



CITY OF MERCED

Meeting Agenda

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

City Council/Public Finance and Economic Development Authority/Parking Authority

Monday, April 2, 2018

6:00 PM

City Council Chamber, 2nd Floor, Merced Civic
Center, 678 W. 18th Street, Merced, CA 95340

Closed Session at 5:00 PM/Regular Meeting at 6:00 PM

NOTICE TO PUBLIC

WELCOME TO THE MEETING OF THE MERCED CITY COUNCIL

At least 72 hours prior to each regular City Council meeting, a complete agenda packet is available for review on the City's website at www.cityofmerced.org or at the City Clerk's Office, 678 W. 18th Street, Merced, CA 95340. All public records relating to an open session item that are distributed to a majority of the Council will be available for public inspection at the City Clerk's Office during regular business hours.

PUBLIC COMMENT: OBTAIN SPEAKER CARD FROM THE CITY CLERK

Members of the audience who wish to address the City Council are requested to complete a speaker card available at the podium against the right-hand side of the Council Chamber. Please submit the completed card to the City Clerk before the item is called, preferably before the meeting begins.

INDIVIDUALS WITH DISABILITIES

Accommodation for individuals with disabilities may be arranged by contacting the City Clerk at (209) 388-8650. Assisted hearing devices are available for meetings held in the Council Chamber.

A. CLOSED SESSION ROLL CALL

B. CLOSED SESSION

B.1. [18-154](#) **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation pursuant to Government Code section 54956.9(d)(2): (1) case

B.2. [18-158](#) **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees

(MACE). AUTHORITY: Government Code Section 54957.6

- B.3.** [18-159](#) **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6

C. CALL TO ORDER

C.1. Invocation - Abdur Raqeeb Wali, Ahmadiyya Muslim Community

C.2. Pledge of Allegiance to the Flag

D. ROLL CALL

D.1. In accordance with Government Code 54952.3, it is hereby announced that the City Council sits either simultaneously or serially as the Parking Authority and the Public Financing and Economic Development Authority. City Council members receive a monthly stipend of \$20.00 by Charter for sitting as the City Council; and the Mayor receives an additional \$50.00 each month as a part of the adopted budget and Resolution 1975-37. The members of the Parking Authority and the Public Financing and Economic Development Authority receive no compensation.

E. REPORT OUT OF CLOSED SESSION

F. CEREMONIAL MATTERS

- F.1.** [18-172](#) **SUBJECT:** Proclamation - Adult Education Day

REPORT IN BRIEF

Received by Steve Hobbs Merced Adult School Principal.

- F.2.** [18-156](#) **SUBJECT:** Proclamation - Sexual Assault Awareness Month

REPORT IN BRIEF

Received by Chee Yang, Valley Crisis Center

G. WRITTEN PETITIONS AND COMMUNICATIONS

H. ORAL COMMUNICATIONS

Members of the public who wish to speak on any matter not listed on the agenda may speak during this portion of the meeting and will be allotted 5 minutes. The Mayor may, at his discretion, reduce the time to 3 minutes if there are more than 3 speakers, in order to accommodate as many speakers as possible. State law prohibits the City Council from acting at this meeting on any matter raised during the public comment period. Members of the public who wish to speak on a matter that is listed on the agenda will be called upon to speak during discussion of that item.

I. CONSENT CALENDAR

Adoption of the Consent Calendar may be made by one motion of the City Council, provided that any Council member, individual, or organization may request removal of an item from the Consent Calendar for separate consideration. If a request for removal of an item from the Consent Calendar has been received, the item will be discussed and voted on separately.

I.1. [18-134](#) **SUBJECT:** Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

I.2. [18-153](#) **SUBJECT:** Information-Only Contracts

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$30,000 and of Public Works contracts under \$67,779.

AUTHORITY

Pursuant to the authority delegated to the City Manager on behalf of the City by Article XI, Section 1109, of the Merced City Charter to execute Public Works contracts under the adjusted FY 2017-2018 threshold of \$67,779.00, and Chapter 3.04.080 - 3.04.110 of the Merced Municipal Code to execute Non-Public Works contracts under the adjusted FY 2017-2018 threshold of \$30,000.00, the contracts listed on the attached table were entered into by the City.

I.3. [18-117](#) **SUBJECT:** Information Only-Bicycle Advisory Commission Minutes of December 12, 2017

RECOMMENDATION

For information only.

- I.4. [18-130](#) **SUBJECT: Information Only - Planning Commission Minutes of February 21, 2018**

RECOMMENDATION

For information only.

- I.5. [18-176](#) **SUBJECT: Traffic Committee Minutes of January 9, 2018**

RECOMMENDATION

For information only.

- I.6. [18-155](#) **SUBJECT: City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of March 5, 2018 and March 8, 2018**

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of March 5, 2018 and March 8, 2018.

- I.7. [18-132](#) **SUBJECT: Professional Services Agreement between the City of Merced and Merced Main Street Association in the Amount of \$60,000.00 for Fiscal Year 2017-2018**

REPORT IN BRIEF

Agreement between the City of Merced and Merced Main Street Association to provide services to the Downtown Business Improvement Area during Fiscal Year 2017-2018.

RECOMMENDATION

City Council - Adopt a motion approving an agreement with the Merced Main Street Association for Downtown Services for 2017-2018 in the amount of \$60,000.00, and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

- I.8. [18-164](#) **SUBJECT: Resolution Implementing Local Business Preference Policy**

REPORT IN BRIEF

Resolution implementing a policy that allows for a 5% local preference when purchasing goods and services from vendors.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-18**, a Resolution of the City Council of the City of Merced, California, adopting a Local Business Preference Policy.

