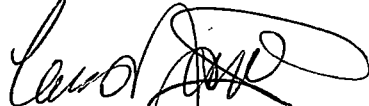
Date



Michael King
Assistant Public Works Director

3-6-19


Date



Cari James
Administrative Services &
Finance Director

3/6/19

Date



Salvador Navarrete
City Attorney

3.5-19

Date



Stephen J. Salvatore
City Manager

3.7.19

Date

RESOLUTION NO. 19-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
ADOPTING THE ENERGY COST SAVINGS FINDINGS AND ENTERING INTO A
SOLAR POWER PURCHASE AGREEMENT, SOLAR UTILITY EASEMENTS WITH
GENERAL ELECTRIC INTERNATIONAL, INC., AUTHORIZING FILING A CEQA
NOTICE OF EXEMPTION AND CREATING CIP GG 19-10**

WHEREAS, it is the policy of the State of California and the intent of the State Legislature to promote all feasible means of energy conservation and all feasible uses of alternative energy supply sources; and

WHEREAS, the City of Lathrop ("City") desires to reduce the steadily rising costs of meeting the energy needs at its facilities; and

WHEREAS, TerraVerde Energy, LLC ("TerraVerde"), has provided the City with analysis showing the benefits of implementing certain energy conservation measures through the installation of certain solar photovoltaic systems, and TerraVerde's analysis ("Analysis") is attached as Attachment "3" to the City Council Staff Report of March 11, 2019, and made part hereof by this reference; and

WHEREAS, the City proposes to enter into a Power Purchase Agreement and related contract documents ("Power Purchase Agreement") with General Electric International, Inc. ("Provider"), pursuant to which Provider will design, construct, install, maintain, and operate on City property certain energy-saving improvements consisting of solar photovoltaic facilities and arrange with the local utility for interconnection of the facilities, which will generate energy for the sites on which such facilities are located; and

WHEREAS, the sites where such solar photovoltaic facilities ("Project") will be located are: City Hall, Community Center, and the Christopher Way; and

WHEREAS, the Analysis includes data showing that the anticipated cost to the City for the electrical energy provided by the Project will be less than the anticipated marginal cost to the City of electrical energy that would have been consumed by the City in the absence of those purchases; and

WHEREAS, the City proposes to enter into the Power Purchase Agreement substantially in the form presented at this meeting, subject to such changes, insertions or omissions as the City Manager or their designee reasonably deem necessary and approved as to form by City Attorney, following the City's adoption of this Resolution; and

WHEREAS, pursuant to Government Code section 4217.12, the City has held a public hearing, public notice of which was given at least two weeks in advance, to receive public comment; and

WHEREAS, the City's proposed approval of the Power Purchase Agreement whereby Provider is required to perform the Project is a project for purposes of the California Environmental Quality Act ("CEQA"); and

WHEREAS, the Guidelines for CEQA, California Code of Regulations Title 14, Chapter 13 ("State CEQA Guidelines"), exempt certain projects from further CEQA evaluation, including the following: (1) projects consisting of the new construction or conversion of small structures ("Class 3 Exemption"; Cal. Code Regs., tit. 14, § 15303); (2) projects consisting of the construction or placement of minor accessory structures to existing facilities ("Class 11 Exemption"; Cal. Code Regs., tit. 14, § 15311); and (3) projects consisting of minor additions to existing schools ("Class 14 Exemption"; Cal. Code Regs., tit. 14, § 15314), and the Project is categorically exempt under one or more of such exemptions; and

WHEREAS, the Project does not involve any of the following and so are eligible for a categorical exemption as described above under State CEQA Guidelines section 15300.2:

- (a) the cumulative impact of successive projects of the same type in the same place, which over time are significant;
- (b) an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances;
- (c) a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway;
- (d) a hazardous waste site which is included on any list compiled pursuant to Section 65962.5 of the Government Code; and
- (e) a project which may cause a substantial adverse change in the significance of a historical resource; and

WHEREAS, Public Resources Code section 21080.35 (added by Stats. 2011, c. 469 (S.B.226), § 3), statutorily exempts from CEQA evaluation the installation of a solar energy system, including associated equipment, on the roof of an existing building or at an existing parking lot; and

WHEREAS, the portions of the Project to be installed at an existing parking lot do not involve either of the following and so are eligible for the statutory exemption of Public Resources Code section 21080.35 (added by Stats.2011, c. 469 (S.B.226), § 3):

- (a) the removal of a tree required to be planted, maintained, or protected pursuant to local, state, or federal requirements, unless the tree dies and there is no requirement to replace the tree; or
- (b) the removal of a native tree over 25 years old.

NOW, THEREFORE, BE IT RESOLVED, based upon the above-referenced recitals, the City hereby finds, determines and orders as follows:

1. The City finds that the terms of the Power Purchase Agreement are in the best interests of the City.

2. In accordance with Government Code section 4217.12, and based on data provided by the Analysis, the City finds that the anticipated cost to the City for electrical energy provided by the Project under the Power Purchase Agreement will be less than the anticipated marginal cost to the City of electrical energy that would have been consumed by the City in the absence of those purchases.

3. The City hereby approves the Power Purchase Agreement, which shall be subject to such changes, insertions or omissions as the City Manager or their designee reasonably deems necessary.

4. The City Manager or designee is hereby authorized and directed to negotiate any further changes, insertions, and omissions to the Power Purchase Agreement and related easements as they reasonably deem necessary, and thereafter to execute and deliver the Power Purchase Agreement following the City's adoption of this Resolution. The City Manager or designee is further authorized and directed to execute and deliver any papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this resolution and said agreements.

5. The Project is hereby found to be exempt from the requirements of CEQA pursuant to the Class 3, Class 11 and Class 14 Exemptions, as described above.

6. The Project is hereby found to be exempt from the requirements of CEQA pursuant to Public Resources Code section 21080.35 (added by Stats.2011, c. 469 (S.B.226), § 3), as described above.

7. City staff is hereby authorized and directed to file and process a Notice of CEQA Exemption for the Project in accordance with CEQA and the State CEQA Guidelines, and the findings set forth in this resolution.

PASSED AND ADOPTED by the City Council of the City of Lathrop this 11th day of March 2019, by the following vote:

AYES:

NOES:

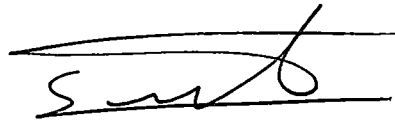
ABSENT:

ABSTAIN:

Sonny Dhaliwal, Mayor

ATTEST:

APPROVED AS TO FORM:



Teresa Vargas, City Clerk

Salvador Navarrete, City Attorney

TerraVerde ENERGY

City of Lathrop



Pro Forma Feasibility Study

Scenarios Included in this Pro Forma:

#1 - NEM 2.0: Power Purchase Agreement

Cash Flow

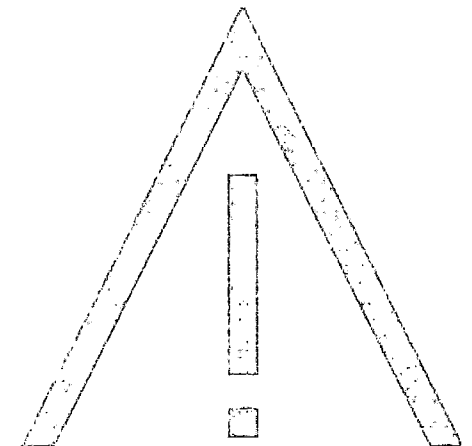


Project: City of Lathrop
 Scenario: #1 - NEM 2.0: Power Purchase Agreement

Term	Electricity		Utility Savings		Expenses			Net Savings		
Year	Annual Solar Production (kWh)	Solar Savings per kWh Produced	Savings from Solar	Subtotal: Annual Gross Benefits	PPA Payments	Asset Management Service	Subtotal: Annual Operating Expenses	Net Benefits (Solar)	Cumulative Net Benefits	Term
2019	-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	0
2020	2,738,765	\$ 0.1368	\$ 374,632	\$ 374,632	\$ (299,073)	\$ (27,388)	\$ (326,461)	\$ 48,172	\$ 48,172	1
2021	2,725,071	\$ 0.1409	\$ 383,942	\$ 383,942	\$ (297,578)	\$ (28,209)	\$ (325,787)	\$ 58,155	\$ 106,327	2
2022	2,711,446	\$ 0.1451	\$ 393,483	\$ 393,483	\$ (296,090)	\$ (29,056)	\$ (325,145)	\$ 68,338	\$ 174,664	3
2023	2,697,889	\$ 0.1495	\$ 403,261	\$ 403,261	\$ (294,609)	\$ (29,927)	\$ (324,537)	\$ 78,724	\$ 253,389	4
2024	2,684,399	\$ 0.1540	\$ 413,282	\$ 413,282	\$ (293,136)	\$ (30,825)	\$ (323,961)	\$ 89,321	\$ 342,710	5
2025	2,670,977	\$ 0.1586	\$ 423,552	\$ 423,552	\$ (291,671)	\$ (31,750)	\$ (323,420)	\$ 100,132	\$ 442,841	6
2026	2,657,622	\$ 0.1633	\$ 434,078	\$ 434,078	\$ (290,212)	\$ (32,702)	\$ (322,915)	\$ 111,163	\$ 554,004	7
2027	2,644,334	\$ 0.1585	\$ 419,211	\$ 419,211	\$ (288,761)	\$ (33,683)	\$ (322,445)	\$ 96,766	\$ 650,770	8
2028	2,631,112	\$ 0.1633	\$ 429,628	\$ 429,628	\$ (287,317)	\$ (34,694)	\$ (322,011)	\$ 107,617	\$ 758,387	9
2029	2,617,957	\$ 0.1682	\$ 440,304	\$ 440,304	\$ (285,881)	\$ (35,735)	\$ (321,616)	\$ 118,689	\$ 877,076	10
2030	2,604,867	\$ 0.1732	\$ 451,246	\$ 451,246	\$ (284,451)	\$ (36,807)	\$ (321,258)	\$ 129,988	\$ 1,007,063	11
2031	2,591,843	\$ 0.1784	\$ 462,459	\$ 462,459	\$ (283,029)	\$ (37,911)	\$ (320,940)	\$ 141,519	\$ 1,148,583	12
2032	2,578,884	\$ 0.1838	\$ 473,951	\$ 473,951	\$ (281,614)	\$ (39,048)	\$ (320,662)	\$ 153,289	\$ 1,301,872	13
2033	2,565,989	\$ 0.1893	\$ 485,729	\$ 485,729	\$ (280,206)	\$ (40,220)	\$ (320,426)	\$ 165,303	\$ 1,467,175	14
2034	2,553,159	\$ 0.1950	\$ 497,800	\$ 497,800	\$ (278,805)	\$ (41,426)	\$ (320,231)	\$ 177,568	\$ 1,644,743	15
2035	2,540,393	\$ 0.2008	\$ 510,170	\$ 510,170	\$ (277,411)	\$ (42,669)	\$ (320,080)	\$ 190,090	\$ 1,834,833	16
2036	2,527,691	\$ 0.2068	\$ 522,848	\$ 522,848	\$ (276,024)	\$ (43,949)	\$ (319,973)	\$ 202,874	\$ 2,037,708	17
2037	2,515,053	\$ 0.2131	\$ 535,840	\$ 535,840	\$ (274,644)	\$ (45,268)	\$ (319,911)	\$ 215,929	\$ 2,253,637	18
2038	2,502,478	\$ 0.2194	\$ 549,156	\$ 549,156	\$ (273,271)	\$ (46,626)	\$ (319,896)	\$ 229,260	\$ 2,482,896	19
2039	2,489,965	\$ 0.2260	\$ 562,802	\$ 562,802	\$ (271,904)	\$ (48,024)	\$ (319,929)	\$ 242,874	\$ 2,725,770	20
2040	2,477,516	\$ 0.2328	\$ 576,788	\$ 576,788	\$ (270,545)	\$ (49,465)	\$ (320,010)	\$ 256,778	\$ 2,982,548	21
2041	2,465,128	\$ 0.2398	\$ 591,121	\$ 591,121	\$ (269,192)	\$ (50,949)	\$ (320,141)	\$ 270,980	\$ 3,253,529	22
2042	2,452,802	\$ 0.2470	\$ 605,811	\$ 605,811	\$ (267,846)	\$ (52,478)	\$ (320,324)	\$ 285,487	\$ 3,539,016	23
2043	2,440,538	\$ 0.2544	\$ 620,865	\$ 620,865	\$ (266,507)	\$ (54,052)	\$ (320,559)	\$ 300,306	\$ 3,839,322	24
2044	2,428,336	\$ 0.2620	\$ 636,294	\$ 636,294	\$ (265,174)	\$ (55,673)	\$ (320,848)	\$ 315,446	\$ 4,154,768	25
	64,514,215	\$ 0.1891	\$ 12,198,254	\$ 12,198,254	\$ (7,044,952)	\$ (998,534)	\$ (8,043,486)	\$ 4,154,768	\$ 4,154,768	

Disclaimers and Assumptions

- 1) Projections of future savings are calculated based on patterns of previous electricity usage with billing data from July 2018, and assume that historical usage patterns hold at the same level over the life of the project.
- 2) Projections based on stated assumptions. Final solar project size and costs will be based on site audit results.
- 3) PG&E is in the process of developing new definitions for time of use periods and the associated rate schedules in their 2017 general rate case. The estimated impact to savings from this transition is reflected in this pro forma and uses rate schedule estimates proposed in the pending PG&E general rate case proceedings for grandfathered and post-grandfathering rate schedules (estimates are based on the PG&E settlement case). Proposed TOU rate schedules will be validated when the PG&E rate case is finalized which is anticipated in early 2019.
- 4) Projections are subject to tariff eligibility over the life of the installation. This analysis uses PG&E rates published January 2019.
- 5) This analysis assumes the electrical service will not require significant upgrades. Possible interconnection upgrade costs may be incurred as a result of the solar interconnection. Final determination on upgrade costs will be based on the final Supplemental Review reported by PG&E once available.
- 6) Projections are based on interconnection of all sites under NEM 2.0 tariff. Remaining capacity under NEM 2.0 is subject to availability.
- 7) Net Operating Benefit does not include repayment of any client capital that may be invested.
- 8) NEM-A analysis assumes the client solely owns contiguous parcels where the benefitting meters exist.
- 9) PPA contracts are for 20 years. Savings shown beyond year 20 are subject to change based on an extension with the provider and a renegotiated PPA price.
- 10) NEM projects are grandfathered for 20 years. Savings shown beyond year 20 are subject to change based on future NEM structure.
- 11) Some meters included in this portfolio are recommended to switch to a lower-tiered tariff than currently assigned by PG&E. This rate switch needs to be confirmed with the utility.
- 12) Only 10 months of electricity usage data is available for the Christopher Way meter. The remaining 2 months were estimated by averaging values from the 10 months provided.
- 13) Christopher Way usage has been increased by 100% in order to capture projected load growth. This increase provides a more accurate projection of solar savings.



SOLAR POWER PURCHASE AGREEMENT

by and between

GENERAL ELECTRIC INTERNATIONAL, INC.

and

CITY OF LATHROP

dated

March 11, 2019

TABLE OF CONTENTS

		<u>Page</u>
1.	Definitions.	2
2.	Term.	2
3.	Removal of Solar Facilities.	2
4.	Purchase and Sale of Output.	3
5.	Construction, Operation & Maintenance.	4
6.	Commercial Operation Date; Conditions Precedent; Notice to Proceed.	6
7.	Ownership of Solar Facilities, Output, Green Attributes and Environmental Financial Incentives.	8
8.	Payment.	9
9.	Purchase Options.	10
10.	Early Termination.	10
11.	Delivery; Risk of Loss.	11
12.	Metering.	13
13.	Representations, Warranties and Covenants.	14
14.	Default and Remedies.	14
15.	Dispute Resolution.	16
16.	Taxes; Liens.	16
17.	Liability and Indemnity; Insurance.	17
18.	License.	18
19.	Assignment; Cooperation and Financing.	18
20.	Confidentiality; Publicity.	19
21.	Legal Effect and Status of Agreement.	20
22.	Miscellaneous.	21
Exhibit A	– Definitions	
Exhibit B	– Site Power Price Chart	
Exhibit C	– Site Termination Values	
Exhibit D	– Site Purchase Option Values	
Exhibit E	– Description of Solar Facilities	
Exhibit F	– Guaranteed Production Schedule and Output Guarantee Rate	
Exhibit G	– General Conditions and Technical Specifications	
Exhibit H	– Check Payment Instructions	

SOLAR POWER PURCHASE AGREEMENT

This Solar Power Purchase Agreement (“Agreement” or “PPA”) is made and entered into as of this 11th day of March, 2019, (“Effective Date”), between General Electric International, Inc., a Delaware corporation (“Provider”), and the City of Lathrop (“City”). City and Provider are collectively referred to herein as “Parties” and individually as “Party.”

RECITALS

WHEREAS, Provider is in the business of installing and operating solar power facilities and selling electric energy generated from such facilities;

WHEREAS, California Government Code section 4217.10 *et seq.* provides that public agencies may enter into an agreement, including but not limited to, lease agreements, for real property upon which alternative energy facilities may be constructed so that the public agency may purchase the energy generated from the facilities constructed on the real property under a power purchase agreement; and

WHEREAS, the governing body of the City has made those findings required by Section 4217.12 of the California Government Code that: (1) the anticipated cost to the City for electrical energy services provided by the solar panel system under this Agreement will be less than the anticipated marginal cost to the City of electrical energy that would have been consumed by the City in the absence of those purchases and (2) the difference, if any, between the fair market value of the right to access and occupy the real property subject to this Agreement and related payments under this Agreement, if any, is anticipated to be offset by below-market energy purchases or other benefits provided under this Agreement; and

WHEREAS, City desires to reduce its energy costs as well as its dependence on fossil fuel electric generating resources and to promote the generation of electricity from solar photovoltaic facilities; and

WHEREAS, Provider desires to design, install, own, maintain, and operate each solar photovoltaic system including all solar panels and equipment components of the solar system (each a “Solar Facility” and collectively the “Solar Facilities”) on the Site(s) owned by the City, and Provider shall sell the output from the Solar Facilities to City at those rates set forth herein (collectively the “Project”); and

WHEREAS, Provider has developed an ownership and financing structure for the Solar Facilities, which facilitates the use of certain tax incentives, and accelerated depreciation to reduce the expected investment returns of its investors, and which benefits City by offering a competitive Power Price, as defined herein; and

WHEREAS, City desires to provide Provider an Easement for the sole purpose of accessing City’s property to install, operate, maintain and repair a Solar Facility; and

WHEREAS, as part of this PPA and in consideration of the Easement, Provider and City intend that Provider would obtain title, an ownership interest, and retain all financial incentives and tax benefits generated by the Solar Facility and associated with the development of Solar Facility, including the installation, ownership and operation of the Solar Facility and the sale of energy from the system to the City.

NOW, THEREFORE, in consideration of the promises and the mutual benefits from the covenants hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Provider and City hereby agree as follows:

AGREEMENT

1. Definitions.

Capitalized terms used in this Agreement shall have the meanings ascribed to them herein or in the attached Exhibit A.

2. Term.

A. Term. The term of this Agreement shall commence upon the Effective Date and terminate on the Expiration Date (“Initial Term”). The Parties may agree, in a writing signed by both Parties prior to the end of the then effective Term (Initial Term and first Renewal Term) to renew this Agreement for up to two (2) five-year renewal terms (each a “Renewal Term”). The Initial Term and all subsequent Renewal Terms are referred to collectively as “Term.” This Agreement shall terminate as to a Site concurrently with any termination of the Site Easement provided by this Agreement.

3. Removal of Solar Facilities

A. Removal of Solar Facilities. Within one hundred eighty (180) Days of the expiration or any termination of this Agreement (unless City has: (i) purchased the Solar Facilities under the terms of this Agreement; or (ii) otherwise consented in writing to allowing the Solar Facilities to remain installed on the Site(s)), Provider shall, in coordination with City and at Provider’s sole cost and expense except as provided otherwise herein, remove the Solar Facilities from the Site(s) in accordance with Section 3.B. Provider shall bear the cost of any required storage of the Solar Facilities if necessary, during Provider’s removal of the Solar Facilities.

B. Removal and Site Restoration. Removal of a Solar Facility shall include all installed equipment, including, but not limited to, the Solar Facility and all tangible and structural support materials, as well as all appurtenant equipment, above ground. Provider shall not be required to remove (i) any, anchors, penetrations, conduits or other similar ancillary equipment below grade which were installed by Provider if, in Provider’s reasonable judgment, the removal of such supports, anchors, penetrations, conduits or other similar ancillary equipment would cause harm and damage to the Site, and (ii) any underground foundations or underground or buried conduits and cabling installed by Provider on or about the Site. Provider shall additionally restore the Site(s) to a condition substantially similar to the pre-installation condition of the Site(s), excluding ordinary wear and tear, through reasonable efforts. Provider

shall undertake any repairs necessary as a result of such removal and restoration. The Parties shall reasonably coordinate all such removal, restoration, storage and transportation activities and dates.

C. Failure to Remove. If Provider fails to comply with this Section 3 and remove the Solar Facility and restore the Site as required within such one-hundred and eighty (180) day period, City shall have the right, but not the obligation, to remove the Solar Facility and restore the Site and charge Provider for all reasonable costs incurred by City plus a fifteen percent (15%) administration fee. The Parties shall reasonably coordinate all such removal and pick-up activities. The Provider will shut down the Solar Facility upon termination.

4. Purchase and Sale of Output.

A. Purchase and Sale of Output. Beginning on the Commercial Operation Date and through the remainder of the Term, Provider agrees to sell, and City agrees to buy Output from the Solar Facility at the applicable Power Price as set forth on Exhibit B. Provider shall have no obligation to deliver Output from the Solar Facility after the Expiration Date of the Agreement or the earlier termination thereof. City shall have no obligation to pay for Output delivered from the Solar Facility after the Expiration Date of this Agreement or the early termination thereof.

B. Provider guarantees during the Initial Term for each Measurement Period that, the aggregate metered Output plus any Excused Production Losses, as set forth below (the “Adjusted Production”), from each Solar Facility for such Measurement Period shall be at least ninety-five percent (95%) of the Estimated Period Production, set forth on Exhibit F, for the corresponding Measurement Period, (the “Guaranteed Production”); *provided*, the Guaranteed Production for any Measurement Period will be reduced by the estimated generation of the Solar Facility that would have been generated during such Measurement Period, but was not generated, due to a breach of this Agreement by City.

C. Failure to Meet the Guaranteed Production. If the Adjusted Production during any Measurement Period does not equal or exceed the Guaranteed Production for such Measurement Period, Provider shall include in its next invoice(s) to City a credit for the Energy Shortfall Amount. Alternatively, the City has the option to request that the Energy Shortfall Amount be paid by check independently of an invoice. The Parties agree that the payment set forth in this paragraph is City’s sole and exclusive remedy and Provider’s sole and exclusive liability for failure of the Solar Facility to meet the Guaranteed Production, and that such payment is reasonable. Any overproduction in excess of 97% of the Estimated Period Production in one Measurement Period shall cummulate and carry over as a benefit to subsequent Measurement Periods.

D. Excused Production Losses

Excused Production Losses shall include:

1. Force Majeure events: Lost production from the beginning of a Force Majeure until production limiting factors caused by the Force Majeure have been remedied.
2. Grid Event: Lost production when a fluctuation in the Grid frequency or voltage causes the inverters or the Solar Facility to disconnect from the Grid,. The “Grid” is defined to be the system receiving power exported from the Solar Facility.

3. **Grid Outage:** Lost production when a failure in the Grid or Interconnection Infrastructure prevented energy from being exported from the Solar Facility. “Interconnection Infrastructure” means that utility-owned and maintained interconnection equipment (the substation including but not limited to transformers, switches, and protective relays) that is used to connect the Facility to the Grid. Any Grid operator/owner ordered curtailments of the Solar Facility for any reason, other than an issue in the Solar Facility, is a Grid Outage.
4. **New Sources of Shading or Soiling:** Lost production due to shade cast on the solar panels from structures, vegetation planted outside of the array footprint, or other objects and or new sources of soiling not present when the Solar Facility was designed.
5. **City Caused:** Lost production when Solar Facility DC capacity is off-line due to outages attributable to City’s decision to perform or cause to be performed, any investigations, studies, operations, construction, installation and maintenance work or other activities.
6. **Outages under Section 4. H** where a payment was made to City.
7. **Temporary Suspensions by Provider** pursuant to Section 11.E where a payment was made to City.

E. Warranty Disclaimer. OTHER THAN AS EXPRESSLY STATED HEREIN, CITY ACKNOWLEDGES THAT PROVIDER MAKES NO WARRANTY HEREUNDER, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, AND CITY WAIVES ALL SUCH WARRANTIES.

F. Resale of Output. If at any time during the term of this Agreement, City reduces its demand load requirements for Output or otherwise determines that the Distribution Utility or any other purchaser is willing to purchase Output from the Solar Facilities, City, at its option, may sell Output to the Distribution Utility or any other purchaser. If applicable and required by law, City may also request that Provider enter into negotiations with City to pursue a third-party sale agreement. Upon such request, (i) Provider and City shall negotiate in good faith regarding the terms and conditions of the third-party sale agreement; (ii) City shall pay for all costs and expenses incurred by the Provider, including legal fees and (iii) the Power Price shall not be adjusted as a result of any third-party sale. The City may not make any third-party sale if such sale characterizes Provider as a reseller of energy requiring any regulatory action or regulatory requirements or subjects Provider to liability to a Governmental Authority or other party as a reseller of energy.

G. Net Metering, Credits and Storage of Output. Nothing in this Agreement shall limit the City's ability during the Term to participate in or otherwise take advantage of any current or future program or technology which may enable to the City to store Output at any Site or to export Output to any City site or to the Distribution Utility for any available energy credits or offsets at the City's sole cost. The City will give reasonable notice to Provider of its intention to undertake any such project or program, and will coordinate with the Provider to ensure that the Solar Facilities, the terms and conditions of this Agreement and all associated warranties are fully preserved. Furthermore, any such undertaking shall (i) be at no cost to the Provider; (ii) not require any modifications to the Solar Facility unless City is willing to pay for such modifications and (iii) not interfere with the Insolation to the Solar Facility.

H. Outages. Provider may suspend delivery of Output as reasonably necessary for testing, maintaining, replacing and repairing the Solar Facility, or in response to any Distribution Utility directive or dispatch order (an "Outage"). Provider shall take commercially reasonable steps necessary to minimize the duration and scope of any such Outage. In the event that an Outage is caused or prolonged by Provider's negligent act or omission, Provider shall compensate City for the difference between the electricity cost as provided by the Distribution Utility for the applicable period and the Power Price for each 15-minute interval that the Power Price is less than the electricity cost provided by the Distribution Utility. In such event, Provider shall provide the calculation and supporting documentation for determining these amounts, to the reasonable satisfaction of the City. Except as set forth herein, City waives claims related to City's costs of purchasing energy to replace what would have been produced by the Solar Facility but for such Outages, along within any associated net metering, or similar, benefits. If an Outage occurs under this Section and a payment is due from Provider to City, Provider shall include in its next invoice(s) to City (and in the final invoice for any credit owed for the final Contract Year) a credit for the difference between the electricity cost as provided by the Distribution Utility to the City for the applicable period.

I. Adjustments to Power Price. The Parties acknowledge that the Power Price set forth on Exhibit B is based on certain assumptions by Provider, and that the Power Price may, only for the specific assumptions noted below prove to be inaccurate, require an adjustment to the Power Price following the Effective Date, as follows:

1. Distribution Utility Upgrades. Provider assumed that the total amount of upgrades to be required by Distribution Utility and the Sites electrical system upgrades (the "Upgrades") in connection with the Project would not exceed \$160,734 if the actual cost reasonably incurred by Provider for the Upgrades exceeds \$160,734, then Provider shall be entitled to a proportionate increase of the Power Price in an amount of \$0.00045/kWhac for each additional \$10,000 increase in cost. If the actual cost reasonably incurred by Provider for the Upgrades is less than \$160,734, City shall be entitled to a proportionate decrease of the PPA rates in an amount of \$0.00045/kWhac for each \$10,000 decrease in cost. Prior to exceeding the \$160,734, Provider shall notify the City of the necessity of such additional upgrades and the estimated amount for such additional upgrades; and,

2. Site Electric System Upgrades. Provider shall undertake commercially reasonable efforts to assess the Site electrical system for compatibility with the Solar Facility prior to Notice to Proceed. To the extent any subsequent upgrade to such Site electrical system is required, Provider shall cause such upgrades to occur and the cost shall be allocated as set forth in Section 4.I.1. above. To the extent applicable to the Project, prior to the start of construction of the Solar Facilities, Provider shall use commercially reasonable efforts to assist City in selection of equipment required or desired on City's side of any Delivery Point.

J. Distribution Utility Electric Service. City may take parallel energy services from Distribution Utility at each Site.

K. Insolation. City agrees that access to sunlight ("Insolation") is essential to Provider's ability to provide the projected output and is a material inducement to Provider in entering into this Agreement. Accordingly, City shall not permit any interference with Insolation available to the Solar Facilities. If City becomes aware of any potential development, foliage or trees, or other activity on adjacent or nearby properties that will diminish the Insolation to the Sites or the Solar Facilities, City shall advise Provider of such information and reasonably cooperate with Provider in reasonable measures taken by Provider in an attempt to preserve existing levels of Insolation at the Sites and the Solar Facilities.

5. Construction, Operation & Maintenance.

A. Provider's Contractor. Provider shall ensure that any party contracting with Provider for any engineering, procurement, design, installation or construction of the Solar Facilities shall possess sufficient knowledge, experience, expertise, licensing, and financial capacity and creditworthiness necessary for satisfactory completion of Provider's obligations under this Agreement. The contractor performing the construction work on the Project shall possess a Class B and C-10 California Contractor State License, and all other required licenses for performing work under this Agreement, prior to performing any work on the Project. Prior to contracting with any such party, Provider shall obtain and review the qualification of such party and complete any necessary background check or fingerprinting required by law or the City. Provider shall further procure from contractor performance and payment bonds and any other assurances as Provider deems reasonably necessary to secure contractor's timely completion of the Solar Facilities.

B. Permits.

1. Provider shall be solely responsible for ensuring that each Solar Facility are constructed in compliance with all applicable laws, regulations and Permits, and in accordance with the standards set by any governmental program providing funding for each Solar Facility, including, but not limited to, all improvements, conditions and mitigation measures required for compliance with the California Environmental Quality Act (“CEQA”) and the Americans with Disabilities Act (“ADA”). Provider shall, at Provider’s sole cost and expense, obtain from all Authorities having Jurisdiction over the Solar Facility, all necessary Governmental Approvals and other Permits and approvals required for the installation, operation and maintenance of the Solar Facility, including, but not limited to fire safety, California Occupational Safety and Health Administration (“OSHA”), utility interconnection, right-of-way permits, easement agreements and other related requirements.
2. To the extent action is required by City, City shall, upon the request of Provider, use reasonable efforts to assist Provider in obtaining and retaining Permits, licenses, releases and other approvals necessary for the design, construction, engineering, installation, operation and maintenance of the Solar Facility. Provider shall reimburse City for costs reasonably incurred by City in assisting the Provider under this Section. Provider shall be responsible for all costs, expenses and improvements to the extent required to obtain or comply with any permits, Government Approvals or other requirement under state or federal law made necessary as a result of the Solar Facility installation, operation and maintenance. Specifically, the Provider is required to obtain and submit all documents to close out the Solar Facility with the Authorities having Jurisdiction over the Solar Facility. In addition to stamped and approved plans, Provider shall provide any required installation compliance confirmation letter(s) to any applicable Governmental Authorities.

C. Costs Due to Unexpected Site Conditions. If, after Provider has conducted reasonable due diligence and inspection of the Site, Provider incurs material additional costs to re-design, construct, install or maintain the Solar Facility due to (i) unforeseen conditions at the Site, (ii) unforeseen groundwork at the Site (including, but not limited to, excavation/circumvention of underground obstacles), or (iii) Hazardous Substances (as defined in Section 17.C) at the Site, then Parties may agree to (1) make an equitable adjustment to the pricing, schedule and other terms of this Agreement to compensate Provider for the costs incurred from any work in excess of normally expected work required to be performed by Provider arising from such conditions, or (2) if Parties can not agree to an equitable adjustment to the Power Price, then Provider may terminate the Agreement with respect to such Site with no liability to either Party.

D. Notice of Output Interruptions. Each Party shall notify the other Party as soon as reasonably practicable following its discovery of any material malfunction of any Solar Facility or interruption in the supply of electricity from any Solar Facilities. Each Party shall designate and advise the other Party of personnel to be notified in the event of such a malfunction or interruption. Provider shall correct, or cause to be corrected, the conditions that caused the malfunction or interruption as soon as reasonably practicable. However, in no event shall Provider's response to investigate the problem and initiate appropriate corrective action be greater than 48 business hours, which may be (a) done remotely as appropriate, (b) performed on site, (c) scheduled for future visit, following receipt of notice or upon discovery of such malfunction or interruption. In addition, Provider shall remotely monitor the entire system on a daily basis for the presence of alarm conditions and general performance utilizing the data acquisitions systems and monitoring systems installed by the Provider at the Site(s), as described on Exhibit G.

E. Site Operations. In order to prevent any unreasonable disturbance or interruption of City's activities, Provider shall accommodate City's normal operations schedule and scope of activities conducted on the Site(s) during construction and on-going operation of the Solar Facilities pursuant to this Agreement. Parties agree that during construction the Provider requires uninterrupted access to the Site and laydown areas as agreed between the Parties which will be fenced in. Any requirement by the City to limit access and or move the fencing due to such City activities that cause a delay and the Provider shall be afforded an extension in the Project Schedule (as defined on Exhibit G) documented with a change order.

F. Operation and Maintenance of Solar Facilities. Provider shall be responsible for all operations, maintenance, and repair of the Solar Facilities, except to the extent that any maintenance or repair is made necessary by the negligent acts or willful misconduct of the City, its agents, contractors, subcontractors, vendors or employees. All maintenance, repairs and operations, shall be conducted in the manner set forth in this Agreement, and Provider shall reasonably accommodate and cooperate with the City to ensure the City's activities, facility uses, and scheduling requirements are not unreasonably impeded. Except to the extent any repair is due to the negligent act or willful misconduct of City its agents, contractors, subcontractors, vendors or employees Provider's repair work shall be limited to, any repair required as a result of damage caused by the Provider or its contractors, subcontractors or vendors, negligent acts or willful misconduct to the City's facilities. Provider is responsible for repairs and/or replacement of system components to the Solar Facility that are damaged from vandalism, theft or criminal activity except to the extent caused by the City, its agents, contractors, subcontractors, vendors or employees.

G. Prevailing Wages.

1. This Project is subject to compliance with the prevailing wage provisions of the California Labor Code including but not limited to Labor Code 1720.6 and the prevailing wage rate determinations of the Department of Industrial Relations. These rates are on file at the City's main office at the address or may be obtained online at <http://www.dir.ca.gov/dlsr>. A copy of these rates shall be posted at the job site by Provider. Provider and all contractors and subcontractor(s) under it, shall comply with all applicable Labor Code provisions, which include, but are not limited to the payment of not less than the required prevailing rates to all workers employed by them in the execution of this PPA and the employment of

apprentices and submission of certified payroll to the City. Provider hereby agrees to indemnify and hold harmless the City, its officials, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which the City, its officials, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with any applicable Labor Code provisions arising out of or in connection with the Project.

2. The Provider, its contractor(s) and subcontractor(s) shall keep or cause to be kept an accurate record for work on this Project showing the names, addresses, social security numbers, work classification, straight time and overtime hours worked and occupations of all laborers, workers and mechanics employed by them in connection with the performance of this Agreement or any subcontract thereunder, and showing also the actual per diem wage paid to each of such workers, which records shall be open at all reasonable hours to inspection by the City, its officers and agents and to the representatives of the Division of Labor Law Enforcement of the State Department of Industrial Relations.
3. This Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations in accordance with the provisions of Sections 1725.5, 1771.1, 1771.3, 1771.4, 1771.5, and 1771.7 of the Labor Code. This requirement applies regardless of whether the Project will use State funds. Pursuant to Labor Code section 1771.1, for any proposal submitted, or any contract for public work entered into, a contractor or subcontractor shall not be qualified to bid on, be listed in a proposal (subject to the requirements of Section 4104 of the Public Contract Code), or engage in the performance of any contract for public work, as defined by Division 2, Part 7, Chapter 1 (§§ 1720 et seq.) of the Labor Code, unless currently registered and qualified to perform public work pursuant to Section 1725.5 of the Labor Code. Provider shall post all required job site notices pursuant to the Labor Code and related regulations. Provider shall ensure that, to the extent required by law, that Provider and its contractors and subcontractors maintain current and ongoing registration status with the Department of Industrial Relations.
4. The Provider, its contractor(s) and subcontractor(s) shall submit records, including those specified in Labor Code Section 1776, to the Labor Commissioner as required by Sections 1771.4(a)(3), 1771.4(c)(2), and 1776 of the Labor Code. City may withhold \$100 for each calendar day after ten Days from Provider's receipt of a request to produce payroll records (as described in Labor Code §1776(a)) that Provider fails to produce such records.

6. Commercial Operation Date; Conditions Precedent; Notice to Proceed.

A. City's Conditions Precedent to Construction. Provider shall complete pre-construction activities relating to a Solar Facility as of the dates below or by the Construction Start Deadline if no date is indicated ("City's Construction Conditions Precedent"):

1. Prior to start of construction or any work on Site, Provider shall submit to City certificates of insurance and endorsements demonstrating compliance with the requirements defined in Section 17 of this Agreement.
2. Prior to the start of construction on Site, Provider shall submit to City a list of subcontractors, general scope, and contact information.

3. Within sixty (60) Days after the Effective Date, Provider shall undertake all commercially reasonable efforts to assess the capacity of the Distribution Utility facilities, including, but not limited to, the applicable transformer(s) and conductor(s) and provide a written assessment of such to the City.
4. Within sixty (60) Days after the Effective Date, Provider shall submit to City for approval a 90% completed design of the Solar Facility, a detailed construction and installation schedule and a detailed project safety plan. Provider's construction and installation schedule shall include start and completion dates for all categories of work on the Site, including but not limited to pre-construction activities, installation of major equipment and anticipated Site deliveries and all required submittal and procurement documentation.

B. Completion of City's Condition Precedent to Construction; Termination. If Provider is unable to timely complete any of the City Construction Conditions Precedent by the date indicated above and if the date is not indicated by the Construction Start Deadline, the City may, but is not required to, either (1) waive or extend such requirements in a written notice to Provider; or (2) terminate this Agreement with respect to the applicable Site without triggering the default provisions of this Agreement, including, but not limited to any default provision requiring the payment of the Termination Value, nor shall any such termination subject the City or Provider to any liability.

C. Provider's Conditions Precedent to Construction. Provider's obligations to install the Solar Facility and sell electric energy generated by the Solar Facility to the City are conditioned on the completion of the following conditions to Provider's reasonable satisfaction on or before the Construction Start Deadline:

1. Provider shall have completed a physical inspection of the Site including, if applicable, structural engineering and or geotechnical reviews as necessary to confirm the suitability of the Site for the Solar Facility;
2. Provider shall have received approval from Provider's financing parties of City and each of (i) this Agreement, (ii) the Real Property Documents as defined in Section 6.C.4. and (iii) the Construction Agreement (if any) for the Solar Facility. "Construction Agreement" as used in this subsection means an agreement between Provider and any contractor or subcontractor to install the Solar Facility;
3. If subsurface excavation is necessary for the Solar Facility, Provider shall have completed environmental due diligence with respect to the Site and such due diligence shall be to Provider's satisfaction;
4. Provider shall have received the Easement and any additional documents required thereunder (such documents together with the Easement, the "Real Property Documents") duly executed and delivered by City and any applicable third parties;
5. Provider shall have received results, satisfactory to Provider, of a recent search of City's jurisdiction of all effective UCC fixture and real property filings that have been made with respect to the Site;

6. Provider shall have obtained all necessary zoning, land use, environmental, building and other Permits from the applicable Governmental Authority necessary for Provider to perform its obligations under this Agreement;
7. Provider shall have executed all necessary agreements with the Distribution Utility for interconnection of the Solar Facility to the Site electrical system and/or the Distribution Utility's electric distribution system; and
8. Provider shall have received:
 - a. City's approval, in writing, of the Solar Facility design and, of material changes required by Governmental Authorities prior to the start of construction, if any, to the Solar Facility design specification set forth in Exhibit E;
 - b. Proof of insurance for all insurance required to be maintained by City under this Agreement; and
 - c. Written confirmation from any person holding a mortgage, lien or other encumbrance over the Site, or any portion thereof, that such person will recognize Provider's rights to the Solar Facility and under this Agreement and the applicable Easement.

D. If any of Provider's Conditions Precedent to Construction are not satisfied by the Construction Start Deadline, the Parties shall attempt in good faith to negotiate new dates for the satisfaction of the failed condition(s), or, if the Parties are unable to negotiate such new dates within thirty (30) days of Construction Start Deadline, then unless the conditions not then satisfied are waived in writing by Provider, Provider may terminate this Agreement with respect to the applicable Site upon ten (10) days written notice to the City, and neither Party shall have liability by reason of such termination.

E. As of the Effective Date, the City shall issue a notice to proceed to Provider ("Notice to Proceed"), authorizing Provider to proceed to complete the conditions precedent set forth above. Upon the timely satisfaction of the City's Construction Conditions Precedent, and Provider's Condition Precedent, the City shall promptly issue a Notice to Proceed to Provider, informing Provider that it may commence the construction of the Solar Facility on the Site. Provider shall not proceed with construction of the Solar Facility until it has received the Notice to Proceed, which shall not be unreasonably withheld, delayed or conditioned. As necessary, Provider shall promptly provide City with copies of all site assessments, received or generated by Provider in connection with this Agreement.

F. Construction; Commercial Operation. Promptly upon receipt of the Notice to Proceed from City, Provider shall commence construction of the Solar Facility and shall cause complete installation and start-up of Commercial Operation thereof on or before December 31, 2019 (the "Commercial Operation Deadline"). Prior to the Commercial Operation Deadline, Provider shall ensure that all necessary connections and equipment are installed in compliance with all applicable codes and standards, and that Provider has procured or caused the complete installation of all necessary equipment and protection devices to enable delivery of Output to the Delivery Point.

G. Commercial Operation.

1. The Commercial Operation Date shall occur on or before the Commercial Operation Deadline.
2. If Commercial Operation for a Solar Facility has not been achieved on or before the ninetieth (90th) day following the Commercial Operation Deadline, as may be extended by a Force Majeure or as mutually agreed to by the Parties (the “Outside Commercial Operation Date”), City may, but shall not be required to assess liquidated damages against Provider in an amount equal to \$500 for each calendar Day after the Outside Commercial Operation Date. (“Delay Liquidated Damages”) . Subject to clause 3 below the Parties agree that: (i) Delay Liquidated Damages is the City’s exclusive remedy and Provider’s sole liability for the damages resulting from Provider’s failure to meet the Outside Commercial Operation Date; (ii) are a reasonable pre-estimate of such damages City shall suffer as a result of delay based on circumstances existing at the time of this Agreement; and (iii) are to be assessed as liquidated damages and not as a penalty.
3. If Provider has not achieved Commercial Operation by the date that is six (6) months after the Commercial Operation Deadline, then either Party shall have the right to terminate this Agreement, and in such event the City’s sole and exclusive remedy and Provider’s sole and exclusive liability shall be the payment of Delay Liquidated Damages as provided above and the removal of the Solar Facility pursuant to Section 3.
4. Liquidated damages may also be applied to compensate the City for undue delays in the completion of punch list items, site clean-up, demobilization, and miscellaneous contractual obligations after Commercial Operation has been achieved. The cost to the City for administration, inspection, mileage, and other similar items would be extremely difficult to determine. For that reason, additional liquidated damages, known as “Administrative Delay Liquidated Damages” shall be imposed in the amount of \$250 per day, effective 60 days after Commercial Operation has been achieved for the applicable Solar Facility. Charges will be assessed until the City reasonably agrees that all outstanding work has been completed.

H. Extension of Commercial Operation Deadline. In addition to an extension due to a Force Majeure, Provider may request in writing an extension of the Commercial Operation Deadline. At the time of the request, Provider shall present City in writing with the reason for delay, confirmation that Commercial Operation shall commence within the requested extension time as well as valid and persuasive evidence demonstrating that the delay in achieving the Commercial Operation Deadline could not have been reasonably avoided by Provider. Provider’s written request must also state the date on which Provider reasonably believes Commercial Operation will be achieved following such extension.

F. Commercial Operation of Individual Sites. For the avoidance of doubt, when Solar Facilities are located on multiple unique Sites, Provider may, upon completion of the respective Solar Facility and all conditions precedent to Commercial Operation as applicable to an individual Site, including, but not limited to, obtaining approval from the Distribution Utility to operate the respective Solar Facility, provide and sell Output to the City through the Site’s Delivery Point utilizing the Contract Year 1 Power Price as set forth on Exhibit B.

G. Notice of Damage. Each Party shall promptly notify the other Party of any matters it is aware of pertaining to any damage to or loss of the use of any Solar Facility or that could reasonably be expected to adversely affect any Solar Facility.

7. Ownership of Solar Facilities, Output, Green Attributes and Environmental Financial Incentives.

A. Ownership of Solar Facilities. Title to the Solar Facilities shall remain with Provider during the Term unless and until City exercises its option to purchase the Solar Facilities as set forth herein. None of the Solar Facilities, including, but not limited to any components thereof may be sold, leased, assigned, mortgaged, pledged or otherwise alienated or encumbered by City. City shall not directly or indirectly cause, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, security interest, encumbrance or any other claim of any nature on or with respect to the Solar Facility or interest therein City shall promptly notify Provider in writing of the existence of any such exist any mortgage, pledge, lien, charge, security interest, encumbrance or any other claim and shall promptly cause the same to discharged and released of record without cost to Provider. Provider shall bear all risk of loss with respect to the Solar Facilities, except for losses arising from the negligence or willful acts or omissions by City or its agents, contractors, subcontractor, vendors or employees. Provider shall be solely responsible for the Solar Facility' operation and maintenance in compliance with all applicable laws, regulations and Permits. Provider shall not be responsible for the cost or expense of any maintenance or repair required as a direct result of the City's or its agents, contractors, subcontractors or employee's negligence or willful misconduct.