I.9. [18-174](#)

SUBJECT: Approval of Two Agreements for Professional Services with Tait Environmental Services, Inc., for a Commodities Flow Study and a Community Risk Assessment Plan and Approval to Waive the Competitive Bidding Requirement Which May Be Waived For Professional Services

REPORT IN BRIEF

Considers approving two agreements for professional services with Tait Environmental Services, Inc., for a Commodities Flow Study and a Community Risk Assessment Plan. The work will be paid for by Cal OES Hazardous Materials Emergency Preparedness Program grant funds (\$55,000) that the City Council accepted on October 16, 2017. Also considers waiving the competitive bidding requirement as the work being performed is a professional service.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a Professional Services Agreement for \$29,694 with Tait Environmental Services, Inc. for a Commodities Flow Study; and,
- B. Approving a Professional Services Agreement for \$14,951 with Tait Environmental Services, Inc. for a Community Risk Assessment Plan; and,
- C. Waiving the Competitive Bidding Requirement pursuant to Merced Municipal Code section 3.04.210; and,
- D. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

I.10. [18-150](#)

SUBJECT: Request to Set a Public Hearing for the 2018 Housing and Urban Development (HUD) Annual Action Plan

REPORT IN BRIEF

Request to set a Public Hearing for Monday, April 16, 2018, to consider the 2018 Housing and Urban Development (HUD) Annual Action Plan.

RECOMMENDATION

City Council - Adopt a motion setting a Public Hearing for Monday, April 16, 2018, to consider the Housing and Urban Development Annual Action Plan.

I.11. [18-141](#)

SUBJECT: Approval of an Update to the City's Investment Policy

REPORT IN BRIEF

Considers approving an update to the City's Investment Policy.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-22**, a Resolution of the City Council of the City of Merced, California, adopting Investment Policy.

I.12. [18-138](#)

SUBJECT: Revenue Stabilization Fund Policy and Economic Development Opportunity Fund Policy

REPORT IN BRIEF

Consider adopting the Revenue Stabilization Fund Policy and Economic Development Opportunity Fund Policy.

RECOMMENDATION

City Council - Adopt a motion:

A. Adopting **Resolution 2018-19**, A Resolution of the City Council of the City of Merced, California, adopting Revenue Stabilization Fund Policy; and

B. Adopting **Resolution 2018-20**, A Resolution of the City Council of the city of Merced, California, adopting Economic Development Opportunity Fund Policy.

I.13. [18-121](#)

SUBJECT: Acceptance of Grant Funding From the San Joaquin Valley Air Pollution Control District Incentive Program

REPORT IN BRIEF

Consider the acceptance of grant funding in the amount of \$86,749.65 from the San Joaquin Valley Air Pollution Control District (SJVAPCD) to

reimburse the City for the purchase of electric vehicles.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting the grant award and increasing the revenue budget in account 001-1002-324.02-00 by \$86,749.65; and,
- B. Appropriating the same to 001-1002-523.43-00; and,
- C. Approving the use of pooled cash until reimbursement from the grant is received; and,
- D. Authorizing the City Manager to execute the necessary documents.

I.14. [18-135](#)

SUBJECT: Accept and Appropriate Donated Funds for Police K9 Unit

REPORT IN BRIEF

Accept private person donations from Mary Allison (\$100, unspecified), North Merced Rotary (\$1,000 for Safe Kids ID), John Bankson \$2,000 (for K9), and William/Jung Purcell (\$100, unspecified) and appropriate to specified accounts.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting donations totaling \$3,200 for the Police Department and Police K9 Unit; and,
- B. Increasing Police Revenue Account #001-1001-360.02-01, "Contributions and Donations," in the amount of \$3,200 and appropriating to expense accounts: \$1,000 to 001-1037-522.29-00 (Public Relations), and \$2,200 to 001-1027-522.29-00 (K9).

I.15. [18-148](#)

SUBJECT: Street Closure for Youth Sports Parade

REPORT IN BRIEF

Street closure request for the Youth Sports Parade on Saturday, April 14, 2018.

RECOMMENDATION

Council - Adopt a motion approving the street closures of W. Main Street, from "G" Street to "O" Street, including side streets, and "O" Street from W.

Main Street to W. 21st Street, as requested by Merced Golden Lions for the Youth Sports Parade on Saturday, April 14, 2018. Street closures will be from 8:00 a.m. to 1:00 p.m., subject to the conditions outlined in the administrative report.

I.16. [17-545](#)

SUBJECT: Bellevue Ranch West, Village 12, Phase 1 - Final Map 5358

REPORT IN BRIEF

The City Council will consider approval of Final Map #5358, generally located at the southwest corner of M Street and Arrow Wood Drive (extended), and the Subdivision Agreement for Bellevue Ranch West, Village 12, Phase 1, along with a Deferred Improvement Agreement for a traffic signal and bike path.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving **Resolution 2018-16**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for Bellevue Ranch West, Village 12, Phase 1 Subdivision (#5358); and,

B. Approving the Subdivision Agreement for Bellevue Ranch West, Village 12, Phase 1; and,

C. Approving the Deferred Improvement Agreement for the deferral of certain improvements related to Bellevue Ranch West, Village 12, Phase 1, between the City of Merced and Stonefield Home, Inc.; and,

D. Approving a Reimbursement Agreement between the City of Merced and Stonefield Home, Inc. for the installation of a traffic signal at Cardella Road and M Street as prescribed in Chapter 17.62 of the Merced Municipal Code and related Administrative Policy and Procedure A-32; and,

E. Authorizing the City Manager or the Assistant City Manager to execute the Subdivision Agreement, the Deferred Improvement Agreement, and the Reimbursement Agreement.