B. Ownership of Output, Green Attributes and Environmental Financial Incentives. Provider is the exclusive owner of any Environmental Financial Incentives associated with the construction, ownership and operation of the Solar Facilities. City will assign its interest (if any) in all such credits and other financial incentives to Provider. Provider is the exclusive owner of, and may assign or sell in its sole discretion, all Green Attributes, including, but not limited to, Renewable Energy Certificates ("REC"), and REC Reporting Rights, attributable to the Solar Facilities and the Output therefrom. Without additional charge to City, Provider shall take and bear the costs of all steps necessary to secure and perfect interest in the Green Attributes, including, but not limited to, registering the RECs with WREGIS.

8. Payment.

A. Invoices. Provider shall provide an invoice for each Solar Facility to the City on a monthly basis, by the 15th day of each calendar month following the Commercial Operation Date of the Solar Facility. Each invoice will set forth (i) the Output delivered to City in the preceding month, (ii) the Power Price for such month, (iii) the total amount to be paid by City to Provider for Output delivered in the preceding month, (iv) the year and month of the Term of this PPA, (v) Annual Production Estimate for the relevant year as set forth in Exhibit B, (v) running total of Annual Production Estimate for the relevant year as set forth in Exhibit B versus cumulated actual Output for the relevant year, (vi) and any applicable offsets or credits to such invoice amounts.

B. Due Date. The Power Price and all other payments shall be in U.S. Dollars and paid by wire transfer, check pursuant to Exhibit H, or automated check handling (ACH) payment delivered to Provider at the address specified herein within forty-five (45) Days of the date the invoice is received by the City (“Due Date”). If the Due Date is a weekend or a bank holiday, payment will be due the next following business day.

C. Payment Disputes. In the event a Party disputes all or a portion of an invoice, or any other claim or adjustment arises, such disputes shall be resolved pursuant to Section 15.

9. **Purchase Option.**

A. Purchase of Solar Facilities. Unless City is in default of its obligations under this Agreement, City shall have the option to purchase (“Purchase Option”) all of Provider’s right, title, and interest in and to each Solar Facility on the seventh (7th), tenth (10th) and fifteenth (15th) anniversaries of the Commercial Operation Date or upon expiration of the Term hereof (each a “Purchase Option Date”). Subject to the terms herein, if the City decides to exercise its Purchase Option for the Christopher Way Solar Facility, the City shall then exercise its Purchase Option for the City Hall Solar Facility and Community Center Solar Facility. If City wishes to exercise its Purchase Option, it must provide notice to Provider at least ninety (90) Days in advance of any such anniversary or the expiration of the Term. The purchase price for each Solar Facility shall be the greater of (1) the Fair Market Value, as defined under Section 9.B., of the Solar Facility as of the Purchase Option Date or (2) the applicable Solar Facility Purchase Option Price indicated on Exhibit D. Upon the exercise of the Purchase Option and Provider’s receipt of all amounts then owing by City under this Agreement, the Parties will execute all documents necessary for the purchase and sale of the Solar Facility, including but not limited to, the delivery of the purchase price, the transfer of title to the Solar Facility, and to the extent transferable, the remaining period, if any, on all warranties and Environmental Financial Incentives and Green Attributes for the Solar Facility to City. Provider shall remove any encumbrances placed or allowed on the Solar Facility by Provider. On the date on which Provider transfers title to the Solar Facility to City and Provider has received payment in accordance with this Section, this Agreement shall terminate without default or penalty to City or Provider with respect to such Solar Facility.

B. Fair Market Value. The “Fair Market Value” of the Solar Facilities shall be the value thereof as determined by a nationally recognized independent appraiser selected by the Parties, with experience and expertise in the solar photovoltaic industry to value such equipment. The Fair Market Value of the Solar Facilities shall be based upon its fair market value in continued use. The valuation made by the appraiser shall be binding on the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by the Parties equally. If the Parties are unable to agree on the selection of an appraiser, then each Party shall appoint a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry to, and such appraisers shall together promptly appoint a third nationally recognized neutral independent appraiser. The three appraisers shall determine the Fair Market Value within thirty (30) days following such appointment, and if the three appraisers cannot agree on an appraisal, then the lowest and highest of the appraised amount shall be disregarded, and the third appraisal shall be used.

10. Early Termination, Change in Law

A. Change in Law.

If prior to expiration of the Term upon the occurrence of a Change In Law the Parties shall negotiate in good faith to attempt to agree upon an equitable adjustment to the Power Price for the remainder of the Term to compensate Provider for such increased cost. If Parties are unable to come to an agreement either Party may seek dispute resolution under Section 15. Notwithstanding the foregoing, in the event of a Change In Law the City shall have the option to terminate this Agreement upon payment of the Termination Value plus reasonable and documented costs and expenses to remove the Solar Facility in accordance with Section 3 applicable to such Site.

Change In Law shall mean an unstayed order of a court or administrative agency, or a change in federal law or regulation, imposing a substantial cost, (iii) regulation or other requirement upon the sale of Output that (1) is generally applicable to similarly situated electric generating facilities and (2) increases the capital, financing, operating or maintenance costs of the Solar Facility, or (3) otherwise has a material adverse effect on the cost to Provider of performing its obligations under this Agreement

B. City's Early Termination Rights. (1) If City ceases to conduct operations at or vacates a Site, Provider may, but shall not be required to, deem City in default of this Agreement; (2) City may, upon payment to Provider of the Termination Value plus reasonable and documented costs and expenses to remove the Solar Facility in accordance with Section 3 applicable to such Sites and without further penalty hereunder, terminate this Agreement solely as to the Sites affected. Subject to City's payment for the removal of the Solar System, Provider shall remove the Solar Facility at the affected Sites in accordance with Section 3. Furthermore, if the City exercises its early termination right for the Christopher Way Solar Facility under this Section 10.B., the City shall also exercise its right to terminate under this Section 10.B. the City Hall Solar Facility and Community Center Solar Facility such termination shall occur upon the City's payment of the Termination Value and documented costs and expenses to remove the Solar Facility in accordance with Section 3 from such Sites.

11. Delivery; Risk of Loss; Relocation.

A. Output Specifications. Provider shall ensure that all energy generated by the Solar Facilities conforms to Distribution Utility specifications for energy being generated and delivered to the Sites' electric distribution systems, which shall include the installation of proper power conditioning and safety equipment, submittal of necessary specifications, coordination of Distribution Utility testing and verification, and all related costs.

B. Transfer of Output. Provider shall be responsible for the delivery of Output to the Delivery Point. Title and risk of loss of the Output shall pass from Provider to City upon delivery of the Output to the Delivery Point. To the extent applicable to the Site, prior to the start of construction of the Solar Facility, Provider shall use commercially reasonable efforts to assist City in selection of equipment required or desired on City's side of any Delivery Point.

C. Relocation.

1. On or after the seventh (7th) anniversary of the Commercial Operation Date, City may, at its option, require that a Solar Facility be permanently relocated, either on an existing Site or to another site owned and operated by City, at a location with at least equal Insolation to the existing Site and reasonably acceptable to both Parties (the "Relocation Site"). City shall give Provider at least sixty (60) calendar Days' notice of City's need to move or relocate the Solar Facility. Following agreement on a Relocation Site, the Parties will amend this Agreement and other relevant documents to memorialize the required changes in the definition of "Sites".
2. City shall pay the reasonable costs and expenses arising in connection with the relocation of the Solar Facility, including but not limited to removal costs, necessary storage costs, re-installation, re-commissioning costs, development costs and expenses, any applicable interconnection fees and Distribution Utility system upgrade charges. City shall additionally compensate Provider for any revenue during the period in which energy cannot be generated and delivered to City from the Solar Facilities being relocated, at the City Suspension Rate (as defined herein), prorated as needed to apply on a daily basis. City shall also execute such consents or releases reasonably required by Provider or Provider's financing Parties in connection with the relocation. Within thirty (30) Days of agreement on a Relocation Site, Provider will provide City with a calculation of the estimated time required for such relocation, and the total anticipated amount of lost revenues and additional costs to be incurred by Provider as a result of such relocation. City will have twenty (20) Days to review the calculation and make, in writing, any objections to the calculation.
3. In the event that an acceptable Relocation Site for a Solar Facility cannot be agreed upon, either Party shall have the right to terminate this Agreement if the Relocation Site cannot be agreed upon within sixty (60) days of City's initial request to relocate the Solar Facility and prior to such termination, City shall pay Provider an amount equal to the Termination Value for the Site requiring termination plus documented removal costs and expenses. In the event of a termination occurring under this Section, Provider shall at the City's cost and expense remove the Solar Facility and restore the Site in accordance with Section 3. If the Chrispother Way Site is terminated pursuant to this Section 11.C. (2) the City Hall Site and Community Center Site will terminate as well upon the City's payment of the Termination Value and documented removal costs and expenses for each Site.

D. Temporary Suspension by City. Notwithstanding any other provision of this Agreement, City shall have the right, upon forty-eight (48) hours written notice to Provider, to temporarily suspend operations and facility Output for any reason. City shall have the right, upon written notice to Provider, to temporarily render each Solar Facility non-operational for five (5) twelve (12) hour periods over the Term without penalty or charge by Provider. Additionally, the City may perform work at night provided the work starts after sunset and ends prior to sunrise such that the Solar Facility is operational during all day light hours. If City requires temporary suspension of any Solar Facility for more than such five (5) twelve (12) hour periods over the Term, City shall pay to Provider for the energy production of the Solar Facility that, in Provider's reasonable estimation as provided below, would have been delivered to City from the operation of the Solar Facility in the absence of a failure of the Site to accept the energy produced and delivered by the Solar Facility ("**Deemed Delivered Energy**") and compensating Provider for lost revenues or other benefits from Environmental Financial Incentives and Green Attributes from such Deemed Delivered Energy (collectively, with the Deemed Delivered Energy the "City Suspension Rate"). Provider's estimation of Deemed Delivered Energy will be based on (a) past energy output delivery by the Solar Facility during the preceding similar period of Solar Facility operation of the same length as the period of Deemed Energy Delivery and under similar conditions if such information is available or (b) if such information is not available, based upon any other relevant information or bases which may reasonably be available to the Parties and used for such purpose in the circumstances and consistent with good solar industry practices. Each Party shall promptly notify the other of any condition at the Site of which it is aware pertaining to any damage to or loss of use of the Solar Facility or that could reasonably be expected to adversely affect the Solar Facility. Regardless of whether maintenance and repairs are made in the ordinary course or in an emergency, all maintenance and repairs shall be carried out in a manner that minimizes the impact on the Solar Facility. City is fully responsible for the routine maintenance and repair of the Site's electrical system (with the exception of the Solar Facility) and of all of City's equipment that utilizes the Solar Facility's outputs. A failure of the Site to accept energy produced by the Solar Facility (whether due to a failure in City's electrical system, maintenance or otherwise), beyond the five (5) twelve (12) hour periods above, will not excuse City from paying the City Suspension Rate.

E. Temporary Suspension by Provider. Provider shall have the right, upon written notice to City, to temporarily render each Solar Facility non-operational for up to ninety-six (96) hours per year without penalty or charge by City. If Provider renders any Solar Facilities non-operational for a period in excess of ninety-six (96) hours, Provider shall pay to City a monthly payment (prorated as needed) equal to the difference between the cost to City of purchasing energy from the Distribution Utility during the Solar Facilities' period of non-operation and the average monthly cost of power purchased under this Agreement for the preceding twelve (12) months, or for the entire period the Solar Facilities have been in Commercial Operation if less than twelve (12) months, for the period of time during which the Solar Facilities are non-operational.

F. Change in Conditions. If City requests an increase in the Output delivered to the Sites, the Parties agree to use good faith efforts to increase such capacity. If Provider and City are not able to reach an agreement for such additional Output, City may, at its sole discretion, obtain the services of a third party for such purposes, provided that such additional third party provided services and any site access license shall not interfere with Provider's right, title and interest in the Solar Facilities under this Agreement and shall not interfere with the Solar Facility or the Insolation available to the Solar Facility.

G. No Alterations.

1. Provider shall make no alteration to any Solar Facility after the Commercial Operation Date intended or reasonably anticipated to permanently increase the nameplate capacity or Output of the Solar Facility without express written approval by the City. Notwithstanding the foregoing, Provider may alter the Solar Facility's nameplate capacity on a temporary basis when performing maintenance and repair activities provided that Provider returns the Solar Facility's nameplate capacity to that as of the Effective Date upon the completion of such activities.
2. City shall not make any alterations or repairs to the Site which could adversely affect the operation and maintenance of the Solar Facility without Provider's prior written consent. If City wishes to make such alterations or repairs, City shall give prior written notice to Provider, setting forth the work to be undertaken (except for emergency repairs, for which notice may be given within 24-hours), and give Provider the opportunity to advise City in making such alterations or repairs in a manner that avoids damage to the Solar Facility, but, notwithstanding any such advice, City shall be responsible for all damage to the Solar Facility caused by City's or its agents, contractor's, subcontractors, vendors, employees acts or omissions or breach of this Agreement or the Easement. To the extent that temporary disconnection or removal of the Solar Facility is necessary for City to perform such alterations or repairs, such work and any replacement of the Solar Facility after completion of City's alterations and repairs, shall be done by Provider or its contractors at City's cost, and City shall pay Provider the City Suspension Rate that Provider would have received from the Solar Facility during any time that the Solar Facility is not operating due to such disconnection. All of City's alterations and repairs shall be done in a good and workmanlike manner and in compliance with all Applicable Laws.

12. Metering.

A. Meter.

Provider shall provide and maintain a standard revenue grade meter and electronic data acquisition system at each Delivery Point (each a "Meter", collectively "Meters") to measure the actual amount of electricity supplied to the City by each Solar Facility on a continuous basis. Meters shall be installed and maintained at Provider's sole expense and shall be located within close proximity to the Delivery Point, and in any case on the Distribution Utility side of all Provider's transformers and all other major electrical losses within the Solar Facility.

B. Meter Testing. Provider shall arrange for all Meters to be tested once per year, at least three (3) months prior to the end of City's fiscal year. The tests shall be conducted by independent third parties who are qualified to conduct such tests. Provider shall bear all costs and expenses associated with annual Meter testing. City shall be notified ten (10) Days in advance of such tests and shall have a right to be present during such tests. Provider shall provide City with the detailed results of all Meter tests. In addition, the Meters shall be inspected and tested for accuracy at such other times as City may reasonably request, but in no event more than once every six (6) month period. City shall bear the cost of the additionally requested Meter testing, unless such test shows that a Meter was inaccurate by more than two percent (2%), in which case the Provider shall bear the Meter testing costs.

C. Cost of Meter Repair. If the Meter testing demonstrates that a Meter was operating outside of its allowable calibration (+/- 2%), then the Provider will pay for the cost of the repairs, or replacement, necessary to restore a Meter to proper working order. If a Meter is found to be inaccurate by more than two percent (2%), Invoices from the prior six (6) months, or from the last time such Meter was registering accurately, whichever is less, shall be adjusted and calculated based on the inaccuracy of the meter as tested; any payments or credits shall be dealt with in accordance with Section 8, except that City shall not be obligated to pay interest on any amount found to be due because Meter was operating outside of its allowable calibration (+/- 2%). Provider shall submit any request for an adjustment in a fiscal year to City no later than two (2) months prior to the end of City's fiscal year on June 30, and City shall not be obligated to pay any adjustment for a prior fiscal year that was not submitted to City within two months of the end of such prior fiscal year on June 30. City may withhold payments to Provider if a Meter has registered production in excess of 2% of the Output delivered to City and Provider fails to provide City with the appropriate payment pursuant to Section 8 for the amount which the City overpaid to Provider as a result of the Meter being outside of the established calibration range.

D. Meter Data. Provider shall gather, maintain and own the data from a Meter, including but not limited to interval data registered at least once every fifteen (15) minutes (the "Meter Data") and shall make such Meter Data available to City or maintain the Meter Data such that the City can access the Meter Data remotely through a secure internet site or such other remote access as the Parties mutually agree to. The City may use the data and any derivative data created by City for display, advertising and or reports.

E. Meter Data Audit. City shall have the right to audit the invoices and/or the Meter Data once per calendar year per Solar Facilities. If the audit reveals that City has been overcharged by more than two percent (2%), Provider shall bear the cost of such audit, but in all other cases City shall bear the cost of such audit. If it is determined that the Meter was operating outside of its allowable calibration, the Parties shall also evaluate whether any adjustments to the amount of Output will result in a shortfall under the Guaranteed Production.

F. Maintenance of Meter Data. The Parties shall maintain all records related to invoices and Meter Data for a period of the greater of (i) 48 months from the date of such invoice or Meter Data, or (ii) as otherwise required by law. Such records shall be available for audit as described in above.

13. Representations, Warranties and Covenants.

A. Authorization and Enforceability. Each Party represents to the other Party as of the Effective Date that: (i) such Party is duly organized, validly existing and in good standing under the laws of the state of its formation; (ii) the execution and delivery by such Party of, and the performance of its obligations under, this Agreement has been duly authorized by all necessary action, does not and will not require any further consent or approval of any other Person, and does not contravene any provision of, or constitute a default under such Party's organizational documents; and (iii) this Agreement constitutes the legal and valid obligation of such Party, enforceable against such Party in accordance with its terms, except as may be limited by bankruptcy, reorganization, insolvency, bank moratorium or similar laws relating to or affecting creditors' rights generally and general principles of equity, whether such enforceability is considered in a proceeding in equity or at law.

B. City represents and warrants to Provider:

1. that no electricity generated and delivered to the Site will be used to heat a swimming pool;
2. City is not a public electric utility or public electric utility holding company and is not subject to regulation as a public electric utility or a public electric utility holding company.
3. Except as disclosed by the City, to their knowledge there are no Hazardous Substances that exist in the areas on or near the Site where the Provider will undertake to install, operate, maintain or repair the Solar Facility; and
4. The Award of the City of Lathrop RFP for Solar Facilities issued on October 9, 2018 is in full force and effect; and (b) all obligations of the Provider under the RFP referenced in this Section have been satisfied to date, (c) all required approvals for the City's execution, delivery and performance of this Agreement have been satisfied in full and are in full force and effect and not subject to challenge, including pursuant to Gov. Code §§ 4217.10 – 4217.18.

14. Default and Remedies.

A. Events of Default. In the event of a Party's breach of a material obligation, or representation, or warranty under this Agreement, the non-defaulting Party shall provide the defaulting Party with written notice of the default, which notice shall describe the default in reasonable detail. Following the date of receipt of written notice of default, the defaulting Party shall have thirty (30) Days to cure any payment default and forty-five (45) days to cure any other breach or default described in this Agreement; provided, however, that with respect to a non-payment default, the cure period shall be extended by the number of days (not to exceed an additional ninety (90) Day period if the defaulting Party is using commercially reasonable efforts to cure the default. Notwithstanding the foregoing cure period, if the default requires equipment, among other things, to cure the default of equipment the cure period may be extended beyond the 90 Day period if, the defaulting Party provides evidence that (i) the equipment has been ordered and (ii) the delay in receiving the equipment is due to manufacturer's lead-time or delay.

B. Additional Events of Default. In addition to the foregoing, with respect to a Party, there shall be an event of default if:

1. such Party concedes in writing to its inability to pay its debts generally as they become due;
2. such Party files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any State, City or territory thereof;
3. such Party makes an assignment for the benefit of creditors in connection with bankruptcy proceedings;
4. such Party consents to the appointment of a receiver of the whole or any substantial part of its assets;
5. such Party has a petition in bankruptcy filed against it, and such petition is not dismissed within 60 Days after the filing thereof;
6. a court of competent jurisdiction enters an order, judgment, or decree appointing a receiver of the whole or any substantial part of such Party's assets, and such order, judgment or decree is not vacated or set aside or stayed within 60 Days from the date of entry thereof;
7. under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the whole or any substantial part of such Party's assets and such custody or control is not terminated or stayed within 60 Days from the date of assumption of such custody or control;
8. such Party ceased its legal existence or ceases doing business or otherwise dissolves.

C. Provider Remedies. If an event of default by City under Sections 14.A. or 14.B. has occurred and is continuing with respect to a Site, then following the expiration of any applicable cure period, Provider may at its discretion: (i) suspend performance under this Agreement with respect to such Site, (ii) seek damages as provided herein, or specific performance pursuant to Section 15 and/or (iii) terminate this Agreement with respect to such Site, and as Provider's sole and exclusive remedy in connection with such termination, require City to pay to Provider as liquidated damages, and not as a penalty, the Termination Value for the Solar Facility plus documented removal costs and expenses, and any and all amounts then owed Provider for Output

delivered to City as of the date of such termination pursuant to this Agreement. In the event of such termination, Provider shall remove the Solar Facility in accordance with Section 3, subject to City payment of any removal costs and expenses. Notwithstanding anything herein to the contrary in the event Provider terminates this Agreement under this Section 14 with respect to Christopher Way Site, then this Agreement shall also terminate with respect to the City Hall Site and Community Center Site and Provider shall be entitled to the remedies set forth in this Section 14.C. with respect to the City Hall Site and the Community Center Site.

D. City Remedies. If an event of default by Provider under Sections 14.A. or 14.B. has occurred and is continuing with respect to a Site, then following the expiration of any applicable cure period, City may at its discretion: (i) suspend performance under this Agreement with respect to such Site except for any payment for Output delivered, (ii) seek damages as provided herein, /or specific performance pursuant to Section 15 and/or (iii) terminate this Agreement with respect to such Site. In the event that City terminates this Agreement pursuant to this Section 10, City may, elect to either (a) purchase the Solar Facilities at Fair Market Value as of the time of the event of as City's sole and exclusive remedy (excluding any liquidated damages owed as of such date by Provider and excluding any obligation of Provider to indemnify under Section 17) or (b) require Provider to remove the Solar Facilities within one hundred eighty (180) Days at Provider's sole cost and expense and restore the Site as required in Section 3.

15. Dispute Resolution.

A. Disputes. The Parties agree to make a good faith attempt to resolve any and all controversies, claims, disagreements, or disputes between the Parties arising out of or related to this Agreement ("Dispute"). In the event of any Dispute, either Party may give notice of the dispute to the other Party. In the event a Party Disputes all or a portion of an invoice or other payment, the disputing Party shall timely pay any undisputed portion of such amount due. The Parties shall first use good faith, reasonable, diligent efforts to resolve the dispute within ninety (90) Days from the date of such notice. If the Parties do not resolve their dispute within ninety (90) Days of notice, then the Parties may, upon mutual agreement, submit the Dispute to mediation before a mutually agreed upon mediator under the then current mediation rules of the American Arbitration Association. If the Parties cannot resolve the Dispute within sixty (60) days of the commencement of the mediation or such longer period as may be agreed upon by the Parties, either Party may refer the Dispute to arbitration pursuant to the terms set forth below.

B. Arbitration. In the event any Dispute is not settled to the mutual satisfaction of the Parties pursuant to Section 15 above, the Dispute shall then be settled by final, binding arbitration pursuant to the U.S. Federal Arbitration Act, 9 U.S.C. Section 1 et seq., in accordance with the American Arbitration Association Commercial Arbitration Rules. The Parties shall mutually select one arbitrator. In the event the Parties are unable to agree on an arbitrator, an arbitrator will be appointed by the American Arbitration Association in accordance with its rules. All arbitration proceedings will take in San Joaquin County, California. The arbitrator will be entitled to award monetary and equitable relief, including specific performance and other injunctive relief; provided, however, that only damages allowed pursuant to this Agreement may be awarded. Except as otherwise expressly provided in this Section 15., each Party will bear the expenses of its own counsel and will jointly bear the expenses of the arbitrator. The Parties agree that the arbitrator will include, as an item of damages, the costs of arbitration, including reasonable legal fees and

expenses, incurred by the prevailing party if the arbitrator determines that either (i) the non-prevailing Party did not act in good faith when disputing its liability hereunder to the prevailing Party or when initiating a claim against the prevailing Party; or (ii) the prevailing Party has had to resort to arbitration with respect to a substantially similar claim more than twice in any thirty-six (36) month period. Should it become necessary to resort or respond to court proceedings to enforce a Party's compliance with this Section 15.A, such proceedings will be brought in accordance with Section 22.I below. If the court directs or otherwise requires compliance herewith, then all costs and expenses, including reasonable attorneys' fees incurred by the Party requesting such compliance, will be reimbursed by the non-complying Party to the requesting Party

16. Taxes; Liens.

A. Taxes. City shall pay Provider for any Taxes assessed on the sale, purchase delivery or consumption of electric energy produced by the Solar Facility and delivered to the Delivery Point. City shall be responsible for and pay any Taxes which are assessed, levied, charged or imposed by any public authority against or relating to the Site and all improvements thereon (excluding the Solar Facility). For purposes of this Section 16. A, "**Taxes**" means any federal, state and local tax, including property (real and personal), occupation, generation, privilege, sales, use, consumption, excise, transaction, and other taxes, regulatory fees, surcharges or other similar charges, but shall not include any income taxes or similar taxes imposed on Provider's revenues due to the sale of energy under this Agreement, which shall be Provider's responsibility. Provider shall be responsible for Taxes and duties related to purchase and importation of materials and components necessary to construct the Solar Facility taxes based on or related to income, receipts, capital or net worth of the Provider, Provider's contractors', or its subcontractors' labor and income. Provider shall be responsible for all income, gross receipts, and all, personal property or real property taxes directly levied on the Solar Facility or other similar taxes and any and all franchise fees or similar fees assessed against Provider due its ownership of the Solar Facility.

B. Liens. Provider shall not directly or indirectly cause, create, incur, assume or suffer to exist any liens on or with respect to the Site(s) or City's interest therein. If Provider breaches its obligations under this Section, it shall immediately notify the City in writing, shall promptly cause such lien to be discharged and released of record without cost to City, and shall defend and indemnify City against all costs and expenses (including reasonable attorneys' fees and court costs at trial and on appeal) incurred in discharging and releasing such lien.

17. Liability and Indemnity; Insurance.

A. Indemnity.

1. To the fullest extent provided for by law, each Party ("Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party, its directors, officers, employees, and agents (each, an "Indemnified Party") from and against any and all third party claims, including demands, actions, direct damages, direct loss, direct costs, expenses, and attorney's fees (collectively, "Indemnity Claims"), arising out of or resulting from any, gross negligent act, fraud, or intentional misconduct by the Indemnifying Party or its trustees, directors, officers, employees, contractors, subcontractors or agents under the terms of this Agreement; provided, however, that the Indemnifying Party will not have any obligation to indemnify the Indemnified

Party from or against any Indemnity Claims to the extent caused by, resulting from, relating to or arising out of the gross negligent act, fraud, or intentional misconduct by Indemnified Party or any of trustees, directors, officers, employees, contractors, subcontractors or agents. This Section 17 A. shall not apply to liability arising from Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section B below.

2. The Indemnified Party determines that it is entitled to defense and indemnification under this Section, such Indemnified Party shall promptly notify the Indemnifying Party in writing of the Indemnity Claim and provide all reasonably necessary or useful information, and authority to settle and/or defend Indemnity Claim. No settlement that would impose costs or expense upon the Indemnified Party shall be made without such Party's written consent. Failure to deliver notice under this Section 17A.2, to an Indemnifying Party shall not relieve an Indemnifying Party of its obligations hereunder except the extent such failure shall have materially prejudiced the Indemnifying Party.

B. Environmental Indemnification. Provider shall indemnify, defend and hold harmless all of City's Indemnified Parties from and against all Indemnity Claims arising out of or relating to the existence at, on, above, below or near the Site of any Hazardous Substance (as defined in Section 17.C.) to the extent deposited, spilled or otherwise caused by Provider or any of its contractors or agents. City shall indemnify, defend and hold harmless all of Provider's Indemnified Parties from and against all Indemnity Claims arising out of or relating to the existence at, on, above, below or near the Site of any Hazardous Substance, except to the extent deposited, spilled or otherwise caused by Provider or any of its contractors or agents. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Site generally or any deposit, spill or release of any Hazardous Substance.

C. "Hazardous Substance" means any chemical, waste or other substance (i) which now or hereafter becomes defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollution," "pollutants," "regulated substances," or words of similar import under any Environmental Laws, (ii) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (iii) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (iv) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (v) for which remediation or cleanup is required by any Governmental Authority.

D. "Environmental Law" means any applicable federal, state, municipal or local law, statute, rule, regulation, ordinance, code, judgment, decree or decision implementing any of the foregoing by any Governmental Authority relating to (i) the protection of the air, water, land or natural resources or (ii) the generation, use, handling, treatment, storage, disposal and transportation of Hazardous Substance.

E. Insurance.

1. Provider Insurance. At all times during the term of the PPA, and any necessary extension thereof for removal of the Solar Facilities from the Property, Provider shall obtain, maintain and keep in full force and effect the following insurance for coverage of all of its obligations and associated activities under this Agreement, including but not limited to its use and occupancy of the Site(s), and the construction, installation, operation, maintenance and repair of the Solar Facilities, in the amounts, and with the conditions required, as set forth herein. Each policy required in b,c, and d below shall include the City as an Additional Insured for both ongoing and completed operations as it pertains to b, and shall be primary and non-contributory as to any other coverage available to the additional insured. Provider shall, within thirty (30) days of the Effective Date of this Agreement and annually thereafter, provide certificates of insurance demonstrating compliance with the requirements of this Section.
 - a. Workers' Compensation Insurance for Provider's employees to the extent of statutory limits and Employer's Liability Insurance with a limit of \$1,000,000 per injury or disease.
 - b. Commercial General Liability Insurance with a limit of \$2,000,000 per occurrence and \$5,000,000 in the aggregate covering liability for Bodily Injury, Personal and Advertising Injury and Property Damage Liability, including coverage for Contractual Liability and Products and Completed Operations Liability.
 - c. Automobile Liability Insurance with a combined single limit of \$2,000,000
 - d. Excess Liability Insurance in an aggregate amount of \$5,000,000 providing greater limits of insurance to Provider's Employer's Liability, Commercial General Liability and Automobile Liability Insurance which also shall not be more restrictive than coverage provided by these underlying policies.
 - e. Builder's Risk/Installation Floater/ Property Insurance in a sufficient amount to protect Provider's property, materials, tools and other financial interests on the Project.
2. City Insurance and other Requirements. The City represents that it maintains and covenants that it shall maintain during the Term (i) insurance sufficient to insure it against loss or destruction of the Site(s), including losses occasioned by operation of the Solar Facilities, and (ii) general liability insurance including bodily injury, property damage, contractual and personal injury. Notwithstanding the foregoing, City reserves the right to self-insure.
 - (C) Waiver of Subrogation. Each Party shall waive its rights of subrogation against the other Party and cause each insurance policy obtained by them to include a waiver of subrogation or waiver of the transfer of rights of recovery against the other Party by the insurer in connection with any damage covered by any policy of such Party.

- (D) Provider shall require and verify that all of its subcontractors maintain insurance meeting all of the requirements stated herein.

F. Limitations of Liability.

1. No Consequential Damages. EXCEPT WITH RESPECT TO PAYMENT OF A CITY'S TERMINATION PAYMENT, CITY'S SUSPENSION RATE, DEEMED DELIVERED ENERGY, PROVIDER'S DELAY LIQUIDATED DAMAGES, OR IN CONNECTION WITH THIRD-PARTY INDEMNIFICATION CLAIMS, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, PUNITIVE, EXEMPLARY, INDIRECT OR CONSEQUENTIAL DAMAGES ARISING OUT OF, OR IN CONNECTION WITH, THIS AGREEMENT.

2. Actual Damages. Notwithstanding anything herein to the contrary, Provider's aggregate liability under this Agreement arising out of or in connection with the performance or non-performance of this Agreement including the Easements shall not exceed an amount equal Three Million Seven Hundred Thousand Dollars (\$3,700,000) (such amount, the "Provider Liability Cap"). The provisions of this Section 17.F. shall apply whether such liability arises in contract, tort (including negligence), strict liability or otherwise. Any action against Provider must be brought within one (1) year after the cause of action accrues.

3. TO THE EXTENT ENFORCEABLE UNDER APPLICABLE LAW, EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR PROVIDER TO ENTER INTO THIS AGREEMENT.

18. Easement. City shall grant to Provider an easement for the sole purpose of access to, on, over, under and across the Site for the purposes of undertaking the work required by Provider under this Agreement, including: installing, constructing, inspecting, operating, owning, maintaining, accessing, repairing, removing and replacing the Solar Facility (the "Easement"). City shall not conduct activities around the Solar Facility that have a reasonable likelihood of causing damage or impairment to the Solar Facility as a result of activities outside of the normal intended use.

19. Assignment; Cooperation with Financing.

A. Assignment by Provider. Except as expressly provided in this Agreement, Provider may not sell, transfer, or assign its rights under this Agreement or any right, interest, or obligation therein (collectively, an "Assignment"), without the prior written consent of City, which consent may not be unreasonably withheld, conditioned or delayed, provided that any assignee possesses all required skills, knowledge, expertise, experience, and financial capacity necessary to perform Provider's obligations under this Agreement, and assumes in writing the obligations of Provider under this Agreement. Provider shall provide City with no less than sixty (60) Days' notice of the request to transfer ownership of the Project. Notice shall include, but not be limited to, the following details of the proposed owner: Experience with PPA's and current portfolio; financial capacity to complete the Project; Proof of insurance, meeting Purchaser requirements and naming the Purchaser; Confirmation of operations and maintenance provider and outline of operations and maintenance program if different from existing; Details and example of annual report and invoicing; and Confirmation that all terms under this Agreement and any related documents and agreements will be performed. Notwithstanding the foregoing, Provider may, without the prior written consent of City, (i) assign, mortgage, pledge or otherwise collaterally assign its interests in this Agreement to any Secured Party (as defined herein) in connection with any financing for the ownership, acquisition, construction, operation or use of the Solar Facilities as set forth in subsection B, or (ii) assign this Agreement to an affiliate of Provider which is controlled by Provider or under common control with Provider (iii) assign this Agreement and the Solar Facility to any person succeeding to all or substantially all of the assets of Provider (provided that Provider shall be released from liability hereunder as a result of any of the foregoing permitted assignments only upon assumption of Provider's obligations hereunder by the assignee). This Agreement shall be binding on and inure to the benefit of the successors and permitted assignees.

B. Collateral Assignment by Provider for Financing Purposes. In the event Provider assigns its rights under this Agreement as security in connection with any financing transaction entered into by Provider, Provider may mortgage or grant a security interest in this Agreement and the Solar Facilities, and may collaterally assign this Agreement and the Solar Facilities to any mortgagees or holders of security interests, including their successors or assigns (hereinafter collectively referred to as "Secured Parties"), provided that any such collateral assignment of this Agreement by Provider shall not release Provider from its obligations or liabilities under this Agreement. City agrees to not unreasonably withhold, condition or delay its compliance with any reasonable request that City execute any consent, estoppel agreement or other documents related to such financing transaction as may reasonably be required by such Secured Parties.

C. Assignment by City. Except as otherwise provided in this Agreement, City may assign its rights under this Agreement only upon the prior written consent of Provider, which consent may not be unreasonably withheld, conditioned or delayed; provided that any such assignee (a) is of equal or greater creditworthiness than City and (b) assumes in writing the obligations of City under this Agreement. If the City wishes to exercise its assignment option for the Christopher Way Solar Facility, the City is then required to assign the City Hall and Community Center Solar Facilities as well to the same party.

20. Confidentiality; Publicity.

A. Confidential Information. Any financial, statistical, personal, technical and other data and information relating to a Party's operations which are made available to the other Party in order to carry out this Agreement shall be reasonably protected by such other Party with the same degree of care accorded its own confidential and proprietary information from unauthorized use, except to the extent that disclosure thereof is required to comply with applicable law, including but not limited to the California Public Records Act. The disclosing Party shall identify all confidential data and information at the time it is provided. Confidentiality does not apply to information, which is known to a receiving Party from other sources, which is otherwise publicly available or which is required to be disclosed pursuant to an order or requirements of a regulatory body or a court.

B. Disclosure. Other than under the REC Reporting Rights and except as may be required by applicable law, including but not limited to, the California Public Records Act, or as otherwise identified above, neither Party shall make any disclosure of any designated confidential information related to this Agreement without the specific prior written approval from the other of the content to be disclosed and the form in which it is disclosed, except for such disclosures to the Parties' financing sources, creditors, beneficiaries, partners, members, officers, employees, agents, consultants, attorneys, accountants and exchange facilitators as may be necessary to permit each Party to perform its obligations hereunder and as required to comply with applicable laws or rules of any exchange upon which a Party's shares may be traded. Notwithstanding the foregoing, nothing contained herein shall be deemed to restrict or prohibit City from complying with applicable law regarding disclosure of information, including but not limited to the California Public Records Act.

C. Publicity. The Parties share a common desire to generate favorable publicity regarding the Solar Facilities and their association with it. The Parties agree that they may, from time to time, issue press releases regarding the Solar Facilities and that they shall reasonably cooperate with each other in connection with the issuance of such releases. Each Party agrees that it shall not issue any press release regarding the Solar Facilities without the prior written approval from the other of the content to be disclosed and the form in which it is disclosed, and each Party agrees not to unduly withhold, condition or delay any such approval. In addition, the Parties hereby agree that (i) the City may publicize that it is serving as a "solar host" for the Solar Facilities; (ii) Provider may publicize that it is serving as the developer, owner and/or operator of the Solar Facilities; and (iii) each Party may display photographs of the Solar Facilities and disclose the nameplate capacity rating of the as-built Solar Facilities in its advertising and promotional materials, provided that any such materials identify City as the solar host and Provider as the owner, operator and developer, of the Solar Facilities and all information shall be consistent with this Agreement. Without limitation of the foregoing, Provider agrees to share with City, in digital format, any photographs and other schematics taken by Provider of the Sites and the Solar Facilities, and further agrees that City may use such photographs and other schematics for the purpose of marketing and promoting City's operations. Notwithstanding anything herein to the contrary, City shall not use the trademark of Provider without Provider's written consent.

21. Legal Effect and Status of Agreement.

A. City Not Operator. Neither City nor any Party related to City shall have the right or be deemed to operate the Solar Facilities for purposes of Section 7701(e)(4)(A)(i) of the Internal Revenue Code.

B. Burdens/Benefits of Solar Facilities Ownership. Notwithstanding any provision to the contrary under this Agreement, neither City nor any Party related to City shall (a) bear or be deemed to bear any significant financial burden if there is nonperformance by Provider under this Agreement, as the phrase “any significant financial burden if there is nonperformance” is used in Section 7701(e)(4)(A)(ii) of the Internal Revenue Code; or (b) be deemed to receive any significant financial benefit if the operating costs of the Solar Facilities are less than the standard of performance and/or operation set forth in this Agreement, as the phrase “significant financial benefit if the operating costs of such facility are less than the standards of performance or operation” is used in Section 7701(e)(4)(A)(iii) of the Internal Revenue Code.

C. No Capital Lease; Forward Contract. The Parties acknowledge and agree that for accounting or tax purposes, this Agreement is not and shall not be construed as a capital lease and, pursuant to Section 7701(e)(3) of the Internal Revenue Code, this Agreement is and shall be treated by each Party as a service contract for the sale to the City of electric energy produced at alternative energy Solar Facilities. Each of the Parties agrees that it will not dispute that (i) the transaction contemplated by this Agreement constitutes a “forward contract” within the meaning of the United States Bankruptcy Code and (ii) each Party is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.

22. Miscellaneous.

A. Amendments. This Agreement may be amended only in a writing signed by both Provider and City or their respective successors in interest.

B. Notices. Any notice required or permitted to be given in writing under this Agreement shall be mailed by certified mail, postage prepaid, return receipt requested, or sent by overnight courier service, or personally delivered to a representative of the receiving Party, or sent by facsimile or email (provided an identical notice is also sent simultaneously by mail, overnight courier, or personal delivery as otherwise provided in this Section). All such communications shall be mailed, sent or delivered, addressed to the Party for whom it is intended, at its address set forth below. A Party may change its address by providing written notice to the other Party in accordance with this Section.

If to City:

City of Lathrop
Attention: Ken Reed
390 Towne Centre Drive
Lathrop CA 95330
Phone: (209) 941 7363
Email: kreed@ci.lathrop.ca.us

If to Provider:

General Electric International, Inc.
Attention: Erik Schiemann
1 River Road
Schenectady, NY
Phone: 518-742-6863
Email: Erik.Schiemann@ge.com

C. Non-Waiver. The failure, delay or forbearance by either Party to exercise any of its rights or remedies under this Agreement or to provide written notice of any default to a defaulting Party, will not constitute a waiver of such rights or remedies. No Party will be deemed to have waived any right or remedy unless it has made such waiver specifically in writing. The waiver by either Party of any default or breach of any term, condition or provision herein contained shall not be deemed to be a waiver of any subsequent breach of the same term, condition or provision, or any other term, condition or provision contained herein.

D. No Set-Off. Except as otherwise set forth herein, each Party hereby waives all rights to set-offs of amounts due hereunder. The Parties agree that all amounts due hereunder are independent obligations and shall be made without set-off for other amounts due or owed hereunder.

E. Intellectual Property. Nothing in this Agreement shall be construed to convey to City a license or other right to trademarks, copyrights, technology or other intellectual property of Provider.

F. Severability. Should any provision of this Agreement for any reason be declared invalid or unenforceable by final and non-appealable order of any court or regulatory body having jurisdiction, such decision shall not affect the validity of the remaining portions, and the remaining portions shall remain in full force and effect as if this Agreement had been executed without the invalid portion.

G. Survival. Any provision of this Agreement that expressly or by implication comes into or remains in full force following the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

H. Headings. The headings in this Agreement are solely for convenience and ease of reference and shall have no effect in interpreting the meaning of any provision of this Agreement.

I. Choice of Law. This Agreement shall be construed in accordance with the laws of the State of California (without regard to its conflict of laws principles). The venue for any dispute arising out of or relating to this Agreement shall be in the California county in which the Solar Facilities are located.

J. Binding Effect. This Agreement and its rights, privileges, duties and obligations shall inure to the benefit of and be binding upon each of the Parties hereto, together with their respective successors and permitted assigns.

K. No Partnership. This Agreement is not intended, and shall not be construed, to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act as or be an agent or representative of, or otherwise bind, the other Party.

L. No Third-Party Beneficiaries. This Agreement is solely for the benefit of the Parties hereto and no right or cause of action shall accrue by reason hereof for the benefit of any third party not a party hereto, other than any Secured Parties.

M. Counterparts. This Agreement may be executed in counterparts, which shall together constitute one and the same agreement. Electronic, facsimile or copies of signature pages shall have the same force and effect as originals.

N. Further Assurances. Upon the receipt of a written request from a Party, each Party shall execute such additional documents, instruments, estoppels and assurances, and take such additional actions, as are reasonably necessary and desirable to carry out the terms and intent hereof, including but not limited to an Interconnection Agreement. Neither Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this Section.

O. Entire Agreement. This instrument and the documents referenced herein represent the full and complete agreement between the Parties hereto with respect to the subject matter contained herein and supersedes all prior written or oral agreements between said Parties with respect to said subject matter.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

PROVIDER:

General Electric International, Inc.

By: _____ Date: _____
Erik Schiemann
General Manager, GE Solar

CITY:

City of Lathrop, a municipal corporation in
the County of San Joaquin, State of California

By: _____ Date: _____
Stephen J. Salvatore
City Manager

APPROVED AS TO FORM:

By: _____ Date: _____
Salvador Navarrete
City Attorney

Exhibit A

Definitions

1. “Annual Production Estimate” means, for each Solar Facility, the estimated energy production for a Contract Year as set forth in Exhibit B.
2. “Applicable Law” means, with respect to any person, any law, statute, rule, regulation, ordinance, treaty, order, decree, judgment, decision, holding, injunction, registration, license, guideline, Governmental Approval, consent or requirement of any Governmental Authority having jurisdiction over such person or its property, as any of the foregoing may be amended from time-to-time, and any corresponding provisions of any successor to the foregoing, together any rules or regulations promulgated under such successor.
3. “Assignment” means as defined in Section 19A.
4. “Authorities Having Jurisdiction” shall mean the governmental organization, office or individual responsible for approving equipment, an installation or a procedure.
5. “Construction Start Deadline” means one hundred and ten (110) days after the Effective Date.
6. “Contract Year” means a period of twelve (12) consecutive months with the first Contract Year commencing on the Commercial Operation Date and each subsequent Contract Year commencing on the anniversary of the first day of the first month following the Commercial Operation Date.
7. “Commercial Operation” means that the Solar Facility is operating and able to produce and deliver Energy to the Delivery Point pursuant to the terms of this Agreement; (b) Provider has received all local, state and federal Permits and other approvals as may be required by Law for the construction, operation and maintenance of the Solar Facility, including permission to operate from the Distribution Utility and approvals, if any, required under the California Environmental Quality Act for the Solar Facility and related interconnection facilities.
8. “Commercial Operation Date” means the date on which Provider achieves Commercial Operation for the Solar Facility.
9. “Commercial Operation Deadline” shall have that meaning as set forth in Section 6.F. of this Agreement.
10. “Days” or “day” shall mean calendar days, unless otherwise specified.
11. “Delivery Point” means each energy delivery point within each Site’s electrical system on City’s side of the Site’s Distribution Utility meter, as designated in the applicable Distribution Utility Interconnection Agreement.
12. “Distribution Utility” shall Pacific Gas and Electric Company.

13. “Distribution Utility Upgrades” shall mean that scope of work and associated costs that the Distribution Utility requires on the Distribution Utility side of the Distribution Utility meter in order for the Solar Facility to interconnect to the Distribution Utility system.
14. “Energy” means electrical energy measured in kWh.
15. “Energy Shortfall Amount” means an amount equal to the product of: (i) the Output Guarantee Rate, multiplied by (ii) the difference between the Adjusted Production for such Measurement Period and the Production Guarantee for such Measurement Period.
16. “Environmental Financial Incentives” means each of the following financial rebates and incentives that is in effect as of the Effective Date or may come into effect in the future: (1) production, energy, or investment tax credits associated with the development, construction, ownership or operation of the Solar Facilities, accelerated depreciation, and other financial incentives in the form of credits, reductions or allowances associated with the Solar Facilities that may be applied to reduce any state or federal income taxation obligation, (2) performance-based incentives under applicable state or federal law or utility programs, including without limitation the federal investment tax credit and any payments made to City or its affiliates or any feed-in tariffs that may come into effect in the future; and (3) all other rights, credits, rebates, benefits, and entitlements of any kind, howsoever entitled or named, whether arising under federal, state or local law, international treaty, trade association membership or the like, arising from the Solar Facilities or the Output or otherwise from the development, installation or ownership of the Solar Facilities or the production, sale, purchase, consumption or use of the Output. Without limiting the foregoing, “Environmental Financial Incentives” includes the right to apply for (and entitlement to receive) incentives under any demand-side management, distributed generation, or energy efficiency programs offered by a utility company, a third-Party provider or the State in which the Solar Facilities is located, any incentive offered pursuant to a renewable energy program, or any other incentive programs offered by or in the State in which the Solar Facilities are located, the right to receive a grant under Section 1603 of the American Recovery and Reinvestment Act of 2009, and the right to claim federal income tax credits under Sections 45 or 48 of the Internal Revenue Code or any state tax law or income tax deductions with respect to the Solar Facilities under the Internal Revenue Code or any state tax law. Environmental Financial Incentives do not include Green Attributes.
17. “Expiration Date” means the last day of the month that follows the twenty fifth (25th) annual anniversary of the Commercial Operation Date.
18. “Force Majeure” shall mean any event or circumstances beyond the reasonable control of and without the fault or negligence of the Party claiming Force Majeure. It shall include, without limitation, failure or interruption of the construction, production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; abnormal weather condition or actions of the elements; weather causing unsafe working conditions; hurricane; flood; lightning; wind; drought; the binding order of any governmental authority; the failure to act on the part of any governmental authority; unavailability of electricity from the utility grid, equipment, supplies or products (but not to the extent that any such unavailability

of any of the foregoing results from the failure of the Party claiming Force Majeure to have exercised reasonable diligence); and failure of equipment not utilized by or under the control of the Party claiming Force Majeure.