I.17. [17-548](#)

SUBJECT: Bellevue Ranch West, Village 12, Phase 2 - Final Map 5359

REPORT IN BRIEF

The City Council will consider approval of Final Map #5359 for Bellevue

Ranch West, Village 12, Phase 2, generally located at the southwest corner of M Street and Arrow Wood Drive (extended).

RECOMMENDATION

City Council - Adopt a motion:

A. Approving **Resolution 2018-17**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Bellevue Ranch West, Village 12, Phase 2 Subdivision (#5359); and,

B. Approving the Subdivision Agreement for “Bellevue Ranch West, Village 12, Phase 2,” between the City of Merced and Stonefield Home, Inc., (property owner); and,

C. Authorizing the City Manager or the Assistant City Manager to execute the Subdivision Agreement.

I.18. [18-118](#)

SUBJECT: Street Closure Request #18-05 for the Merced County Hispanic Chamber of Commerce to Host the Second Annual Merced Cowboy/Vaquero 5-Kilometer and Kids’ Half-Mile Runs

REPORT IN BRIEF

Consider a request for the use of City streets and Bob Hart Square on Saturday, May 19, 2018, for a 5K and Half-Mile runs.

RECOMMENDATION

City Council - Adopt a motion approving the street closures of W. Main Street (between H and Q Streets), Q Street (between W. Main and W. 19th Streets), W. 19th Street (between Q and O Streets) O Street (between W. 19th and W. 21st Streets), W. 21st Street (between O and Q Streets) Q Street (between W. 21st and W. 23rd Streets), W. 23rd Street (between Q and H Streets), H Street (between W. 23rd and W. 21st Streets), W. 21st Street (between H and I Streets), I Street (between W. 21st and W. 19th Streets), W. 19th Street (between I and H Streets), H Street (between W. 19th and W. Main Streets), and the use of Bob Hart Square, as detailed in the staff report. The event will be held on Saturday, May 19, 2018, from 5:00 a.m. to 12:00 p.m. (event time from 7:30 a.m. to 12:00 p.m.), for the Merced Cowboy/Vaquero 5K and Kids’ Half-Mile Runs, subject to the details and conditions outlined in the administrative staff report.

I.19. [17-590](#)

SUBJECT: Improvement Maintenance Agreement within State Highway Right of Way on Route 59 within the City of Merced for State Highway 59 Multi-Use Path Crossing Project 115047

REPORT IN BRIEF

Approves an agreement with the State of California, acting by and through the Department of Transportation, to establish terms and conditions for the City responsibility for the improvements placed within the State Highway right of way on State Route 59, constructed by the ATPL (045) State Highway 59 Multi-use Path Crossing Project 115047.

RECOMMENDATION

City Council - Adopt a motion approving the Improvement Maintenance Agreement, and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

I.20. [18-096](#)

SUBJECT: Amendment Modification Summary (E-76) for Active Transportation Program (ATP) Cycle 1 Grant for the Construction Phase of the Highway 59 Multi-Use Pathway Crossing Project 115047

REPORT IN BRIEF

Consideration of acceptance and appropriation of \$834,000.00 in ATP Grant funding for the construction costs associated with the pedestrian crossing project on Highway 59 at the BNSF RR crossing.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting grant revenue from ATP (Caltrans) for construction cost associated with the pedestrian crossing project on Highway 59 at the BNSF RR crossing; increasing revenue account 450-1104-321-17-00, Proj 115047 in the amount of \$834,000; and,

B. Appropriating the same to account 450-1104-637-65-00- Project 115047 Highway 59 Multi Use Pathway Crossing; and,

C. Approving the use of pooled cash until reimbursement from the grant is received; and,

D. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

I.21. [17-641](#)

SUBJECT: Agreement for Use of Easement with Porges Properties 1, LLC, a California Limited Company for a Proposed Prime Shine Car Wash on 16th Street

REPORT IN BRIEF

Consider approving the Agreement for Use of Easement with the property owner to allow certain private improvements, as specified in the attached agreement, to be installed on the existing City easement for a future development project.

RECOMMENDATION

City Council - Adopt a motion approving the Agreement for Use of Easement with Porges Properties 1, LLC, a California Limited Company; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

I.22. [17-490](#)

SUBJECT: Award Bid to Rolfe Construction Company for the B Street Sewer Main Replacement Project 116013

REPORT IN BRIEF

Consider awarding a construction contract to Rolfe Construction in the amount of \$811,785.00 for the replacement of sewer main along B Street.

RECOMMENDATION

City Council - Adopt a motion:

A. Awarding the B Street Sewer Main Replacement Project 116013 to Rolfe Construction Company of Atwater, Ca, in the amount of \$811,785.00; and,

B. Authorizing the City Manager or Assistant City Manager to execute the necessary documents and to approve change orders not to exceed 10% of the total contract; and,

C. Authorizing the Finance Officer to make necessary budget adjustments.

J. PUBLIC HEARINGS

Members of the public who wish to speak on public hearings listed on the agenda will be heard when the Public Hearing is opened, except on Public Hearing items previously heard and closed to public comment. After the public has commented, the item is closed to further public comment and brought to the Council for discussion and action. Further comment will not be received unless requested by the Council.