19. “Governmental Authority” shall mean the government of the United States of America, any any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, authority having jurisdiction, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government
20. “Governmental Approvals” shall mean any notices to, reports or other filings to be made with, or any Consents, registrations, permits or authorizations to be obtained from, any Governmental Authority.
21. “Green Attributes” shall mean any and all credits, benefits, emissions reductions, offsets and allowances, howsoever entitled, attributable to the generation of Output from the Solar Facilities, and its displacement of conventional energy generation, that is in effect as of the Effective Date or may come into effect in the future. Green Attributes include but are not limited to Renewable Energy Certificates, as well as: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth’s climate by trapping heat in the atmosphere; and (3) the reporting rights to these avoided emissions, such as REC Reporting Rights. Green Attributes do not include Environmental Financial Incentives.
22. “Interconnection Agreement” means an agreement entered into by and between City and the Distribution Utility which agreement shall provide for (i) each Solar Facility to be interconnected with the Distribution Utility’s electricity distribution system, (ii) for energy to flow from each Solar Facility to such system and (iii) for energy to flow from such system to the Project Sites, as applicable, under the provisions of all applicable Distribution Utility’s tariffs.
23. “Internal Revenue Code” shall mean the Internal Revenue Code of 1986, as amended.
24. “kWac” means kilowatt alternating current.
25. “kWdc” means kilowatt direct current.
26. “kWhac” means kilowatt-hour alternating current.
27. “Measurement Period” means each three Contract Years commencing after the Commercial Operation Date and the final one Contract Year prior to the expiration of the Initial Term.
28. “Notice to Proceed” means as defined in Section 6E.
29. “Outage” means as defined in Section 4H.

30. “Output” means: the total quantity of all actual electrical power generated by the Solar Facilities as measured by a Meter at the Delivery Point measured in kWhac. Output does not include the Green Attributes, Environmental Financial Incentives, RECs or REC Reporting Rights.
31. “Output Guarantee Rate” means as defined in Exhibit F.
32. “Permits” means all government permits and approvals, regulatory or otherwise required for the construction, installation, completion and operation of the Solar Facility.
33. “Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity.
34. “Power Price” shall mean the per kWhac rate(s) as set forth on Exhibit B.
35. “Project” shall have that meaning as set forth in the Recitals of this Agreement.
36. “RECs” or “Renewable Energy Certificates” means renewable energy certificates related to and representing Green Attributes (also known as green tags, renewable energy credits, or tradable renewable certificates), which are tradable environmental commodities in the United States and represent 1 megawatt-hour (MWh) of electricity generated from an eligible renewable energy resource. These certificates can be sold and traded, and the owner of the REC can claim to have purchased renewable energy.
37. “REC Reporting Rights” shall mean the right of a REC purchaser to report the ownership of accumulated RECs in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the REC purchaser’s discretion, and include without limitation those REC Reporting Rights accruing under Section 1605(b) of the Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program.
38. “Site” or “Sites” (each a “Site”, collectively the “Sites”) means the portion of City’s real property on which a Solar Facility is to be located pursuant to this Agreement. See Exhibit E for additional details.
39. “Solar Facility” means the solar photovoltaic generation plant, together with all necessary inverters, ancillary plant and equipment with a target installation size expressed in kWdc installed at a Site (collectively, “Solar Facilities”).
40. “Termination Value” shall equal the product of (i) the capacity in Watts DC of the system at the Site(s) and (ii) the value per Watt due in a year or, at any point within such year, as set forth in Exhibit C.
41. “WREGIS” The Western Renewable Energy Generation Information System or WREGIS, a renewable energy registry and tracking system.

Exhibit B

Site Power Price Chart

SITE A- City Hall

Months	Contract Year	Power Price		Annual Production Estimate (kWhac)
1-12	1	\$0.1092	/kWhac	326,121
13-24	2	\$0.1092	/kWhac	324,490
25-36	3	\$0.1092	/kWhac	322,868
37-48	4	\$0.1092	/kWhac	321,254
49-60	5	\$0.1092	/kWhac	319,647
61-72	6	\$0.1092	/kWhac	318,049
73-84	7	\$0.1092	/kWhac	316,459
85-96	8	\$0.1092	/kWhac	314,877
97-108	9	\$0.1092	/kWhac	313,302
109-120	10	\$0.1092	/kWhac	311,736
121-132	11	\$0.1092	/kWhac	310,177
133-144	12	\$0.1092	/kWhac	308,626
145-156	13	\$0.1092	/kWhac	307,083
157-168	14	\$0.1092	/kWhac	305,548
169-180	15	\$0.1092	/kWhac	304,020
181-192	16	\$0.1092	/kWhac	302,500
193-204	17	\$0.1092	/kWhac	300,987
205-216	18	\$0.1092	/kWhac	299,482
217-228	19	\$0.1092	/kWhac	297,985
229-240	20	\$0.1092	/kWhac	296,495
241-252	21	\$0.1092	/kWhac	295,012
253-264	22	\$0.1092	/kWhac	293,537
265-276	23	\$0.1092	/kWhac	292,070
277-288	24	\$0.1092	/kWhac	290,609
289-300	25	\$0.1092	/kWhac	289,156

SITE B- Community Center

Months	Contract Year	Power Price		Annual Production Estimate (kWhac)
1-12	1	\$0.1092	/kWhac	167,644
13-24	2	\$0.1092	/kWhac	166,806
25-36	3	\$0.1092	/kWhac	165,972
37-48	4	\$0.1092	/kWhac	165,142
49-60	5	\$0.1092	/kWhac	164,316
61-72	6	\$0.1092	/kWhac	163,495
73-84	7	\$0.1092	/kWhac	162,677
85-96	8	\$0.1092	/kWhac	161,864
97-108	9	\$0.1092	/kWhac	161,054
109-120	10	\$0.1092	/kWhac	160,249
121-132	11	\$0.1092	/kWhac	159,448
133-144	12	\$0.1092	/kWhac	158,651
145-156	13	\$0.1092	/kWhac	157,857
157-168	14	\$0.1092	/kWhac	157,068
169-180	15	\$0.1092	/kWhac	156,283
181-192	16	\$0.1092	/kWhac	155,501
193-204	17	\$0.1092	/kWhac	154,724
205-216	18	\$0.1092	/kWhac	153,950
217-228	19	\$0.1092	/kWhac	153,180
229-240	20	\$0.1092	/kWhac	152,415
241-252	21	\$0.1092	/kWhac	151,653
253-264	22	\$0.1092	/kWhac	150,894
265-276	23	\$0.1092	/kWhac	150,140
277-288	24	\$0.1092	/kWhac	149,389
289-300	25	\$0.1092	/kWhac	148,642

SITE C- Christopher Way

Months	Contract Year	Power Price		Annual Production Estimate (kWhac)
1-12	1	\$0.1092	/kWhac	2,273,000
13-24	2	\$0.1092	/kWhac	2,261,635
25-36	3	\$0.1092	/kWhac	2,250,327
37-48	4	\$0.1092	/kWhac	2,239,075
49-60	5	\$0.1092	/kWhac	2,227,880
61-72	6	\$0.1092	/kWhac	2,216,740
73-84	7	\$0.1092	/kWhac	2,205,657
85-96	8	\$0.1092	/kWhac	2,194,628
97-108	9	\$0.1092	/kWhac	2,183,655
109-120	10	\$0.1092	/kWhac	2,172,737
121-132	11	\$0.1092	/kWhac	2,161,873
133-144	12	\$0.1092	/kWhac	2,151,064
145-156	13	\$0.1092	/kWhac	2,140,309
157-168	14	\$0.1092	/kWhac	2,129,607
169-180	15	\$0.1092	/kWhac	2,118,959
181-192	16	\$0.1092	/kWhac	2,108,364
193-204	17	\$0.1092	/kWhac	2,097,822
205-216	18	\$0.1092	/kWhac	2,087,333
217-228	19	\$0.1092	/kWhac	2,076,897
229-240	20	\$0.1092	/kWhac	2,066,512
241-252	21	\$0.1092	/kWhac	2,056,180
253-264	22	\$0.1092	/kWhac	2,045,899
265-276	23	\$0.1092	/kWhac	2,035,669
277-288	24	\$0.1092	/kWhac	2,025,491
289-300	25	\$0.1092	/kWhac	2,015,363

Exhibit C

Site Termination Values

SITE A- City Hall

Months	Contract Year	Termination Value per Watt
1-12	1	\$3.27
13-24	2	\$3.02
25-36	3	\$2.67
37-48	4	\$2.37
49-60	5	\$2.11
61-72	6	\$1.84
73-84	7	\$1.77
85-96	8	\$1.73
97-108	9	\$1.68
109-120	10	\$1.63
121-132	11	\$1.52
133-144	12	\$1.47
145-156	13	\$1.42
157-168	14	\$1.36
169-180	15	\$1.30
181-192	16	\$1.24
193-204	17	\$1.17
205-216	18	\$1.10
217-228	19	\$1.02
229-240	20	\$0.93
241-252	21	\$0.93
253-264	22	\$0.84
265-276	23	\$0.74
277-288	24	\$0.64
289-300	25	\$0.53

SITE B- Community Center

Months	Contract Year	Termination Value per Watt
1-12	1	\$3.48
13-24	2	\$3.18
25-36	3	\$2.75
37-48	4	\$2.40
49-60	5	\$2.08
61-72	6	\$1.76
73-84	7	\$1.68
85-96	8	\$1.64
97-108	9	\$1.59
109-120	10	\$1.54
121-132	11	\$1.45
133-144	12	\$1.40
145-156	13	\$1.35
157-168	14	\$1.29
169-180	15	\$1.24
181-192	16	\$1.18
193-204	17	\$1.11
205-216	18	\$1.04
217-228	19	\$0.97
229-240	20	\$0.89
241-252	21	\$0.89
253-264	22	\$0.81
265-276	23	\$0.72
277-288	24	\$0.62
289-300	25	\$0.52

SITE C- South Harlan Road Storm Drain Basin

Months	Contract Year	Termination Value per Watt
1-12	1	\$3.51
13-24	2	\$3.31
25-36	3	\$3.02
37-48	4	\$2.77
49-60	5	\$2.55
61-72	6	\$2.33
73-84	7	\$2.25
85-96	8	\$2.19
97-108	9	\$2.13
109-120	10	\$2.07
121-132	11	\$1.94
133-144	12	\$1.87
145-156	13	\$1.80
157-168	14	\$1.73
169-180	15	\$1.65
181-192	16	\$1.56
193-204	17	\$1.47
205-216	18	\$1.37
217-228	19	\$1.27
229-240	20	\$1.16
241-252	21	\$1.11
253-264	22	\$0.99
265-276	23	\$0.86
277-288	24	\$0.72
289-300	25	\$0.57

Exhibit D

Site Purchase Option Values

SITE A- City Hall

Purchase Option Price:	
End of Year 7:	\$315,558
End of Year 10:	\$284,698
End of Year 15:	\$218,839
End of Year 25:	Fair Market Value

SITE B- Community Center

Purchase Option Price:	
End of Year 7:	\$162,034
End of Year 10:	\$146,188
End of Year 15:	\$112,370
End of Year 25:	Fair Market Value

SITE C- South Harlan Road Storm Drain Basin

Purchase Option Price:	
End of Year 7:	\$2,206,768
End of Year 10:	\$1,990,960
End of Year 15:	\$1,530,389
End of Year 25:	Fair Market Value

Exhibit E

Description of Solar Facilities

Site Name	System Size (kWdc)	System Type
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City Hall	203.58	Carport Structure
Community Center	109.44	Carport Structure
South Harlan Road Storm Drain Basin	1,103.76	Ground Mount Single Axis Tracker

Exhibit F

Guaranteed Production Schedule and Output Guarantee Rate

SITE A- City Hall

Guarantee Period	Contract Years	Estimated Period Production (kWhac) *	Guaranteed Production (kWhac) *	Output Guarantee Rate (\$/kWhac)
1	1-3	973,479	924,805	\$.037
2	4-6	958,950	911,003	\$.041
3	7-9	944,638	897,406	\$.046
4	10-12	930,539	884,012	\$.050
5	13-15	916,650	870,818	\$.054
6	16-18	902,969	857,821	\$.059
7	19-21	889,492	845,018	\$.063
8	22-24	876,217	832,406	\$.068
9	25	289,156	274,698	\$.070

* Period Production includes .5% annual degradation.

SITE B- Community Center

Guarantee Period	Contract Years	Estimated Period Production (kWhac) *	Guaranteed Production (kWhac) *	Output Guarantee Rate (\$/kWhac)
1	1-3	500,422	475,400	\$.017
2	4-6	492,953	468,305	\$.021
3	7-9	485,595	461,316	\$.025
4	10-12	478,348	454,430	\$.029
5	13-15	471,208	447,648	\$.032
6	16-18	464,175	440,967	\$.036
7	19-21	457,248	434,385	\$.040
8	22-24	450,423	427,902	\$.044
9	25	148,642	141,210	\$.046

* Period Production includes .5% annual degradation.

SITE C- Christopher Way

Guarantee Period	Contract Years	Estimated Period Production (kWhac) *	Guaranteed Production (kWhac) *	Output Guarantee Rate (\$/kWhac)
1	1-3	6,784,962	6,445,714	\$.064
2	4-6	6,683,695	6,349,510	\$.069
3	7-9	6,583,940	6,254,743	\$.074
4	10-12	6,485,674	6,161,390	\$.079
5	13-15	6,388,875	6,069,431	\$.085
6	16-18	6,293,520	5,978,844	\$.090
7	19-21	6,199,588	5,889,609	\$.095
8	22-24	6,107,059	5,801,706	\$.100
9	25	2,015,363	1,914,595	\$.104

* Period Production includes .5% annual degradation.

Exhibit H

Check Payment Instructions

- GE Solar shall issue an invoice within 45 days of monthly charges to the City of Lathrop
 - Invoice can be submitted by mail to:

City of Lathrop
Attn: Yesenia linnell
390 Towne Centre Dr. Lathrop CA 95330
 - or by email to: ylinnell@ci.lathrop.ca.us

- City of Lathrop shall mail check within 45 days.
 - Checks can be submitted by mail to:

General Electric International Inc.
PO Box 21800
New York, NY 10087
 - or sent overnight mail (rush) to:

JPMorgan Chase - Lockbox Processing
Attn: General Electric International Inc. #21800
4 Chase Metrotech Center, 7th Floor
East Brooklyn, NY 11245

ATTACHMENT D

D1: SOLAR POWER EASEMENT
AGREEMENT - CITY HALL

D2: SOLAR POWER EASEMENT
AGREEMENT - COMMUNITY CENTER

D3: SOLAR POWER EASEMENT
AGREEMENT - SOUTH HARLAN ROAD
STORM DRAIN BASIN

D1

SOLAR POWER EASEMENT
AGREEMENT - CITY HALL

SOLAR POWER EASEMENT AGREEMENT
(City Hall)

This Solar Power Easement Agreement (this “**Agreement**”) is effective as of the 11th day of March 2019 (“**Effective Date**”), by and between City of Lathrop. A general law California City, with a place of business at 390 Towne Centre Drive Lathrop CA 95330 (“**Grantor**”) and General Electric International, Inc., a Delaware corporation, with a place of business at 1 River Road, Schenectady, New York 12345 (“**Grantee**”), each a (“**Party**”) and together (“**Parties**”).

RECITALS

A. Grantor is the fee owner of approximately 3 acres of land located 390 Towne Centre Drive Lathrop, CA (the “**Fee Property**”).

B. Grantor desires to obtain a portion of the power required to run its facilities from a carport-mounted photovoltaic generating system having an approximate generating capacity of 203.58 kW (DC) and more particularly described on **Exhibit B** of the Power Purchase Agreement (PPA) (as hereinafter defined) (such system, together with all interconnection facilities and other equipment related thereto, the “**System**”) to be installed, constructed, interconnected, owned and operated on a portion of the Fee Property (hereinafter defined as the “**Easement Area**”). The Easement Area, as shown on **Exhibit A** annexed hereto, is comprised of approximately .27 acres of land, which is 11,522 square feet of space.

C. Grantee desires to develop the System on the Easement Area and, in furtherance of that desire, Grantee has entered into a Solar Power Purchase Agreement dated March 11, 2019 (“**PPA**”) whereby Grantee and the Grantor have agreed to the terms for the installation, maintenance, ownership, and operation of the System in the Easement Area.

D. Grantor, hereby grants the Easement (as hereinafter defined) to Grantee for the use of the Easement Area for the development, construction, installation, ownership, operation, maintenance and removal of the System.

E. Grantee shall, at its sole cost and expense, engineer, procure and install any and all equipment in connection with the System in accordance with the PPA.

G. Grantor desires to grant to Grantee an easement in the Easement Area, and Grantee desires to obtain an easement to the Easement Area, each subject to the terms and conditions set forth in this Agreement.

AGREEMENT

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. **Grant of Easement; Term.** Subject to the terms of this Agreement and to any recorded, pre-existing, third-party rights or interests with respect to the Property, Grantor hereby grants and conveys to Grantee, its successors and assigns, non-exclusive easement (the “**Easement**”) on, over, across and under the Easement Area for the Intended Use (as hereinafter defined), together with a right of access across the Fee Property for the purposes of exercising its rights hereunder (as further set forth in Section 2.2 hereof), commencing on the Effective Date and

continuing until the expiration or earlier termination of the PPA in its entirety or as to the System (including any extensions or renewals thereof) (the “**Term**”). Upon the expiration or earlier termination of the Term, Grantee shall remove the System in accordance with (including within the time period set forth in) Section 2 of the PPA.

2. **Use/Access.**

2.1 **Use.** Grantee may use the Easement Area to install, construct, interconnect, operate, maintain, upgrade, repair, replace and remove the System, for such other uses as are reasonably and customarily related to such activities, and to undertake such other activities as may be set forth in Section 18 of the PPA (“**Intended Use**”). The Intended Use may include structural elements to physically support equipment, including vertical support poles, carports, concrete or similar anchors or plugs, and mounting hardware used to attach solar modules and other components at the Easement Area. Grantee may, at its sole cost and expense, periodically inspect, clean, maintain, repair and replace the System at times reasonably determined by Grantee to be necessary or desirable. All electrical output generated by the System shall be subject to the terms and conditions contained in the PPA.

2.2 **Access; Insolation.** Grantee shall also have the right of ingress and egress over and across the Fee Property for the purpose of exercising the rights set forth herein, including, but not limited to, access to (a) receive, unload, store, warehouse and protect all materials, tools and equipment in the Easement Area, as needed; (b) use lay down area in the Easement Area and adjoining portions of the Fee Property during construction of the System; (c) provide, install, inspect and maintain through or under the Easement Area during the Term of this Agreement such cables, electric lines, ducts, transformers, fencing and other or other ancillary equipment or apparatus as may, in the opinion of Grantee, be necessary or desirable for connecting the System to or for the benefit of Grantee’s electrical system or the local utility’s distribution system; (d) remove, trim, prune, top or otherwise control the growth of any tree, shrub, plant or other vegetation on the Fee Property to the extent it obstructs or limits insolation to the Easement Area; and (e) provide a non-exclusive easement over the Fee Property for ingress and egress to and from the Easement Area for Grantee and its employees, agents, contractors and subcontractors, at all times during the Term of this Agreement (the foregoing, collectively, the “**Access Easements**”).

3. **Rent.**

3.1 **Rent.** Commencing on the Commercial Operation Date of the System, Grantee shall pay Grantor the sum of \$1 per calendar year as rent for the use of the Easement Area and the Access Easements (“**Rent**”).

3.2 **Payment of Rent.** Rent shall be paid as of the first (1st) day of each calendar year during the Term provided however, Grantee shall have the right for accounting convenience to apply the amount of Rent for the Term as a credit offset against the first monthly payment amounts payable by Grantor pursuant to the PPA, as provided therein.

4. **Construction of System.** Grantor and Grantee shall reasonably cooperate with each other with regard to the coordination of construction of the System described in this Agreement. Grantor has reviewed and approved Grantee’s plans and specifications for the System,

subject to Grantee's obligations to obtain all governmental approvals as set forth in Section 5.B. of the PPA. Grantor shall not grant any licenses, easements, leases or rights of way, whether recorded or unrecorded, which could be reasonably expected to interfere with Grantee's use of the Easement Area to develop, design, construct, install, own, operate, maintain or remove the System or otherwise engage in any Intended Use of the Easement Area. Grantee shall comply with Grantor's Access, Control and Safety Requirements as defined in **Exhibit E**.

5. **Operation, Maintenance and Repair of System.**

5.1 Grantee will own, operate, maintain and repair the System during the Term of this Agreement in accordance with Section 5.F. of the PPA. Grantee shall provide reasonable notice to Grantor prior to any maintenance and repair activities that could be reasonably expected to materially interfere with Grantor's operations at the Fee Property (other than the Easement Area), provided that in the event Grantee needs emergency access after regular business hours, Grantor shall provide immediate access to the Fee Property. All work performed by Grantee in connection with the installation, operation, maintenance and repair of the System shall be performed in accordance with Section 5 of the PPA.

5.2 In the event Grantee is in default of any of the terms and conditions of this Agreement, and such breach is not cured within thirty (30) days following written notice by Grantor to cure the default (unless by the nature of such default a longer period to cure is required, in which event Grantee shall not be in default if it commences to cure the default within thirty (30) days of receipt of notice from Grantor and diligently proceeds to cure the default thereafter) (hereinafter "**Event of Default by Grantee**"), then so long as such Event of Default of Grantee is continuing, without limitation of Grantor's other rights and remedies at law or equity, Grantor may terminate this Agreement by written notice to Grantee, such termination to be effective on the date set forth in such notice. Upon termination of this Agreement, Grantee shall remove the System in accordance with (including within the time period set forth in) Section 3 of the PPA.

6. **Credits, Rebates and Incentives.** Entitlement to all federal and state tax credits, renewable energy credits, including all renewable energy attributes and/or benefits, payments, grants, rebates, incentive payments, or other credits paid as a result of the design, installation, and/or operation of the System (hereinafter "**Incentives**") shall be determined in accordance with the terms and conditions of the PPA. Grantor shall not be entitled to the benefit of any Incentives.