J.1. [18-142](#)

SUBJECT: Public Hearing - Repeal of Regional Transportation Impact Fee Ordinance

REPORT IN BRIEF

The City Council will consider the repeal of the Regional Transportation Impact Fee Ordinance (Merced Municipal Code Chapter 17.64).

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance No. 2487**, an Ordinance of the City Council of the City of Merced, California, Repealing Chapter 17.64 of the Merced Municipal Code relating to the Regional Transportation Impact Fees.

K. REPORTS

K.1. [18-166](#)

SUBJECT: Adoption of a Resolution for an Exemption to CalPERS 180-Day Wait Period to Hire a Temporary Dispatcher Pursuant to Government Code Sections 7522.56 and 21224

REPORT IN BRIEF

Adoption of a resolution approving the hiring of Lisa Linares as an extra-help retired annuitant to perform the duties of a Temporary Dispatcher under Government Code sections 7522.56 and 21224, effective April 5, 2018.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-21**, a Resolution of the City Council of the City of Merced, approving an exception to the CALPERS 180-day wait period pursuant to Government Code sections 7522.56 and 21224.

K.2. [18-149](#)

SUBJECT: 2017 California Housing Legislative Update

REPORT IN BRIEF

Council Member Belluomini requested that staff provide the Council with a presentation on the 15 housing bills signed into law by Governor Brown in 2017. Staff has attached a detailed overview of the new housing legislation and will present a summary to the Council as requested.

K.3. [18-128](#)

SUBJECT: Acceptance of Ballot Proceeding Voting Results for the Northwood Village, East College Homes, Moss Landing, and Ridgeview Meadows Maintenance Districts; Approval of Annual Increase in Assessment Levy to the Moss Landing Maintenance District and Approval of No Increases to the Northwood Village, East College Homes and Ridgeview Meadows Maintenance Districts

REPORT IN BRIEF

Acceptance of ballot results on the proposed increase in annual assessment levy to property owners in the Northwood Village, East College Homes, Moss Landing, and Ridgeview Meadows Maintenance Districts. Approves an annual increase in assessment levy to the Moss Landing Maintenance District; subject to annual Consumer Price Index adjustments and approves no increase in annual assessment levies to Northwood Village, East College Homes, and Ridgeview Meadows Maintenance Districts with the previous year's annual assessment remaining in effect.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting assessment ballot proceeding results for the Northwood Village, East College Homes, Moss Landing, and Ridgeview Meadows Maintenance Districts; and,
- B. Approving annual increase in assessment levy to the Moss Landing Maintenance District; subject to annual Consumer Price Index adjustments; and,
- C. Approving no increase in annual assessment levies to Northwood Village, East College Homes, and Ridgeview Meadows Maintenance Districts with the previous year's annual assessment remaining in effect.

K.4. [18-127](#)

SUBJECT: Sewer Master Plan Discussion

REPORT IN BRIEF

Seeks Council direction on finalizing the draft Sewer Master Plan.

RECOMMENDATION

Provide direction to staff on finalization of the draft Sewer Master Plan, provide approval to begin the CEQA environmental process, and direct staff to explore financing options to support the construction of the plan.

L. BUSINESS

L.1. [18-165](#)

SUBJECT: Request to Discontinue all Work on an Ordinance for Meeting Decorum and Conduct

REPORT IN BRIEF

This item is in response to Council's request to have staff discontinue all work in drafting an ordinance regarding decorum and conduct at Council

Meetings.

RECOMMENDATION

City Council - Adopt a motion directing staff to discontinue all work related to a decorum and conduct ordinance for Council Meetings.

L.2. [18-173](#)

SUBJECT: City Council Downtown Subcommittee

REPORT IN BRIEF

This item is in response to Mayor Pro-Tempore McLeod's request to discuss the formation of a Council subcommittee to meet with other local municipalities with successful downtown areas.

RECOMMENDATION

Select Council subcommittee and direct staff as needed.

L.3. Request to Add Item to Future Agenda

L.4. City Council Comments

M. ADJOURNMENT



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item B.1.

Meeting Date: 4/2/2018

SUBJECT: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation pursuant to Government Code section 54956.9(d)(2): (1) case



CITY OF MERCED

Merced Civic Center
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ADMINISTRATIVE REPORT

Agenda Item B.2.

Meeting Date: 4/2/2018

SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6



CITY OF MERCED

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ADMINISTRATIVE REPORT

Agenda Item B.3.

Meeting Date: 4/2/2018

SUBJECT: CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6



CITY OF MERCED

Merced Civic Center
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ADMINISTRATIVE REPORT

Agenda Item F.1.

Meeting Date: 4/2/2018

SUBJECT: Proclamation - Adult Education Day

REPORT IN BRIEF

Received by Steve Hobbs Merced Adult School Principal.

ATTACHMENTS

1. Adult Education Day Proclamation



Proclamation

WHEREAS, that from April 9, 2018 through April 13, 2018, under the theme "Today's Students, Tomorrow's Workforce," the State of California will observe Adult Education Week, the City of Merced, its Mayor and Council acknowledge that Merced Adult School serves the changing economic and cultural needs of a vigorous, expanding community; and

WHEREAS, Merced Adult School provides instruction to those in our community who need English as a Second Language and Citizenship courses; and

WHEREAS, Merced Adult School provides career and technical training for adults seeking career changes or enhancements; and

WHEREAS, Merced Adult School, recognizing that to break the cycle of illiteracy we must focus on educating parents, provides programs in Family Literacy; and

WHEREAS, Merced Adult School is a primary community resource for the teaching and instruction of adult literacy; and

WHEREAS, Merced Adult School provides a way for adults to complete high school studies in their own time and pace; and

WHEREAS, Merced Adult School provides for the unique needs of individuals in a diverse population,

NOW, THEREFORE, I, MIKE MURPHY, Mayor of the City of Merced, do hereby proclaim Thursday, April 12th, 2018, as: "ADULT EDUCATION DAY" in the City of Merced and salute the administration, teachers, and students of the Merced Adult School and honor their efforts and accomplishments on this day.

Signed this 2nd day of April, 2018.

Mike Murphy, Mayor of Merced



CITY OF MERCED

Merced Civic Center
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Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item F.2.

Meeting Date: 4/2/2018

SUBJECT: Proclamation - Sexual Assault Awareness Month

REPORT IN BRIEF

Received by Chee Yang, Valley Crisis Center

ATTACHMENTS

1. Proclamation



Proclamation

WHEREAS, sexual assault is an intolerable violent crime with public health implications for every person in Merced as a victim/survivor or as a family member, significant other, neighbor or co-worker of a victim/survivor; and

WHEREAS, no one person, organization, agency or community can eliminate sexual assault on their own - we must work together to educate our entire population to prevent sexual assault; and

WHEREAS, Valley Crisis Center has led the way in Merced in addressing sexual assault by providing 24-hour hotline services to victim/survivors and their significant others, responding to emergency calls, offering support and comfort to those impacted by sexual assault during medical exams, criminal proceedings, and empowering those impacted by sexual assault to chart their own course for healing; and

WHEREAS, ending sexual assault in Merced must include active public and private efforts to End Sexual Violence in collaboration with Valley Crisis Center, including conversation about what sexual violence is, how to prevent it, how to help survivors connect with crucial counseling and other support services; and

WHEREAS, staff and volunteers of sexual assault programs in Merced work year round to encourage every person in Merced to End Sexual Violence and to support survivors by providing prevention education and survivor empowerment information; and

WHEREAS, Valley Crisis Center has set an important example of how forging collaborative relationships between service agencies and organizations serves to improve the quality of service for those most profoundly and directly impacted by sexual violence; and

WHEREAS, Valley Crisis Center requests public support and assistance as it continues its effort to bring real hope for freeing Merced from the tragedy of sexual violence to create a future where all women, men and children can live free from violence and exploitation;

NOW, THEREFORE, I, MIKE MURPHY, Mayor of the City of Merced, on behalf of the City Council, do hereby proclaim April 2018 as "Sexual Assault Awareness Month" in Merced, and proclaim April 25th as "Denim Day" in order to support sexual assault prevention awareness efforts throughout the city.

Signed this 2nd day of April, 2018.

Mike Murphy, Mayor of Merced



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ADMINISTRATIVE REPORT

Agenda Item I.1.

Meeting Date: 4/2/2018

SUBJECT: Reading by Title of All Ordinances and Resolutions

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
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ADMINISTRATIVE REPORT

Agenda Item I.2.

Meeting Date: 4/2/2018

Report Prepared by: Kirkland Greene, Records Clerk II

SUBJECT: Information-Only Contracts

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$30,000 and of Public Works contracts under \$67,779.

AUTHORITY

Pursuant to the authority delegated to the City Manager on behalf of the City by Article XI, Section 1109, of the Merced City Charter to execute Public Works contracts under the adjusted FY 2017-2018 threshold of \$67,779.00, and Chapter 3.04.080 - 3.04.110 of the Merced Municipal Code to execute Non-Public Works contracts under the adjusted FY 2017-2018 threshold of \$30,000.00, the contracts listed on the attached table were entered into by the City.

ATTACHMENTS

1. "Information-Only" Contracts Table for March 2018

Exhibit 1 – Table of Contracts

4/2/2018 City Council Meeting

Department/Division	Vendor	Purpose/Location	Amount
0403 – Information Technology	Comcast Cable Communications Management, LLC	Agreement for the Installation, Operation, and Maintenance of Cable and Other Equipment to Provide Communications Services to Tenants at 615 West 15 th St. (Boys & Girls Clubs of Merced, Inc.)	(No funds.)
0803 – Engineering	Tierra Del Norte II, LLC	Operation and Maintenance Plan and Statement of Responsibility Agreement for Popeye's Louisiana Kitchen (1445 Martin Luther King, Jr. Way), Sedimentation Basin.	(No funds.)
0803 – Engineering	Technicon Engineering Services, Inc.	Agreement for Professional Services to Provide Geotechnical Testing in Connection With the Construction of Municipal Well No. 21 (Project No. 113026).	\$ 1,622.00
0803 – Engineering	Technicon Engineering Services, Inc.	Agreement for Professional Services to Provide Welding Inspection in Connection With the Construction of Municipal Well No. 21 (Project No. 113026).	\$ 2,575.00
1201 – Recreation and Parks	Merced Bicycle Coalition, Inc.	Agreement for Professional Services to Provide Community Enrichment Services (encouraging bicycling, fostering safe and lawful cycling habits, and providing free bicycle safety items).	\$ 5,000.00
0803 – Engineering	Technicon Engineering Services, Inc.	Agreement for Professional Services to Provide Geotechnical Soils Testing in Connection With the Project to Replace the "B" Street Sewer Main (Project No. 116013).	\$13,750.00
0803 – Engineering	Luhdorff & Scalmanini Consulting Engineers, Inc.	Agreement for Professional Services to Provide Drilling Inspection in Connection With the Construction of Municipal Well No. 21 (Project No. 113026).	\$20,160.00

Copies of all of the contracts listed above are available in the City Clerk's Office.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.3.