7. **Ownership of the System.** As further set forth in Section 7 of the PPA, which is incorporated herein by reference, the System and all alterations, additions, improvements or installations made thereto by Grantee and all personal property of Grantee used in connection with the installation, operation and maintenance of the System, electric lines, ducts or other apparatus related to the System are, and shall be and remain, the personal property of Grantee ("**Grantee's Property**"). In no event shall any Grantee's Property be deemed a fixture, nor shall Grantor, nor anyone claiming by, through or under Grantor (including, but not limited to, any present or future mortgagee of Grantor) have any rights in or to the Grantee's Property at any time. Ownership of Grantee's Property at the end of the Term or earlier termination of this Agreement shall be in accordance with the terms and conditions of the PPA.

8. **Grantor's Representations and Obligations.**

- (a) Grantor represents and warrants that (i) the execution and delivery by Grantor of this Agreement and the performance by it of its obligations hereunder have been duly and validly authorized by all necessary action on behalf of Grantor, including compliance with all procurement laws, rules and ordinances applicable to Grantor, (ii) this Agreement has been duly and validly executed and delivered by Grantor and constitutes the legal, valid and binding obligation of Grantor enforceable against it in accordance with its terms (iii) Grantor has good and marketable fee simple title to the Fee Property, and (iv) there are no liens, covenants, restrictions, rights of way, easements or other encumbrances affecting the Fee Property that could prevent, limit or adversely affect the Intended Use.
- (b) Grantor covenants that Grantee shall at all times during the Term peaceably and quietly have, hold and enjoy the Easement Area without hindrance or disturbance of any kind by Grantor or any person claiming by, through or under Grantor.
- (c) In no event shall Grantor cause or permit the Fee Property (i) any structure or facility to be erected within the Easement Area or elsewhere on the Fee Property, or (ii) the growth of foliage, in each case that might interfere with or cause or permit any interference with the System, electric lines, ducts, or other apparatus related to the System, or the insulation of the System.
- (d) Grantor at its sole cost and expense shall materially comply with all applicable federal, state and local laws, rules, regulations and ordinances relating to the ownership and occupancy of the Property.
- (e) A failure by Grantor to perform or comply with any of the terms and conditions of this Agreement may be considered an event of default by Grantor under this Agreement (hereinafter "**Event of Default by Grantor**"). If an Event of Default by Grantor occurs, Grantee shall notify Grantor in writing of such default. Grantor shall have thirty (30) days following written notice by Grantee to cure the default unless by the nature of such default a longer period to cure is required, in which event Grantor shall not be in default if it commences to cure the default within thirty (30) days of receipt of notice from Grantee and diligently proceeds to cure the default thereafter. If an Event of Default by Grantor has not been cured within such period, Grantee shall have the right to terminate this Agreement in accordance with the terms and conditions contained in the PPA.

9. **Indemnification.** At all times during the Term, of this Agreement, the Parties will indemnify each other in the same manner and to the extent as provided in Section 17.A. and Section 17.B. of the PPA, subject to the limitations set forth in Section 17.F. of the PPA, each of which sections is incorporated herein by reference, regardless of whether or not at any times the Grantor is the City under the PPA. For the avoidance of doubt, Grantee's aggregate liability under this agreement is subject to the limitations of liability set forth in Section 17 of the PPA.

10. **Insurance.** At all times following the Effective Date, the Parties shall maintain the insurance required under the PPA.

11. **Incorporation of Select PPA Terms.** Except as otherwise expressly provided in this Agreement, the terms, provisions, and conditions contained in the PPA that are expressly incorporated in this Agreement (including defined terms) are made a part hereof as if herein set

forth at length, Grantor being substituted for “City” under the PPA, Grantee being substituted for “Provider” under the PPA, and this Agreement being substituted for “Agreement” under the PPA. Notwithstanding the foregoing, unless expressly incorporated herein, the terms and provisions of the PPA are not made a part hereof and neither Party shall be hereby bound by or obligated to perform any of its respective obligations under and pursuant to such provisions of the PPA, unless such obligations also independently arise under this Agreement without regard to the existence of the PPA. Notwithstanding any other provision of this Agreement, the terms, provisions, and conditions contained in the PPA that are expressly incorporated in this Agreement (including defined terms) shall survive the expiration or termination of the PPA.

12. **Force Majeure.** To the same extent as set forth in the PPA, neither Party hereto shall be liable to the other for any failure of performance due to the occurrence and continuation of an event of Force Majeure (as defined in the PPA).

13. **Run with the Land.** The burdens and benefits of this Agreement shall run with the land and shall bind and inure to the benefit of the parties hereto, the successors in title of Grantor in and to the Fee Property, and the successors and assigns of Grantee and Grantee’s employees, agents and contractors

14. **Notices.** Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if (i) placed in the United States mail, certified, return receipt requested, or (ii) deposited into the custody of Federal Express or another nationally recognized overnight delivery service, addressed to the party to be notified at the address for such party specified below, or to such other address as the party to be notified may designate by giving the other party no less than thirty (30) days’ advance written notice of such change in address.

If to Grantor: City of Lathrop
 Attn: City Attorney
 390 Towne Centre Drive
 Lathrop CA 95330

With a copy to: City of Lathrop
 Attn: City Manager
 390 Towne Centre Drive
 Lathrop CA 95330

If to Grantee: General Electric International, Inc.
 1 River Road
 Building 53
 Schenectady, NY 12345
 Attn: Eric Schiemann, Solar Business Leader

With a copy to: General Counsel GE Solar
 1 River Road
 Building 53
 Schenectady, NY 12345
 Attn: Jennifer Gerrard

15. **Amendments; Governing Law; Severability.** This Agreement may not be amended except by written document signed by the then current owner of the Fee Property and Grantee. This Agreement shall be governed and construed in accordance with the laws of the State of California without regard to its conflict of laws principles. Any dispute or proceeding arising under this Agreement shall be resolved as set forth in Section 15 of the PPA and may be joined with any action arising under the PPA having a common set of facts or circumstances, provided that any matter arising hereunder that is required by applicable law to be determined by or adjudicated in a court of law shall be brought in the state or federal courts sitting in San Joaquin County, California, and solely as to such matters, the Parties hereby consent to the jurisdiction of such courts. The illegality, invalidity or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement. In the event either Party brings an action arising under this Agreement or any provisions contained herein, then the Party that substantially prevails in such action shall be entitled to recover from the non-prevailing Party, in addition to all other remedies or damages as limited herein, reasonable attorneys' fees and costs of court incurred in such action.

16. **Hazardous Materials.** Grantor's representations in Section 13.B.3. of the PPA is hereby incorporated by reference. The Parties indemnity obligations with respect to Hazardous Substances (as defined in the PPA) shall be as set forth in Section 17.B. of the PPA. Without limitation of the foregoing, if Grantor fails to remediate or remove any Hazardous Substance that it is required to remediate or remove pursuant to the PPA, then Grantee may suspend construction or operation of the System until such time as Grantor has remediated or removed such Hazardous Substance in accordance with Applicable Laws, in which event the Rent will be abated for the period of such suspension.

17. **Casualty; Condemnation.**

- (a) In the event that the System is materially damaged or destroyed in whole or part, Grantee (or the Financing Parties) may determine whether and to what extent to repair and restore the System and shall notify Grantor of such determination within ninety (90) days following the relevant event. If Grantee determines not to repair or restore the System such that it is not capable of regular, safe and commercially viable operation at the Easement Area, then Grantee's notice to Grantor may include its election to terminate this Agreement as of a date specified in such notice. Following such termination, Grantee shall remove the System as set forth in Section 3 of the PPA.
- (b) Upon receipt by either Grantor or Grantee of notice of any proceedings for the taking or condemnation of all or a portion of the Fee Property (a "**Taking**"), the Party receiving such notice shall promptly give notice thereof to the other Party and such other Party may also appear in such proceeding. In the event of a permanent Taking of the fee title to or of control of all or substantially all of the Easement Area, this Agreement shall terminate as of the effective date of such Taking. In the event of a Taking of less than all or substantially all of the Easement Area, Grantee shall reasonably determine, in its sole discretion, whether the continued use and occupancy of the remainder of the Easement Area is or can reasonably be made to be safe, economically viable, structurally sound and otherwise feasible. In the event of a Taking, Grantor and Grantee shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their

respective interests in any condemnation proceedings. If the condemning authority does not make separate awards, the award will be allocated on a proportionate value basis. If the Parties are unable to agree as to such proportion, then each Party shall select a recognized and neutral independent appraiser experienced in the appraisal of real estate and solar power facilities who shall determine the allocation. The cost of the appraiser shall be borne equally by the Parties. Nothing herein shall limit the rights of either Party to participate in such condemnation proceedings or seek specific compensation from a condemning authority.

18. **Taxes.** The Parties shall pay all real and personal property Taxes (as defined in the PPA) as and to the extent set forth in the PPA.

19. **Recordation.** Grantor shall execute and deliver to Grantee a memorandum of easement substantially in the form attached hereto as **Exhibit D** in form for recordation in the land records of the County Recorder's Office of San Joaquin County, California to evidence the easements granted hereunder within ten (10) days following written request therefor.

20. **Assignment.** The Parties may sell, assign, collaterally assign or otherwise transfer their respective rights under this Agreement to the same extent as and subject to the terms set forth in Section 19 of the PPA.

21. **Financing Party Accommodations.** Grantee may collaterally assign, pledge, mortgage or grant a security interest and/or otherwise encumber its rights, title and/or interest in this Agreement in favor of any financing party to the same extent as and subject to the terms set forth in Section 19 of the PPA. Grantor shall cooperate with Grantee and provide such estoppels, consents and other documents, all to the same extent as and subject to the terms set forth in Section 19 of the PPA.

22. **Subordination and Non-Disturbance.** If Grantor has granted one or more mortgages, deeds of trust or other security instrument (collectively, the "**Mortgages**", individually, a "**Mortgage**") that encumber some or all of the Grantor's Property to certain persons (each such person, a "**Mortgagee**"), then for each Mortgage Grantor will obtain from the Mortgagee within thirty (30) days of Grantee's request, a reasonable and customary subordination and non-disturbance among Grantor, such Mortgagee and Grantee pursuant to which (a) Grantee confirms that this Agreement is subordinated to the Mortgage granted to such Mortgagee and the Grantee will attorn to such Mortgagee in the event that the Mortgagee acquires title to the Fee Property and (b) such Mortgagee shall honor this Agreement, that the Agreement shall remain in full force and effect and shall not be terminated and Grantee shall be permitted to exercise all of its rights and remedies hereunder, including in the event of foreclosure under the Mortgage to which such Mortgagee is a party.

23. **Confidentiality.** Neither Party shall make any disclosure of any information related to this Agreement without the specific prior written consent of the other, except for such disclosures to the Parties' lenders, creditors, officers, employees, agents, consultants, attorneys and accountants as may be necessary to permit each Party to perform its obligations hereunder and as required to comply with applicable laws, rules and regulations.

A Party's response to the other Party's request for written consent under this Section 23 shall be within fifteen (15) days, and written consent shall not be unreasonably withheld.

24. **Non-Waiver.** Unless otherwise expressly provided in this Agreement, no waiver by Grantor or Grantee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Grantor or Grantee, as the case may be. No delay or omission in the exercise of any right or remedy accruing to Grantor or Grantee, as the case may be, upon any breach under this Agreement shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by Grantor or Grantee of any breach of any term, covenant or condition herein stated shall not be deemed to be a waiver of any other term, covenant or condition.

25. **Captions.** Section titles or captions contained in this Agreement are inserted as a matter of convenience and for reference only, and in no way define, limit, extend or describe the scope of this Agreement.

26. **Exhibits.** All Exhibits attached hereto shall be incorporated herein by reference as if set out herein in full.

27. **Entire Agreement.** This Agreement, together with all exhibits attached hereto or mentioned herein, shall constitute the entire Agreement between the parties and may not be amended, modified or terminated except by a writing signed by the Parties hereto. This Agreement and the Exhibits hereto wholly supersede any and all oral statements, representations or agreements made by the Parties to this Agreement. This Agreement shall become binding when executed by Grantor and Grantee.

28. **Construction of Agreement.** This Agreement is the product of negotiations between the Parties and shall not be construed as being drafted by one Party as opposed to the other.

29. **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

30. **Further Assurances.** Grantor and Grantee each agree to execute and deliver such other documents and instruments, and to take such other actions, as may commercially reasonably be required and which may be necessary to effectuate the agreements set forth in this Agreement; provided, however, that such additional documents, instruments or actions do not impose upon either Grantor or Grantee any obligations, duties, liabilities or responsibilities which are not expressly provided for in this Agreement.

TO HAVE AND TO HOLD the above-described Easement, together with all and singular, the rights and appurtenances thereto in anywise belonging, unto Grantee, its successors and assigns, forever. Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular, the said Easement, subject to all matters now of record affecting the Fee Property, unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

[Signature pages follow]

EXHIBIT A

Description of the Easement Area

[TO BE FINALIZED]

EXHIBIT B
OF POWER PURCHASE AGREEMENT
The System

EXHIBIT C

RESERVED

EXHIBIT D

Memorandum of Easement

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

CITY OF LATHROP
ATTN: CITY CLERK
390 TOWNE CENTRE DRIVE
LATHROP, CA 95330
Exempt from payment of recording fees (GC 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF SOLAR POWER EASEMENT AGREEMENT

THIS MEMORANDUM OF SOLAR POWER EASEMENT AGREEMENT (this "**Memorandum**") is made and entered into as of March 11, 2019, by and between by and between City of Lathrop. A General Law California City, with a place of business at 390 Towne Centre Dive Lathrop CA, 95330 ("Grantor") and General Electric International, Inc., a Delaware corporation, with a place of business at 1 River Road, Schenectady, New York 12345 ("**Grantee**") Grantor and Grantee are referred to collectively herein as the "**Parties**".

WITNESSETH:

- A. Grantor and Grantee have entered into a Solar Power Easement Agreement dated [_____] (the "**Agreement**") pursuant to which Grantor granted to Grantee an non-exclusive easement for the installation, maintenance, operation, inspection, repair and replacement of certain photovoltaic systems and related cables, electrical lines, ducts, transformers and other equipment, on, over, across and under the "Easement Area" described in **Schedule A** and as shown in **Schedule B** attached hereto and incorporated herein by reference, together with the right of ingress and egress to and from the Easement Area described in the Agreement.
- B. The term of the Agreement commenced on the date of the Agreement and shall continue until the expiration or earlier termination of the PPA (as defined in the Agreement). The PPA commenced on the date of the Agreement and, unless earlier terminated, shall expire on unless the PPA is terminated earlier according to it terms, the PPA shall expire on the date which is twenty-five (25) years after the Commercial Operation Date (as defined in the PPA) unless extended for up to an additional ten (10) years in accordance with the terms of the PPA.
- C. The Parties have executed this Memorandum, which is to be recorded in order that third parties may have notice of the interests of Grantee in the Easement Area and of the existence of the Agreement and of certain easement rights granted to Grantee in the Easement Area pursuant to the Agreement.

D. In the event of any conflict between this Memorandum and the Agreement, the Agreement shall govern. This Memorandum does not alter, amend, modify or change the Agreement in any respect and is executed by the Parties hereto solely for the purpose of recordation in the real property records of the counties, districts, boroughs and parishes in which the Easement Area is located to give notice of, and to confirm, the Agreement and all of its terms to the same extent as if all such terms were fully set forth herein. All capitalized terms used in this Agreement but not defined herein shall have the meanings ascribed to such terms in the Agreement. This Memorandum may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

[Signature page follows]

Schedule A

RESERVED

Schedule B

RESERVED

EXHIBIT E

Grantor's Access, Control, and Safety Requirements

RESERVED

EXHIBIT F

Legal Description of Real Property

RESERVED

D2

SOLAR POWER EASEMENT
AGREEMENT - COMMUNITY CENTER

SOLAR POWER EASEMENT AGREEMENT
(Community Center)

This Solar Power Easement Agreement (this “**Agreement**”) is effective as of the 11th day of March 2019 (“**Effective Date**”), by and between City of Lathrop, a general law California City, with a place of business at 390 Towne Centre Drive Lathrop CA 95330 (“**Grantor**”) and General Electric International, Inc., a Delaware corporation, with a place of business at 1 River Road, Schenectady, New York 12345 (“**Grantee**”), each a (“**Party**”) and together (“**Parties**”).

RECITALS

A. Grantor is the fee owner of approximately 9.19 acres of land located at 15557 5th Street Lathrop, CA (the “**Fee Property**”).

B. Grantor desires to obtain a portion of the power required to run its facilities from a carport-mounted photovoltaic generating system having an approximate generating capacity of 109.44 kW (DC) and more particularly described on **Exhibit B** of the Power Purchase Agreement (PPA) (as hereinafter defined) (such system, together with all interconnection facilities and other equipment related thereto, the “**System**”) to be installed, constructed, interconnected, owned and operated on a portion of the Fee Property (hereinafter defined as the “**Easement Area**”). The Easement Area, as shown on **Exhibit A** annexed hereto, is comprised of approximately .2 acres of land, which is 8,000 square feet of space.

C. Grantee desires to develop the System on the Easement Area and, in furtherance of that desire, Grantee has entered into a Solar Power Purchase Agreement dated March 11, 2019 (“**PPA**”) whereby Grantee and the Grantor have agreed to the terms for the installation, maintenance, ownership, and operation of the System in the Easement Area.

D. Grantor, hereby grants the Easement (as hereinafter defined) to Grantee for the use of the Easement Area for the development, construction, installation, ownership, operation, maintenance and removal of the System.

E. Grantee shall, at its sole cost and expense, engineer, procure and install any and all equipment in connection with the System in accordance with the PPA.

G. Grantor desires to grant to Grantee an easement in the Easement Area, and Grantee desires to obtain an easement to the Easement Area, each subject to the terms and conditions set forth in this Agreement.

AGREEMENT

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. **Grant of Easement; Term.** Subject to the terms of this Agreement and to any recorded, pre-existing, third-party rights or interests with respect to the Property, Grantor hereby grants and conveys to Grantee, its successors and assigns, non-exclusive easement (the “**Easement**”) on, over, across and under the Easement Area for the Intended Use (as hereinafter defined), together with a right of access across the Fee Property for the purposes of exercising its rights hereunder (as further set forth in Section 2.2 hereof), commencing on the Effective Date and

continuing until the expiration or earlier termination of the PPA in its entirety or as to the System (including any extensions or renewals thereof) (the “**Term**”). Upon the expiration or earlier termination of the Term, Grantee shall remove the System in accordance with (including within the time period set forth in) Section 2 of the PPA.

2. Use/Access.

2.1 Use. Grantee may use the Easement Area to install, construct, interconnect, operate, maintain, upgrade, repair, replace and remove the System, for such other uses as are reasonably and customarily related to such activities, and to undertake such other activities as may be set forth in Section 18 of the PPA (“**Intended Use**”). The Intended Use may include structural elements to physically support equipment, including vertical support poles, carports, concrete or similar anchors or plugs, and mounting hardware used to attach solar modules and other components at the Easement Area. Grantee may, at its sole cost and expense, periodically inspect, clean, maintain, repair and replace the System at times reasonably determined by Grantee to be necessary or desirable. All electrical output generated by the System shall be subject to the terms and conditions contained in the PPA.

2.2 Access; Insolation. Grantee shall also have the right of ingress and egress over and across the Fee Property for the purpose of exercising the rights set forth herein, including, but not limited to, access to (a) receive, unload, store, warehouse and protect all materials, tools and equipment in the Easement Area, as needed; (b) use lay down area in the Easement Area and adjoining portions of the Fee Property during construction of the System; (c) provide, install, inspect and maintain through or under the Easement Area during the Term of this Agreement such cables, electric lines, ducts, transformers, fencing and other or other ancillary equipment or apparatus as may, in the opinion of Grantee, be necessary or desirable for connecting the System to or for the benefit of Grantee’s electrical system or the local utility’s distribution system; (d) remove, trim, prune, top or otherwise control the growth of any tree, shrub, plant or other vegetation on the Fee Property to the extent it obstructs or limits insolation to the Easement Area; and (e) provide a non-exclusive easement over the Fee Property for ingress and egress to and from the Easement Area for Grantee and its employees, agents, contractors and subcontractors, at all times during the Term of this Agreement (the foregoing, collectively, the “**Access Easements**”).

3. Rent.

3.1 Rent. Commencing on the Commercial Operation Date of the System, Grantee shall pay Grantor the sum of \$1 per calendar year as rent for the use of the Easement Area and the Access Easements (“**Rent**”).

3.2 Payment of Rent. Rent shall be paid as of the first (1st) day of each calendar year during the Term provided however, Grantee shall have the right for accounting convenience to apply the amount of Rent for the Term as a credit offset against the first monthly payment amounts payable by Grantor pursuant to the PPA, as provided therein.

4. Construction of System. Grantor and Grantee shall reasonably cooperate with each other with regard to the coordination of construction of the System described in this

Agreement. Grantor has reviewed and approved Grantee's plans and specifications for the System, subject to Grantee's obligations to obtain all governmental approvals as set forth in Section 5.B. of the PPA. Grantor shall not grant any licenses, easements, leases or rights of way, whether recorded or unrecorded, which could be reasonably expected to interfere with Grantee's use of the Easement Area to develop, design, construct, install, own, operate, maintain or remove the System or otherwise engage in any Intended Use of the Easement Area. Grantee shall comply with Grantor's Access, Control and Safety Requirements as defined in Exhibit E.

5. **Operation, Maintenance and Repair of System**

5.1 Grantee will own, operate, maintain and repair the System during the Term of this Agreement in accordance with Section 5.F. of the PPA. Grantee shall provide reasonable notice to Grantor prior to any maintenance and repair activities that could be reasonably expected to materially interfere with Grantor's operations at the Fee Property (other than the Easement Area), provided that in the event Grantee needs emergency access after regular business hours, Grantor shall provide immediate access to the Fee Property. All work performed by Grantee in connection with the installation, operation, maintenance and repair of the System shall be performed in accordance with Section 5 of the PPA.

5.2 In the event Grantee is in default of any of the terms and conditions of this Agreement, and such breach is not cured within thirty (30) days following written notice by Grantor to cure the default (unless by the nature of such default a longer period to cure is required, in which event Grantee shall not be in default if it commences to cure the default within thirty (30) days of receipt of notice from Grantor and diligently proceeds to cure the default thereafter) (hereinafter "**Event of Default by Grantee**"), then so long as such Event of Default of Grantee is continuing, without limitation of Grantor's other rights and remedies at law or equity, Grantor may terminate this Agreement by written notice to Grantee, such termination to be effective on the date set forth in such notice. Upon termination of this Agreement, Grantee shall remove the System in accordance with (including within the time period set forth in) Section 3 of the PPA.

6. **Credits, Rebates and Incentives**. Entitlement to all federal and state tax credits, renewable energy credits, including all renewable energy attributes and/or benefits, payments, grants, rebates, incentive payments, or other credits paid as a result of the design, installation, and/or operation of the System (hereinafter "**Incentives**") shall be determined in accordance with the terms and conditions of the PPA. Grantor shall not be entitled to the benefit of any Incentives.

7. **Ownership of the System**. As further set forth in Section 7 of the PPA, which is incorporated herein by reference, the System and all alterations, additions, improvements or installations made thereto by Grantee and all personal property of Grantee used in connection with the installation, operation and maintenance of the System, electric lines, ducts or other apparatus related to the System are, and shall be and remain, the personal property of Grantee ("**Grantee's Property**"). In no event shall any Grantee's Property be deemed a fixture, nor shall Grantor, nor anyone claiming by, through or under Grantor (including, but not limited to, any present or future mortgagee of Grantor) have any rights in or to the Grantee's Property at any time. Ownership of Grantee's Property at the end of the Term or earlier termination of this Agreement shall be in accordance with the terms and conditions of the PPA.