Meeting Date: 4/2/2018

Report Prepared by: Stephani Davis, Secretary I, Planning Division

SUBJECT: Information Only-Bicycle Advisory Commission Minutes of December 12, 2017

RECOMMENDATION

For information only.

ATTACHMENTS

1. BAC Minutes of 12-12-2017

CITY OF MERCED
BICYCLE ADVISORY COMMISSION

MINUTES

Council Chambers
678 W 18TH STREET
MERCED, CALIFORNIA

TUESDAY
DECEMBER 12, 2017

Acting Chairperson HOTHEN called the meeting of the Bicycle Advisory Commission to order at 3:03 p.m.

(B) ROLL CALL

Present: Tom Hothem (Chairperson)
Jules Comeyne
Greg Friedman
Justin Hicks
Steven Lerer (Vice-Chairperson)
Isai Palma

Absent: Ann Thurston (Excused)
(Two vacancies, two Ex-Officio)

Staff Present: Scott McBride, Director of Development Services
Michael Hren, Principal Planner
Stephani Davis, Development Services Secretary I

(C) APPROVE MINUTES OF OCTOBER 24, 2017

ON MOTION BY COMMISSIONER COMEYNE, SECONDED BY COMMISSIONER FRIEDMAN, DULY CARRIED BY UNANIMOUS VOICE VOTE (ONE ABSENT), TO APPROVE THE OCTOBER 24, 2017, MINUTES AS SUBMITTED.

(D) ORAL COMMUNICATIONS

Principal Planner HREN noted that LISA KAYSER-GRANT of the Merced Bicycle Coalition provided written comments in lieu of attendance. He provided the Commissioners with her comments.

In reference to Ms. KAYSER-GRANT's request for City Staff to develop a bicycling project selection method to be used for grant funding submittal, Mr. HREN noted that the BAC and Planning Department do not have the authority to create formal policy governing City Departments. He suggested that if the BAC desired such an item, a representative should attend a City Council meeting to present the request. The Commissioners discussed matters relating to coordination between the BAC and City Departments. The Commissioners requested that Mr. HREN forward the third paragraph of Ms. KAYSER-GRANT's public comment to the Engineering and Public Works departments, along with a number of proposed methods to improve communication.

Development Services Director MCBRIDE spoke about the process of facilitating working relationships and moving toward better communication. He also clarified to the Commission that Engineering is no longer a part of the Development Services Department.

(E) BICYCLE ADVISORY COMMISSION REQUESTS, INFORMATION ITEMS, AND SUBCOMMITTEE REPORTS

- SUBCOMMITTEE REPORT ON BICYCLE REGISTRATION PROCESS RECOMMENDATION

Mr. HREN provided an update regarding the information provided by the Police Department, including historical records of licensing, stolen bicycle recovery, and required licenses. The Commission asked for clarification of the recovery statement, and Mr. HREN stated that there were no records available that indicated a stolen bicycle was recovered by using the City of Merced bicycle license.

Vice-Chairperson LERER presented the report on behalf of the Subcommittee. He indicated that the Subcommittee looked at other communities' codes, including Santa Cruz, Santa Barbara, and Fresno, and used commonalities between those codes to make suggestions for improvement of the Merced Municipal Code. The language as proposed removes bicycle licensure from the Municipal Code entirely, as well as adding elements from other codes discussing such issues as emerging from an alley, riding on sidewalks, and bicycle parking. The proposal also removed the language specific to locations where riding on sidewalks is forbidden in favor of relying on signage to indicate such locations. Mr. HREN recommended returning the language specific to those roadways.

The Commission discussed the goals of the proposed amendments further, in conjunction with the knowledge of the Police Department's stance on some of the ideas raised by the amendment as proposed. The Commission requested that the Subcommittee meet with a representative from the Police Department to explain the Commission's goals, learn more

about the Police Department's goals, and to attempt to find common ground for a future amendment proposal. Mr. HREN agreed to coordinate such a meeting.

The Commission also recommended that the Subcommittee add to its proposal definitions of terms such as sharrows, parking boxes, sidewalks, impeding, accessible, and forms of signage and infrastructure that have emerged since the passage of the original ordinance. The BAC also recommended that the Subcommittee clean up the language of the proposed Municipal Code revisions section **10.44.070- Parking** to reflect not impeding pedestrians.

CAPITAL PROJECT RELATED ITEMS

(F) UPDATE ON SHARROWS AND BIKE PATH MAINTENANCE

The Commission discussed sharrows and their implementation in Merced. Commissioner HICKS proposed a minimum standard of green bike boxes every 150 feet on streets where such facilities are located. He also advocated for high frequency signage as an educational device that is consistent across the community. Commissioner HICKS indicated that non-reflective sharrows are not visible at night and quickly darken to become difficult to see even during the day due to vehicle traffic. He also expressed a willingness to speak to City Departments regarding Complete Streets, and bring the results of that meeting back to the Commission.

ON MOTION BY COMMISSIONER FRIEDMAN, SECONDED BY CHAIRPERSON HOTHEM, DULY CARRIED BY UNANIMOUS VOICE VOTE (ONE ABSENT), TO EMPOWER COMMISSIONER HICKS TO SPEAK TO REPRESENTATIVES FROM CITY DEPARTMENTS REGARDING COMPLETE STREETS.

Chairperson HOTHEM opened public comment on this item at 4:23 p.m.

A written comment from Ms. KAYSER-GRANT was provided to the Commissioners.

Chairperson HOTHEM closed public comment on this item at 4:25 p.m.

POLICY/BIKE PROMOTION/DEVELOPMENT RELATED ITEMS (Planning Department)

(G) UPDATE ON ACTIVE TRANSPORTATION SAFE ROUTES TO SCHOOL PLAN

Mr. HREN provided an update regarding the public workshops that were recently held regarding proposed projects and prioritization. The Commission discussed the counts of cyclist and pedestrian traffic as well as collision and citation data.

OTHER

(H) OTHER BUSINESS

Mr. HREN noted that, per request from the Commission to determine at which meetings they had discussed Motel Drive prior to the meeting of October 2017, he had concluded those meetings were in February and April of 2016.

Mr. HREN stated that, per Chairperson HOTHEM's request, Commissioner PALMA had provided the budget for last year's radio broadcast, which amounted to \$3,000. Mr. HREN also updated the Commission on the status of the Gateway project.

Commissioner HICKS asked for a future agenda item to update the Commission on the status of High Speed Rail and the proposed transit hub downtown. He clarified that any updates related to the footprint of the proposed structures, other information regarding the current state of the planning process, and what progress can be expected in the 12-24 month horizon would be welcomed.

The Commission discussed bike share programs and suggested a number of potential partners in any bike share efforts: the City of Merced, UC Merced, Merced College, and Venture Lab. Mr HREN indicated that efforts inclusive of UC Merced may also need or benefit from the inclusion of the County of Merced. The Commission discussed the viability and appropriateness of smartphone application-based bike share systems.

(I) ADJOURN TO THE NEXT REGULARLY SCHEDULED MEETING OF TUESDAY, FEBRUARY 27, 2018, AT 3:00 P.M. IN THE COUNCIL CHAMBERS

ON MOTION BY COMMISSIONER PALMA, AND SECONDED BY COMMISSIONER COMEYNE, DULY CARRIED BY UNANIMOUS VOICE VOTE (ONE ABSENT), CHAIRPERSON HOTHEM ADJOURNED THE MEETING AT 4:50 P.M. TO THE REGULARLY SCHEDULED BICYCLE ADVISORY COMMISSION MEETING ON TUESDAY, FEBRUARY 27, 2018, AT 3:00 P.M. IN THE CITY COUNCIL CHAMBERS, 678 W. 18TH STREET, MERCED, CALIFORNIA.

BY:



MICHAEL HREN, AICP
PRINCIPAL PLANNER/
COMMISSION SECRETARY

APPROVED:



TOM HOTHEM, CHAIRPERSON
BICYCLE ADVISORY COMMISSION



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.4.

Meeting Date: 4/2/2018

Report Prepared by: Stephani Davis, Secretary I, Planning Division

SUBJECT: Information Only - Planning Commission Minutes of February 21, 2018

RECOMMENDATION

For information only.

ATTACHMENTS

1. PC Minutes 02-21-2018

**CITY OF MERCED
Planning Commission**

MINUTES

Merced City Council Chambers
Wednesday, February 21, 2018

Chairperson Dylina called the meeting to order at 7:00 p.m., followed by a moment of silence and the Pledge of Allegiance.

ROLL CALL

Commissioners Present: Sonia Alshami, Mary Camper, Travis Colby, Robert Dylina, and Jeremy Martinez

Commissioners Absent: Peter Padilla, (one vacancy)

Staff Present: Planning Manager Espinosa, Chief Deputy City Attorney Fincher, Planner Mendoza-Gonzalez, and Recording Secretary Davis

1. **APPROVAL OF AGENDA**

M/S COLBY-ALSHAMI, and carried by unanimous voice vote (one absent, one vacancy), to approve the Agenda as submitted.

2. **MINUTES**

M/S COLBY-ALSHAMI, and carried by unanimous voice vote (one absent, one vacancy), to approve the Minutes of February 7, 2018, as submitted.

3. **COMMUNICATIONS**

None.

4. **ITEMS**

- 4.1 Modification to Conditional Use Permit #1180, initiated by Narkesh Kumar, on behalf of Promenade Center, Limited Partnership, property owner. This application involves a request to modify an existing beer and wine Alcoholic Beverage Control License to include the sale of liquor for on-site consumption for Turmeric Indian Cuisine, located within the Promenade Shopping Center at 731 E. Yosemite Avenue, Suite C. In addition, the applicant is requesting approval to serve alcohol outdoors within a fenced area with seating. The subject site is generally located at the northwest corner of Yosemite Avenue and Paulson Road, with a zoning classification of Planned Development (P-D) #48 and a General Plan designation of Neighborhood Commercial (CN).

Planner MENDOZA-GONZALEZ reviewed the report on this item. For further information, refer to Staff Report #18-04.

Public Testimony was opened at 7:15 p.m.

Speaker from the Audience in Favor:

NARKESH KUMAR, Applicant, Merced

No one spoke in opposition to the Project.

Public Testimony was completed at 7:17 p.m.