8. **Grantor's Representations and Obligations.**

- (a) Grantor represents and warrants that (i) the execution and delivery by Grantor of this Agreement and the performance by it of its obligations hereunder have been duly and validly authorized by all necessary action on behalf of Grantor, including compliance with all procurement laws, rules and ordinances applicable to Grantor, (ii) this Agreement has been duly and validly executed and delivered by Grantor and constitutes the legal, valid and binding obligation of Grantor enforceable against it in accordance with its terms (iii) Grantor has good and marketable fee simple title to the Fee Property, and (iv) there are no liens, covenants, restrictions, rights of way, easements or other encumbrances affecting the Fee Property that could prevent, limit or adversely affect the Intended Use.
- (b) Grantor covenants that Grantee shall at all times during the Term peaceably and quietly have, hold and enjoy the Easement Area without hindrance or disturbance of any kind by Grantor or any person claiming by, through or under Grantor.
- (c) In no event shall Grantor cause or permit the Fee Property (i) any structure or facility to be erected within the Easement Area or elsewhere on the Fee Property, or (ii) the growth of foliage, in each case that might interfere with or cause or permit any interference with the System, electric lines, ducts, or other apparatus related to the System, or the insulation of the System.
- (d) Grantor at its sole cost and expense shall materially comply with all applicable federal, state and local laws, rules, regulations and ordinances relating to the ownership and occupancy of the Property.
- (e) A failure by Grantor to perform or comply with any of the terms and conditions of this Agreement may be considered an event of default by Grantor under this Agreement (hereinafter "**Event of Default by Grantor**"). If an Event of Default by Grantor occurs, Grantee shall notify Grantor in writing of such default. Grantor shall have thirty (30) days following written notice by Grantee to cure the default unless by the nature of such default a longer period to cure is required, in which event Grantor shall not be in default if it commences to cure the default within thirty (30) days of receipt of notice from Grantee and diligently proceeds to cure the default thereafter. If an Event of Default by Grantor has not been cured within such period, Grantee shall have the right to terminate this Agreement in accordance with the terms and conditions contained in the PPA.

9. **Indemnification.** At all times during the Term, of this Agreement, the Parties will indemnify each other in the same manner and to the extent as provided in Section 17.A. and Section 17.B. of the PPA, subject to the limitations set forth in Section 17.F. of the PPA, each of which sections is incorporated herein by reference, regardless of whether or not at any times the Grantor is the City under the PPA. For the avoidance of doubt, Grantee's aggregate liability under this Agreement is subject to the limitations of liability set forth in Section 17 of the PPA.

10. **Insurance.** At all times following the Effective Date, the Parties shall maintain the insurance required under the PPA.

11. **Incorporation of Select PPA Terms.** Except as otherwise expressly provided in this Agreement, the terms, provisions, and conditions contained in the PPA that are expressly incorporated in this Agreement (including defined terms) are made a part hereof as if herein set forth at length, Grantor being substituted for "City" under the PPA, Grantee being substituted for "Provider" under the PPA, and this Agreement being substituted for "Agreement" under the PPA. Notwithstanding the foregoing, unless expressly incorporated herein, the terms and provisions of the PPA are not made a part hereof and neither Party shall be hereby bound by or obligated to perform any of its respective obligations under and pursuant to such provisions of the PPA, unless such obligations also independently arise under this Agreement without regard to the existence of the PPA. Notwithstanding any other provision of this Agreement, the terms, provisions, and conditions contained in the PPA that are expressly incorporated in this Agreement (including defined terms) shall survive the expiration or termination of the PPA.

12. **Force Majeure.** To the same extent as set forth in the PPA, neither Party hereto shall be liable to the other for any failure of performance due to the occurrence and continuation of an event of Force Majeure (as defined in the PPA).

13. **Run with the Land.** The burdens and benefits of this Agreement shall run with the land and shall bind and inure to the benefit of the parties hereto, the successors in title of Grantor in and to the Fee Property, and the successors and assigns of Grantee and Grantee's employees, agents and contractors

14. **Notices.** Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if (i) placed in the United States mail, certified, return receipt requested, or (ii) deposited into the custody of Federal Express or another nationally recognized overnight delivery service, addressed to the party to be notified at the address for such party specified below, or to such other address as the party to be notified may designate by giving the other party no less than thirty (30) days' advance written notice of such change in address.

If to Grantor: City of Lathrop
 Attn: City Attorney
 390 Towne Centre Drive
 Lathrop CA 95330

With a copy to: City of Lathrop
 Attn: City Manager
 390 Towne Centre Drive
 Lathrop CA 95330

If to Grantee: General Electric International, Inc.
 1 River Road Building 53
 Schenectady, NY 12345
 Attn: Eric Schiemann, Solar Business Leader

With a copy to: General Counsel GE Solar
 1 River Road
 Building 53
 Schenectady, NY 12345
 Attn: Jennifer Gerrard

15. **Amendments; Governing Law; Severability.** This Agreement may not be amended except by written document signed by the then current owner of the Fee Property and Grantee. This Agreement shall be governed and construed in accordance with the laws of the State of California without regard to its conflict of laws principles. Any dispute or proceeding arising under this Agreement shall be resolved as set forth in Section 15 of the PPA and may be joined with any action arising under the PPA having a common set of facts or circumstances, provided that any matter arising hereunder that is required by applicable law to be determined by or adjudicated in a court of law shall be brought in the state or federal courts sitting in San Joaquin County, California, and solely as to such matters, the Parties hereby consent to the jurisdiction of such courts. The illegality, invalidity or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement. In the event either Party brings an action arising under this Agreement or any provisions contained herein, then the Party that substantially prevails in such action shall be entitled to recover from the non-prevailing Party, in addition to all other remedies or damages as limited herein, reasonable attorneys' fees and costs of court incurred in such action.

16. **Hazardous Materials.** Grantor's representations in Section 13.B.3. of the PPA is hereby incorporated by reference. The Parties indemnity obligations with respect to Hazardous Substances (as defined in the PPA) shall be as set forth in Section 17.B. of the PPA. Without limitation of the foregoing, if Grantor fails to remediate or remove any Hazardous Substance that it is required to remediate or remove pursuant to the PPA, then Grantee may suspend construction or operation of the System until such time as Grantor has remediated or removed such Hazardous Substance in accordance with Applicable Laws, in which event the Rent will be abated for the period of such suspension.

17. **Casualty; Condemnation.**

- (a) In the event that the System is materially damaged or destroyed in whole or part, Grantee (or the Financing Parties) may determine whether and to what extent to repair and restore the System and shall notify Grantor of such determination within ninety (90) days following the relevant event. If Grantee determines not to repair or restore the System such that it is not capable of regular, safe and commercially viable operation at the Easement Area, then Grantee's notice to Grantor may include its election to terminate this Agreement as of a date specified in such notice. Following such termination, Grantee shall remove the System as set forth in Section 3 of the PPA.

- (b) Upon receipt by either Grantor or Grantee of notice of any proceedings for the taking or condemnation of all or a portion of the Fee Property (a "Taking"), the Party receiving such notice shall promptly give notice thereof to the other Party and such other Party may also appear in such proceeding. In the event of a permanent Taking of the fee title to or of control of all or substantially all of the Easement Area, this Agreement shall terminate as

of the effective date of such Taking. In the event of a Taking of less than all or substantially all of the Easement Area, Grantee shall reasonably determine, in its sole discretion, whether the continued use and occupancy of the remainder of the Easement Area is or can reasonably be made to be safe, economically viable, structurally sound and otherwise feasible. In the event of a Taking, Grantor and Grantee shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings. If the condemning authority does not make separate awards, the award will be allocated on a proportionate value basis. If the Parties are unable to agree as to such proportion, then each Party shall select a recognized and neutral independent appraiser experienced in the appraisal of real estate and solar power facilities who shall determine the allocation. The cost of the appraiser shall be borne equally by the Parties. Nothing herein shall limit the rights of either Party to participate in such condemnation proceedings or seek specific compensation from a condemning authority.

18. **Taxes.** The Parties shall pay all real and personal property Taxes (as defined in the PPA) as and to the extent set forth in the PPA.

19. **Recordation.** Grantor shall execute and deliver to Grantee a memorandum substantially in the form attached hereto as **Exhibit D** in form for recordation in the land records of the County Recorder's Office of San Joaquin County, California to evidence the easements granted hereunder within ten (10) days following written request therefor.

20. **Assignment.** The Parties may sell, assign, collaterally assign or otherwise transfer their respective rights under this Agreement to the same extent as and subject to the terms set forth in Section 19 of the PPA.

21. **Financing Party Accommodations.** Grantee may collaterally assign, pledge, mortgage or grant a security interest and/or otherwise encumber its rights, title and/or interest in this Agreement in favor of any financing party to the same extent as and subject to the terms set forth in Section 19 of the PPA. Grantor shall cooperate with Grantee and provide such estoppels, consents and other documents, all to the same extent as and subject to the terms set forth in Section 19 of the PPA.

22. **Subordination and Non-Disturbance.** If Grantor has granted one or more mortgages, deeds of trust or other security instrument (collectively, the "Mortgages", individually, a "Mortgage") that encumber some or all of the Grantor's Property to certain persons (each such person, a "Mortgagee"), then for each Mortgage Grantor will obtain from the Mortgagee within thirty (30) days of Grantee's request, a reasonable and customary subordination and non-disturbance among Grantor, such Mortgagee and Grantee pursuant to which (a) Grantee confirms that this Agreement is subordinated to the Mortgage granted to such Mortgagee and the Grantee will attorn to such Mortgagee in the event that the Mortgagee acquires title to the Fee Property and (b) such Mortgagee shall honor this Agreement, that the Agreement shall remain in full force and effect and shall not be terminated and Grantee shall be permitted to exercise all of its rights and remedies hereunder, including in the event of foreclosure under the Mortgage to which such Mortgagee is a party.

23. **Confidentiality.** Neither Party shall make any disclosure of any information related to this Agreement without the specific prior written consent of the other, except for such disclosures to the Parties' lenders, creditors, officers, employees, agents, consultants, attorneys and accountants as may be necessary to permit each Party to perform its obligations hereunder and as required to comply with applicable laws, rules and regulations. A Party's response to the other Party's request for written consent under this Section 23 shall be within fifteen (15) days, and written consent shall not be unreasonably withheld.

24. **Non-Waiver.** Unless otherwise expressly provided in this Agreement, no waiver by Grantor or Grantee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Grantor or Grantee, as the case may be. No delay or omission in the exercise of any right or remedy accruing to Grantor or Grantee, as the case may be, upon any breach under this Agreement shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by Grantor or Grantee of any breach of any term, covenant or condition herein stated shall not be deemed to be a waiver of any other term, covenant or condition.

25. **Captions.** Section titles or captions contained in this Agreement are inserted as a matter of convenience and for reference only, and in no way define, limit, extend or describe the scope of this Agreement.

26. **Exhibits.** All Exhibits attached hereto shall be incorporated herein by reference as if set out herein in full.

27. **Entire Agreement.** This Agreement, together with all exhibits attached hereto or mentioned herein, shall constitute the entire Agreement between the parties and may not be amended, modified or terminated except by a writing signed by the Parties hereto. This Agreement and the Exhibits hereto wholly supersede any and all oral statements, representations or agreements made by the Parties to this Agreement. This Agreement shall become binding when executed by Grantor and Grantee.

28. **Construction of Agreement.** This Agreement is the product of negotiations between the Parties and shall not be construed as being drafted by one Party as opposed to the other.

29. **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

30. **Further Assurances.** Grantor and Grantee each agree to execute and deliver such other documents and instruments, and to take such other actions, as may commercially reasonably be required and which may be necessary to effectuate the agreements set forth in this Agreement; provided, however, that such additional documents, instruments or actions do not impose upon either Grantor or Grantee any obligations, duties, liabilities or responsibilities which are not expressly provided for in this Agreement.

TO HAVE AND TO HOLD the above-described Easement, together with all and singular, the rights and appurtenances thereto in anywise belonging, unto Grantee, its successors and assigns, forever. Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular, the said Easement, subject to all matters now of record affecting the Fee Property, unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

[Signature pages follow]

Executed to be effective as of the Effective Date.

GRANTOR:

City of Lathrop,
a General Law California City

BY: _____
Stephen J. Salvatore
City Manager

APPROVED AS TO FORM

BY: _____
Salvador Navarrete
City Attorney

GRANTEE:

GENERAL ELECTRIC INTERNATIONAL, INC.,
a Delaware corporation

By: _____
Erik Schiemann
General Manager – Solar Business

THE STATE OF NEW YORK §
 §
COUNTY OF SCHENECTADY §

This instrument was acknowledged before me on _____, 2019, by Erik Schiemann, General Manager – Solar Business of General Electric International, Inc., a Delaware corporation, on behalf of said corporation.

Notary Public, State of _____
Printed Name: _____
My commission expires: _____

EXHIBIT A

Description of the Easement Area

[TO BE FINALIZED]

EXHIBIT B

THE SYSTEM

EXHIBIT C

RESERVED

EXHIBIT D

Memorandum of Easement

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

CITY OF LATHROP
ATTN: CITY CLERK
390 TOWNE CENTRE DRIVE
LATHROP, CA 95330
Exempt from payment of recording fees (GC 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF SOLAR POWER EASEMENT AGREEMENT

THIS MEMORANDUM OF SOLAR POWER EASEMENT AGREEMENT (this "**Memorandum**") is made and entered into as of _____, 2019, by and between City of Lathrop. A general law California City, with a place of business at 390 Towne Centre Lathrop, CA 95330 ("**Grantor**") and General Electric International, Inc., a Delaware corporation, with a place of business at 1 River Road, Schenectady, New York 12345 ("**Grantee**") Grantor and Grantee are referred to collectively herein as the "**Parties**".

WITNESSETH:

- A. Grantor and Grantee have entered into a Solar Power Easement Agreement dated [_____] (the "**Agreement**") pursuant to which Grantor granted to Grantee an non-exclusive easement for the installation, maintenance, operation, inspection, repair and replacement of certain photovoltaic systems and related cables, electrical lines, ducts, transformers and other equipment, on, over, across and under the "Easement Area" described in **Schedule A** and as shown in **Schedule B** attached hereto and incorporated herein by reference, together with the right of ingress and egress to and from the Easement Area described in the Agreement.
- B. The term of the Agreement commenced on the date of the Agreement and shall continue until the expiration or earlier termination of the PPA (as defined in the Agreement). The PPA commenced on the date of the Agreement and, unless earlier terminated, shall expire on unless the PPA is terminated earlier according to it terms, the PPA shall expire on the date which is twenty-five (25) years after the Commercial Operation Date (as defined in the PPA) unless extended for up to an additional ten (10) years in accordance with the terms of the PPA.
- C. The Parties have executed this Memorandum, which is to be recorded in order that third parties may have notice of the interests of Grantee in the Easement Area and of the existence of the Agreement and of certain easement rights granted to Grantee in the Easement Area pursuant to the Agreement.

D. In the event of any conflict between this Memorandum and the Agreement, the Agreement shall govern. This Memorandum does not alter, amend, modify or change the Agreement in any respect and is executed by the Parties hereto solely for the purpose of recordation in the real property records of the counties, districts, boroughs and parishes in which the Easement Area is located to give notice of, and to confirm, the Agreement and all of its terms to the same extent as if all such terms were fully set forth herein. All capitalized terms used in this Agreement but not defined herein shall have the meanings ascribed to such terms in the Agreement. This Memorandum may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

[Signature page follows]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Memorandum as of the day and year first above written.

GRANTOR:

City of Lathrop,
A General Law California City

BY: _____
Stephen J. Salvatore
City Manager

GRANTEE:

GENERAL ELECTRIC INTERNATIONAL, INC.
a Delaware corporation

By: _____

Name: Erik Schiemann

Title: General Manager – Solar Business

THE STATE OF NEW YORK §
 §
COUNTY OF SCHENECTADY §

This instrument was acknowledged before me on _____, 2019, by Erik Schiemann, General Manager – Solar Business of General Electric International, Inc., a Delaware corporation, on behalf of said corporation.

Notary Public, State of _____
Printed Name: _____
My commission expires: _____

Schedule A

RESERVED

Schedule B

RESERVED

EXHIBIT E

Grantor's Access, Control, and Safety Requirements

RESERVED

1

EXHIBIT F

Legal Description of Real Property

RESERVED

D3

SOLAR POWER EASEMENT
AGREEMENT - SOUTH HARLAN ROAD
STORM DRAIN BASIN

SOLAR POWER EASEMENT AGREEMENT
(Christopher Way)

This Solar Power Easement Agreement (this “**Agreement**”) is effective as of the 11th day of March 2019 (“**Effective Date**”), by and between City of Lathrop, a general law California City, with a place of business at 390 Towne Centre Drive Lathrop CA 95330 (“**Grantor**”) and General Electric International, Inc., a Delaware corporation, with a place of business at 1 River Road, Schenectady, New York 12345 (“**Grantee**”), each a (“**Party**”) and together (“**Parties**”).

RECITALS

A. Grantor is the fee owner of approximately 10.25 acres of land located at 18500 South Harlan Road Lathrop, CA (the “**Fee Property**”).

B. Grantor desires to obtain a portion of the power required to run its facilities from a ground-mounted photovoltaic generating system having an approximate generating capacity of 1,103.76 kW (DC) and more particularly described on **Exhibit B** of the Power Purchase Agreement (PPA) (as hereinafter defined) (such system, together with all interconnection facilities and other equipment related thereto, the “**System**”) to be installed, constructed, interconnected, owned and operated on a portion of the Fee Property (hereinafter defined as the “**Easement Area**”). The Easement Area, as shown on **Exhibit A** annexed hereto, is comprised of approximately 3.5 acres of land, which is 154,896 square feet of space.

C. Grantee desires to develop the System on the Easement Area and, in furtherance of that desire, Grantee has entered into a Solar Power Purchase Agreement dated March 11, 2019 (“**PPA**”) whereby Grantee and the Grantor have agreed to the terms for the installation, maintenance, ownership, and operation of the System in the Easement Area.

D. Grantor, hereby grants the Easement (as hereinafter defined) to Grantee for the use of the Easement Area for the development, construction, installation, ownership, operation, maintenance and removal of the System.

E. Grantee shall, at its sole cost and expense, engineer, procure and install any and all equipment in connection with the System in accordance with the PPA.

G. Grantor desires to grant to Grantee an easement in the Easement Area, and Grantee desires to obtain an easement to the Easement Area, each subject to the terms and conditions set forth in this Agreement.

AGREEMENT

Now therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Grantee hereby agree as follows:

1. **Grant of Easement; Term.** Subject to the terms of this Agreement and to any recorded, pre-existing, third-party rights or interests with respect to the Property, Grantor hereby grants and conveys to Grantee, its successors and assigns, non-exclusive easement (the “**Easement**”) on, over, across and under the Easement Area for the Intended Use (as hereinafter defined), together with a right of access across the Fee Property for the purposes of exercising its rights hereunder (as further set forth in Section 2.2 hereof), commencing on the Effective Date and

continuing until the expiration or earlier termination of the PPA in its entirety or as to the System (including any extensions or renewals thereof) (the "**Term**"). Upon the expiration or earlier termination of the Term, Grantee shall remove the System in accordance with (including within the time period set forth in) Section 2 of the PPA.

2. **Use/Access.**

2.1 **Use.** Grantee may use the Easement Area to install, construct, interconnect, operate, maintain, upgrade, repair, replace and remove the System, for such other uses as are reasonably and customarily related to such activities, and to undertake such other activities as may be set forth in Section 18 of the PPA ("**Intended Use**"). The Intended Use may include structural elements to physically support equipment, including vertical support poles, carports, concrete or similar anchors or plugs, and mounting hardware used to attach solar modules and other components at the Easement Area. Grantee may, at its sole cost and expense, periodically inspect, clean, maintain, repair and replace the System at times reasonably determined by Grantee to be necessary or desirable. All electrical output generated by the System shall be subject to the terms and conditions contained in the PPA.

2.2 **Access; Insolation.** Grantee shall also have the right of ingress and egress over and across the Fee Property for the purpose of exercising the rights set forth herein, including, but not limited to, access to (a) receive, unload, store, warehouse and protect all materials, tools and equipment in the Easement Area, as needed; (b) use lay down area in the Easement Area and adjoining portions of the Fee Property during construction of the System; (c) provide, install, inspect and maintain through or under the Easement Area during the Term of this Agreement such cables, electric lines, ducts, transformers, fencing and other or other ancillary equipment or apparatus as may, in the opinion of Grantee, be necessary or desirable for connecting the System to or for the benefit of Grantee's electrical system or the local utility's distribution system; (d) remove, trim, prune, top or otherwise control the growth of any tree, shrub, plant or other vegetation on the Fee Property to the extent it obstructs or limits insolation to the Easement Area; and (e) provide a non-exclusive easement over the Fee Property for ingress and egress to and from the Easement Area for Grantee and its employees, agents, contractors and subcontractors, at all times during the Term of this Agreement (the foregoing, collectively, the "**Access Easements**").

3. **Rent.**

3.1 **Rent.** Commencing on the Commercial Operation Date of the System, Grantee shall pay Grantor the sum of \$1 per calendar year as rent for the use of the Easement Area and the Access Easements ("**Rent**").

3.2 **Payment of Rent.** Rent shall be paid as of the first (1st) day of each calendar year during the Term provided however, Grantee shall have the right for accounting convenience to apply the amount of Rent for the Term as a credit offset against the first monthly payment amounts payable by Grantor pursuant to the PPA, as provided therein.

4. **Construction of System.** Grantor and Grantee shall reasonably cooperate with each other with regard to the coordination of construction of the System described in this Agreement. Grantor has reviewed and approved Grantee's plans and specifications for the System, subject to Grantee's obligations to obtain all governmental approvals as set forth in Section 5.B. of the PPA. Grantor shall not grant any licenses, easements, leases or rights of way, whether recorded or unrecorded, which could be reasonably expected to interfere with Grantee's use of the Easement Area to develop, design, construct, install, own, operate, maintain or remove the System or otherwise engage in any Intended Use of the Easement Area. Grantee shall comply with Grantor's Access, Control and Safety Requirements as defined in **Exhibit E.**

5. **Operation, Maintenance and Repair of System.**

5.1 Grantee will own, operate, maintain and repair the System during the Term of this Agreement in accordance with Section 5.F. of the PPA. Grantee shall provide reasonable notice to Grantor prior to any maintenance and repair activities that could be reasonably expected to materially interfere with Grantor's operations at the Fee Property (other than the Easement Area), provided that in the event Grantee needs emergency access after regular business hours, Grantor shall provide immediate access to the Fee Property. All work performed by Grantee in connection with the installation, operation, maintenance and repair of the System shall be performed in accordance with Section 5 of the PPA.

5.2 In the event Grantee is in default of any of the terms and conditions of this Agreement, and such breach is not cured within thirty (30) days following written notice by Grantor to cure the default (unless by the nature of such default a longer period to cure is required, in which event Grantee shall not be in default if it commences to cure the default within thirty (30) days of receipt of notice from Grantor and diligently proceeds to cure the default thereafter) (hereinafter "**Event of Default by Grantee**"), then so long as such Event of Default of Grantee is continuing, without limitation of Grantor's other rights and remedies at law or equity, Grantor may terminate this Agreement by written notice to Grantee, such termination to be effective on the date set forth in such notice. Upon termination of this Agreement, Grantee shall remove the System in accordance with (including within the time period set forth in) Section 3 of the PPA.

6. **Credits, Rebates and Incentives.** Entitlement to all federal and state tax credits, renewable energy credits, including all renewable energy attributes and/or benefits, payments, grants, rebates, incentive payments, or other credits paid as a result of the design, installation, and/or operation of the System (hereinafter "**Incentives**") shall be determined in accordance with the terms and conditions of the PPA. Grantor shall not be entitled to the benefit of any Incentives.

7. **Ownership of the System.** As further set forth in Section 7 of the PPA, which is incorporated herein by reference, the System and all alterations, additions, improvements or installations made thereto by Grantee and all personal property of Grantee used in connection with the installation, operation and maintenance of the System, electric lines, ducts or other apparatus related to the System are, and shall be and remain, the personal property of Grantee ("**Grantee's Property**"). In no event shall any Grantee's Property be deemed a fixture, nor shall Grantor, nor anyone claiming by, through or under Grantor (including, but not limited to, any present or future mortgagee of Grantor) have any rights in or to the Grantee's Property at any time. Ownership of

Grantee's Property at the end of the Term or earlier termination of this Agreement shall be in accordance with the terms and conditions of the PPA.

8. **Grantor's Representations and Obligations.**

- (a) Grantor represents and warrants that (i) the execution and delivery by Grantor of this Agreement and the performance by it of its obligations hereunder have been duly and validly authorized by all necessary action on behalf of Grantor, including compliance with all procurement laws, rules and ordinances applicable to Grantor, (ii) this Agreement has been duly and validly executed and delivered by Grantor and constitutes the legal, valid and binding obligation of Grantor enforceable against it in accordance with its terms (iii) Grantor has good and marketable fee simple title to the Fee Property, and (iv) there are no liens, covenants, restrictions, rights of way, easements or other encumbrances affecting the Fee Property that could prevent, limit or adversely affect the Intended Use.
- (b) Grantor covenants that Grantee shall at all times during the Term peaceably and quietly have, hold and enjoy the Easement Area without hindrance or disturbance of any kind by Grantor or any person claiming by, through or under Grantor.
- (c) In no event shall Grantor cause or permit the Fee Property (i) any structure or facility to be erected within the Easement Area or elsewhere on the Fee Property, or (ii) the growth of foliage, in each case that might interfere with or cause or permit any interference with the System, electric lines, ducts, or other apparatus related to the System, or the insulation of the System.
- (d) Grantor at its sole cost and expense shall materially comply with all applicable federal, state and local laws, rules, regulations and ordinances relating to the ownership and occupancy of the Property.
- (e) A failure by Grantor to perform or comply with any of the terms and conditions of this Agreement may be considered an event of default by Grantor under this Agreement (hereinafter "**Event of Default by Grantor**"). If an Event of Default by Grantor occurs, Grantee shall notify Grantor in writing of such default. Grantor shall have thirty (30) days following written notice by Grantee to cure the default unless by the nature of such default a longer period to cure is required, in which event Grantor shall not be in default if it commences to cure the default within thirty (30) days of receipt of notice from Grantee and diligently proceeds to cure the default thereafter. If an Event of Default by Grantor has not been cured within such period, Grantee shall have the right to terminate this Agreement in accordance with the terms and conditions contained in the PPA.

9. **Indemnification.** At all times during the Term, of this Agreement, the Parties will indemnify each other in the same manner and to the extent as provided in Section 17.A. and Section 17.B. of the PPA, subject to the limitations set forth in Section 17.F. of the PPA, each of which sections is incorporated herein by reference, regardless of whether or not at any times the Grantor is the City under the PPA. For the avoidance of doubt, Grantee's aggregate liability under this Agreement is subject to the limitations of liability set forth in Section 17 of the PPA.

10. **Insurance.** At all times following the Effective Date, the Parties shall maintain the insurance required under the PPA.

11. **Incorporation of Select PPA Terms.** Except as otherwise expressly provided in this Agreement, the terms, provisions, and conditions contained in the PPA that are expressly incorporated in this Agreement (including defined terms) are made a part hereof as if herein set forth at length, Grantor being substituted for "City" under the PPA, Grantee being substituted for "Provider" under the PPA, and this Agreement being substituted for "Agreement" under the PPA. Notwithstanding the foregoing, unless expressly incorporated herein, the terms and provisions of the PPA are not made a part hereof and neither Party shall be hereby bound by or obligated to perform any of its respective obligations under and pursuant to such provisions of the PPA, unless such obligations also independently arise under this Agreement without regard to the existence of the PPA. Notwithstanding any other provision of this Agreement, the terms, provisions, and conditions contained in the PPA that are expressly incorporated in this Agreement (including defined terms) shall survive the expiration or termination of the PPA.

12. **Force Majeure.** To the same extent as set forth in the PPA, neither Party hereto shall be liable to the other for any failure of performance due to the occurrence and continuation of an event of Force Majeure (as defined in the PPA).

13. **Run with the Land.** The burdens and benefits of this Agreement shall run with the land and shall bind and inure to the benefit of the parties hereto, the successors in title of Grantor in and to the Fee Property, and the successors and assigns of Grantee and Grantee's employees, agents and contractors

14. **Notices.** Any notice required or permitted to be given hereunder by one party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if (i) placed in the United States mail, certified, return receipt requested, or (ii) deposited into the custody of Federal Express or another nationally recognized overnight delivery service, addressed to the party to be notified at the address for such party specified below, or to such other address as the party to be notified may designate by giving the other party no less than thirty (30) days' advance written notice of such change in address.

If to Grantor: City of Lathrop
 Attn: City Attorney
 390 Towne Centre Drive
 Lathrop CA 95330

With a copy to: City of Lathrop
 Attn: City Manager
 390 Towne Centre Drive
 Lathrop CA 95330

If to Grantee: General Electric International, Inc.
 1 River Road Building 53
 Schenectady, NY 12345
 Attn: Eric Schiemann, Solar Business Leader

With a copy to: General Counsel GE Solar
1 River Road
Building 53
Schenectady, NY 12345
Attn: Jennifer Gerrard

15. **Amendments; Governing Law; Severability.** This Agreement may not be amended except by written document signed by the then current owner of the Fee Property and Grantee. This Agreement shall be governed and construed in accordance with the laws of the State of California without regard to its conflict of laws principles. Any dispute or proceeding arising under this Agreement shall be resolved as set forth in Section 15 of the PPA and may be joined with any action arising under the PPA having a common set of facts or circumstances, provided that any matter arising hereunder that is required by applicable law to be determined by or adjudicated in a court of law shall be brought in the state or federal courts sitting in San Joaquin County, California, and solely as to such matters, the Parties hereby consent to the jurisdiction of such courts. The illegality, invalidity or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement. In the event either Party brings an action arising under this Agreement or any provisions contained herein, then the Party that substantially prevails in such action shall be entitled to recover from the non-prevailing Party, in addition to all other remedies or damages as limited herein, reasonable attorneys' fees and costs of court incurred in such action.

16. **Hazardous Materials.** Grantor's representations in Section 13.B.3. of the PPA is hereby incorporated by reference. The Parties indemnity obligations with respect to Hazardous Substances (as defined in the PPA) shall be as set forth in Section 17.B. of the PPA. Without limitation of the foregoing, if Grantor fails to remediate or remove any Hazardous Substance that it is required to remediate or remove pursuant to the PPA, then Grantee may suspend construction or operation of the System until such time as Grantor has remediated or removed such Hazardous Substance in accordance with Applicable Laws, in which event the Rent will be abated for the period of such suspension.

17. **Casualty; Condemnation.**

- (a) In the event that the System is materially damaged or destroyed in whole or part, Grantee (or the Financing Parties) may determine whether and to what extent to repair and restore the System and shall notify Grantor of such determination within ninety (90) days following the relevant event. If Grantee determines not to repair or restore the System such that it is not capable of regular, safe and commercially viable operation at the Easement Area, then Grantee's notice to Grantor may include its election to terminate this Agreement as of a date specified in such notice. Following such termination, Grantee shall remove the System as set forth in Section 3 of the PPA.
- (b) Upon receipt by either Grantor or Grantee of notice of any proceedings for the taking or condemnation of all or a portion of the Fee Property (a "Taking"), the Party receiving such notice shall promptly give notice thereof to the other Party and such other Party may also appear in such proceeding. In the event of a permanent Taking of the fee title to or of control of all or substantially all of the Easement Area, this Agreement shall terminate as

of the effective date of such Taking. In the event of a Taking of less than all or substantially all of the Easement Area, Grantee shall reasonably determine, in its sole discretion, whether the continued use and occupancy of the remainder of the Easement Area is or can reasonably be made to be safe, economically viable, structurally sound and otherwise feasible. In the event of a Taking, Grantor and Grantee shall be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings. If the condemning authority does not make separate awards, the award will be allocated on a proportionate value basis. If the Parties are unable to agree as to such proportion, then each Party shall select a recognized and neutral independent appraiser experienced in the appraisal of real estate and solar power facilities who shall determine the allocation. The cost of the appraiser shall be borne equally by the Parties. Nothing herein shall limit the rights of either Party to participate in such condemnation proceedings or seek specific compensation from a condemning authority.

18. **Taxes.** The Parties shall pay all real and personal property Taxes (as defined in the PPA) as and to the extent set forth in the PPA.

19. **Recordation.** Grantor shall execute and deliver to Grantee a memorandum substantially in the form attached hereto as **Exhibit D** in form for recordation in the land records of the County Recorder's Office of San Joaquin County, California to evidence the easements granted hereunder within ten (10) days following written request therefor.

20. **Assignment.** The Parties may sell, assign, collaterally assign or otherwise transfer their respective rights under this Agreement to the same extent as and subject to the terms set forth in Section 19 of the PPA.

21. **Financing Party Accommodations.** Grantee may collaterally assign, pledge, mortgage or grant a security interest and/or otherwise encumber its rights, title and/or interest in this Agreement in favor of any financing party to the same extent as and subject to the terms set forth in Section 19 of the PPA. Grantor shall cooperate with Grantee and provide such estoppels, consents and other documents, all to the same extent as and subject to the terms set forth in Section 19 of the PPA.

22. **Subordination and Non-Disturbance.** If Grantor has granted one or more mortgages, deeds of trust or other security instrument (collectively, the "**Mortgages**", individually, a "**Mortgage**") that encumber some or all of the Grantor's Property to certain persons (each such person, a "**Mortgagee**"), then for each Mortgage Grantor will obtain from the Mortgagee within thirty (30) days of Grantee's request, a reasonable and customary subordination and non-disturbance among Grantor, such Mortgagee and Grantee pursuant to which (a) Grantee confirms that this Agreement is subordinated to the Mortgage granted to such Mortgagee and the Grantee will attorn to such Mortgagee in the event that the Mortgagee acquires title to the Fee Property and (b) such Mortgagee shall honor this Agreement, that the Agreement shall remain in full force and effect and shall not be terminated and Grantee shall be permitted to exercise all of its rights and remedies hereunder, including in the event of foreclosure under the Mortgage to which such Mortgagee is a party.

23. **Confidentiality.** Neither Party shall make any disclosure of any information related to this Agreement without the specific prior written consent of the other, except for such disclosures to the Parties' lenders, creditors, officers, employees, agents, consultants, attorneys and accountants as may be necessary to permit each Party to perform its obligations hereunder and as required to comply with applicable laws, rules and regulations. A Party's response to the other Party's request for written consent under this Section 23 shall be within fifteen (15) days, and written consent shall not be unreasonably withheld.

24. **Non-Waiver.** Unless otherwise expressly provided in this Agreement, no waiver by Grantor or Grantee of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Grantor or Grantee, as the case may be. No delay or omission in the exercise of any right or remedy accruing to Grantor or Grantee, as the case may be, upon any breach under this Agreement shall impair such right or remedy or be construed as a waiver of any such breach theretofore or thereafter occurring. The waiver by Grantor or Grantee of any breach of any term, covenant or condition herein stated shall not be deemed to be a waiver of any other term, covenant or condition.

25. **Captions.** Section titles or captions contained in this Agreement are inserted as a matter of convenience and for reference only, and in no way define, limit, extend or describe the scope of this Agreement.

26. **Exhibits.** All Exhibits attached hereto shall be incorporated herein by reference as if set out herein in full.

27. **Entire Agreement.** This Agreement, together with all exhibits attached hereto or mentioned herein, shall constitute the entire Agreement between the parties and may not be amended, modified or terminated except by a writing signed by the Parties hereto. This Agreement and the Exhibits hereto wholly supersede any and all oral statements, representations or agreements made by the Parties to this Agreement. This Agreement shall become binding when executed by Grantor and Grantee.

28. **Construction of Agreement.** This Agreement is the product of negotiations between the Parties and shall not be construed as being drafted by one Party as opposed to the other.

29. **Counterparts.** This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

30. **Further Assurances.** Grantor and Grantee each agree to execute and deliver such other documents and instruments, and to take such other actions, as may commercially reasonably be required and which may be necessary to effectuate the agreements set forth in this Agreement; provided, however, that such additional documents, instruments or actions do not impose upon either Grantor or Grantee any obligations, duties, liabilities or responsibilities which are not expressly provided for in this Agreement.

TO HAVE AND TO HOLD the above-described Easement, together with all and singular, the rights and appurtenances thereto in anywise belonging, unto Grantee, its successors and assigns, forever. Grantor does hereby bind itself, its successors and assigns, to warrant and forever defend, all and singular, the said Easement, subject to all matters now of record affecting the Fee Property, unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

[Signature pages follow]

Executed to be effective as of the Effective Date.

GRANTOR:

City of Lathrop,
a General Law California City

BY: _____
Stephen J. Salvatore
City Manager

APPROVED AS TO FORM

BY: _____
Salvador Navarrete
City Attorney

GRANTEE:

GENERAL ELECTRIC INTERNATIONAL, INC.,
a Delaware corporation

By: _____
Erik Schiemann
General Manager – Solar Business

THE STATE OF NEW YORK §
 §
COUNTY OF SCHENECTADY §

This instrument was acknowledged before me on _____, 2019, by Erik Schiemann, General Manager – Solar Business of General Electric International, Inc., a Delaware corporation, on behalf of said corporation.

Notary Public, State of _____
Printed Name: _____
My commission expires: _____

EXHIBIT A

Description of the Easement Area

[TO BE FINALIZED]

EXHIBIT B
OF POWER PURCHASE AGREEMENT
The System

EXHIBIT C

RESERVED

EXHIBIT D

Memorandum of Easement

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

CITY OF LATHROP
ATTN: CITY CLERK
390 TOWNE CENTRE DRIVE
LATHROP, CA 95330
Exempt from payment of recording fees (GC 27383)

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MEMORANDUM OF SOLAR POWER EASEMENT AGREEMENT

THIS MEMORANDUM OF SOLAR POWER EASEMENT AGREEMENT (this "**Memorandum**") is made and entered into as of March 11, 2019, by and between City of Lathrop. A General Law California City, with a place of business at 390 Towne Centre Dive Lathrop CA, 95330 ("**Grantor**") and General Electric International, Inc., a Delaware corporation, with a place of business at 1 River Road, Schenectady, New York 12345 ("**Grantee**") Grantor and Grantee are referred to collectively herein as the "**Parties**".

WITNESSETH:

- A. Grantor and Grantee have entered into a Solar Power Easement Agreement dated [] (the "**Agreement**") pursuant to which Grantor granted to Grantee an non-exclusive easement for the installation, maintenance, operation, inspection, repair and replacement of certain photovoltaic systems and related cables, electrical lines, ducts, transformers and other equipment, on, over, across and under the "Easement Area" described in **Schedule A** and as shown in **Schedule B** attached hereto and incorporated herein by reference, together with the right of ingress and egress to and from the Easement Area described in the Agreement.
- B. The term of the Agreement commenced on the date of the Agreement and shall continue until the expiration or earlier termination of the PPA (as defined in the Agreement). The PPA commenced on the date of the Agreement and, unless earlier terminated, shall expire on unless the PPA is terminated earlier according to it terms, the PPA shall expire on the date which is twenty-five (25) years after the Commercial Operation Date (as defined in the PPA) unless extended for up to an additional ten (10) years in accordance with the terms of the PPA.
- C. The Parties have executed this Memorandum, which is to be recorded in order that third parties may have notice of the interests of Grantee in the Easement Area and of the existence of the Agreement and of certain easement rights granted to Grantee in the Easement Area pursuant to the Agreement.

D. In the event of any conflict between this Memorandum and the Agreement, the Agreement shall govern. This Memorandum does not alter, amend, modify or change the Agreement in any respect and is executed by the Parties hereto solely for the purpose of recordation in the real property records of the counties, districts, boroughs and parishes in which the Easement Area is located to give notice of, and to confirm, the Agreement and all of its terms to the same extent as if all such terms were fully set forth herein. All capitalized terms used in this Agreement but not defined herein shall have the meanings ascribed to such terms in the Agreement. This Memorandum may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument.

[Signature page follows]

IN WITNESS WHEREOF, Grantor and Grantee have executed this Memorandum as of the day and year first above written.

GRANTOR:

City of Lathrop,
A General Law California City

BY: _____
Stephen J. Salvatore
City Manager

GRANTEE:

GENERAL ELECTRIC INTERNATIONAL, INC.
a Delaware corporation

By: _____

Name: Erik Schiemann

Title: General Manager – Solar Business

THE STATE OF NEW YORK §
 §
COUNTY OF SCHENECTADY §

This instrument was acknowledged before me on _____, 2019, by Erik Schiemann, General Manager – Solar Business of General Electric International, Inc., a Delaware corporation, on behalf of said corporation.

Notary Public, State of _____
Printed Name: _____
My commission expires: _____

Schedule A

RESERVED

Schedule B

RESERVED

EXHIBIT E

Grantor's Access, Control, and Safety Requirements

RESERVED

EXHIBIT F

Legal Description of Real Property

RESERVED

ATTACHMENT E

Notice of Exemption

To: Office of Planning and Research
1400 Tenth Street,
Sacramento, CA 95814
 County Clerk
County of San Joaquin

From: City of Lathrop
390 Towne Center Drive
Lathrop, CA 95330
Attn: Ken Reed, Senior Const. Mgr.

Project Title: Solar Photovoltaic System

Project Applicant: CITY OF LATHROP

Project Location - Specific: City of Lathrop City Hall - 390 Towne Centre Drive, Lathrop, CA

Project Location - City: Lathrop, CA Project Location - County: SAN JOAQUIN COUNTY

Description of Nature, Purpose, and Beneficiaries of Project:

The City of Lathrop ("City") proposes to undertake a project to install photovoltaic arrays at three City sites to provide the City with clean energy for the operation of the facilities ("Project"). The beneficiaries of the Project will be the City and the public.

Name of Public Agency Approving Project: City of Lathrop

Name of Person or Agency Carrying Out Project: City of Lathrop

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268;
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: Class 3 (14 CCR § 15303), Class 11 (14 CCR § 15311), and Class 14 (14 CCR, § 15314).
- Statutory Exemptions. State code number: Public Resources Code, § 21080.35

Reasons why project is exempt: The project is exempt under Public Resources Code section 21080.35 for installation of solar energy systems, including associated equipment. Also, the project involves new construction or conversion of small structures pursuant to section 15303, construction or placement of minor accessory structures to existing facilities pursuant to section 15311, and minor additions to existing sites pursuant to section 15314. The project will not result in any increase in capacity. The project is not located in a particularly sensitive environment, is located on previously developed land, and will not have cumulative impacts resulting from successive projects of the same type. There are no unusual circumstances.

Lead Agency

Contact Person: Ken Reed

Area Code/Telephone/Extension: (209) 941-7363

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____, 2019 Title:

- Signed by Lead Agency
- Signed by Applicant

Date received for filing at OPR:

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**CITY MANAGER'S REPORT
MARCH 11, 2019 CITY COUNCIL REGULAR MEETING****ITEM: MAYOR'S REFERRAL****RECOMMENDATION: Appointment of One (1) Member to the Measure C Oversight Committee with Term Expiring June 30, 2022; This Appointment Completes an Unexpired Term Vacancy Ending June 30, 2019, and a Regular Three (3) Year Term**

MEASURE C OVERSIGHT COMMITTEE - LMC CHAPTER 3.13.180

Existing Commissioner(s)	Date of Appointment	Reappointment Date	Term Expiration Date
Rev. Lucius Davis, Jr.	4/15/13	7/18/16	6/30/19

APPLICANTS FOR CONSIDERATION:

1. Michele Anderson
2. Minnie Diallo



COMMISSION/COMMITTEE APPLICATION

Applying for: Measure C Committee

RECEIVED

FEB 28 2019

CITY CLERK

Special Requirements:

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission.
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: Michele Anderson
Address: [Redacted] City: Lathrop Zip: 95330
Telephone (home) [Redacted] Telephone (work)
Telephone (cell) [Redacted] Telephone (other)
Email: [Redacted] Resident of the City of Lathrop: 25 years

Do you have Transportation to attend the Commission meetings and Functions? Yes [X] No []

Background Information:

Are you related to a current City Employee? No
If yes, give name and relationship

Employment/Volunteer Information:

Lathrop Community Volunteer Club 2016-Present
Organization Date
Lathrop Chairman
Location Position(s)

Responsibilities/accomplishments: Lead organization in planning and executing various events in the city of Lathrop. Current events are the Annual First Responder Appreciation BBQ and Operation Senior Christmas

Relay for Life 2012-Present
Organization Date
Manteca/Ripon/Lathrop Team Member
Location Position(s)

Responsibilities/accomplishments: Help team raise money through various fundraisers throughout the year



COMMISSION/COMMITTEE APPLICATION

Applying for: Measure C

RECEIVED

Special Requirements:

MAR 01 2019

Youth Advisory Commission: Must be a Lathrop resident between 13 to 18 years of age to serve on this commission.
Senior Advisory Commission: Must be 50 years of age or over and a registered voter to serve on this commission.
Planning and Parks & Recreation Commissions: Must be a Lathrop resident and a registered voter to serve on this commission.

CITY CLERK

PLEASE PRINT OR TYPE THE FOLLOWING INFORMATION:

Name: MINNIE Diallo

Address: [Redacted] City: Lathrop Zip: 95330

Telephone (home) [Redacted] Telephone (work) _____

Telephone (cell) [Redacted] Telephone (other) _____

Email: [Redacted] Resident of the City of Lathrop: 20+ years

Do you have Transportation to attend the Commission meetings and Functions? Yes No

Background Information:

Are you related to a current City Employee? NO

If yes, give name and relationship _____

Employment/Volunteer Information:

Organization: Lathrop Neighborhood Watch Date: 2018-Present
Location: Lathrop Position(s): Admin

Responsibilities/accomplishments: School Supply Drive, Food Drives, helping many Lathropians

Organization: Highlight Church of God in Christ Date: 1984-Present
Location: Lathrop Position(s): Youth Leader

Responsibilities/accomplishments: Total control of youth dept.

Community Activities that you have been involved with (feel free to attach additional pages)

Lathrop Black Caucus Founder 2018-Present
Name of Organization Position/Responsibilities Dates

Name of Organization Position/Responsibilities/Accomplishments Dates

Special Awards or Recognitions you have received: Many Awards: Youth Leader.
GOVERNMENT, NAACP

Educational Information:

Educational Institution Degree/Diploma Field Year

Educational Institution Degree/Diploma Field Year

Additional Information (Please provide any other information which you feel would be useful to the City Council in reviewing your application.)

Please sign and date your application and submit to the Office of the City Clerk at the address below..

Minnie Dially 3/1/19
Signature Date

Parent/Guardian Signature (Required for Youth Advisory Candidates only)

**City Clerk
City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330**

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