M/S COLBY-MARTINEZ, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-05, and approve a Modification of Conditional Use Permit #1180, subject to the Findings set forth in Staff Report #18-04, the nine (9) Conditions in Staff Report #13-06, and the ten (10) Conditions set forth in Staff Report 18-04 (RESOLUTION #3017):

AYES: Commissioners Alshami, Camper, Colby, Martinez, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Padilla, (one vacancy)

ABSTAIN: None

4.2 Conditional Use Permit #1223, initiated by Ali A. Muheyaddin, on behalf of Sandra L. Anderson, Trustee, property owner. This application involves a request to allow an automotive shop (providing major repairs) at 1844 and 1846 Parsons Avenue, generally located on the east side of Parsons Avenue, approximately 150 feet south of Yosemite Parkway, within a Thoroughfare Commercial (C-T) Zone.

Planner MENDOZA-GONZALEZ reviewed the report on this item. For further information, refer to Staff Report #18-05.

Public testimony was opened at 7:28 p.m.

Speaker from the Audience in Favor:

ALI A. MUHEYADDIN, Applicant, Merced

No one spoke in opposition to the Project.

Public testimony was completed at 7:34 p.m.

M/S CAMPER-ALSHAMI, and carried by the following vote, to adopt a Categorical Exemption regarding Environmental Review #18-06, and approve Conditional Use Permit #1223, subject to the Findings and twenty-eight (28) Conditions set forth in Staff Report #18-05 (RESOLUTION #3090):

AYES: Commissioners Alshami, Camper, Colby, Martinez, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Padilla, (one vacancy)

ABSTAIN: None

5. **INFORMATION ITEMS**

5.1 Calendar of Meetings/Events

Planning Manager ESPINOSA briefed the Planning Commission on items for the next few Planning Commission meetings.

6. **ADJOURNMENT**

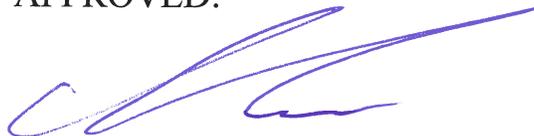
There being no further business, Chairperson DYLINA adjourned the meeting at 7:36 p.m.

Respectfully submitted,



KIM ESPINOSA, Secretary
Merced City Planning Commission

APPROVED:



ROBERT DYLINA, Chairperson
Merced City Planning Commission

Amended by PC
on 2/21/2018.
See page 3.

**CITY OF MERCED
Planning Commission**

Resolution #3017

WHEREAS, the Merced City Planning Commission at its regular meeting of March 6, 2013, held a public hearing and considered **Conditional Use Permit #1180**, initiated by Davinder Rai, applicant for Pearson Scott, property owner. This application involves a request to allow beer and wine to be sold for on-site consumption within a restaurant (Indian Cuisine) at 731 E. Yosemite Avenue, Suite C, generally located at the northwest corner of Paulson Road and Yosemite Avenue within a Planned Development (P-D) #48 with a Neighborhood Commercial (C-N) designation; also known as Assessor's Parcel No. 231-180-004; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through D of Staff Report #13-06; and,

NOW THEREFORE, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #13-02, and approve Conditional Use Permit #1180, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner Madayag, seconded by Commissioner Amey, and carried by the following vote:

AYES: Commissioners McCoy, Williams, Madayag, Amey, and Chairperson Colby

NOES: None

ABSENT: None (two vacancies)

ABSTAIN: None

PLANNING COMMISSION RESOLUTION #3017

Page 2 of 3

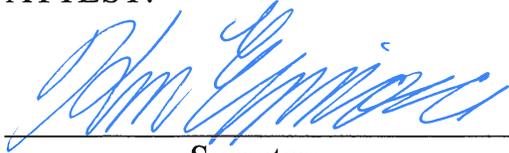
March 6, 2013 /February 21, 2018

Adopted this 6th day of March 2013



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

Attachment:

Exhibit A – Conditions of Approval

PLANNING COMMISSION RESOLUTION #3017

Page 3 of 3

March 6, 2013/ February 21, 2018

February 21, 2018: At their regularly scheduled meeting of February 21, 2018, the Merced City Planning Commission considered Modification to Conditional Use Permit#1180 and Environmental Review #18-05.

WHEREAS, the Merced City Planning Commission concurs with Findings A through E of Staff Report #18-04; and,

NOW THEREFORE, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-05, and approve a Modification of Conditional Use Permit #1180 with the addition of ten (10) Conditions, numbers 10 through 19 in the Amended Conditions of Approval set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner COLBY, seconded by Commissioner MARTINEZ, and carried by the following vote:

AYES: Commissioners Alshami, Camper, Colby, Martinez, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Padilla, (one vacancy)

ABSTAIN: None

**Amended Conditions of Approval
Planning Commission Resolution #3017
Conditional Use Permit #1180**

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan) -- Attachment B of Staff Report #13-06, except as modified by the conditions.
2. All conditions contained in Resolution #1249-Amended (“Standard Conditional Use Permit Conditions”—except for Condition #16 which has been superseded by Code) shall apply.
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend, and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend (with counsel selected by the City) such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control.
7. The City reserves the right to periodically review the area for potential problems. Should excessive calls for service or violation of these conditions of approval occur, the City may consider revocation of the Conditional Use Permit (CUP) after a public hearing.
8. This approval is subject to the business owner being in good standing with all laws of the State of California, including the Alcohol Beverage Control (ABC), the City of Merced, and other regulatory agencies.
9. The business shall operate as a “bona-fide” restaurant at all times. Per the Municipal Code, a bona-fide restaurant is required to serve a full-menu during all hours of operation.
10. In addition to beer and wine, the restaurant shall now be allowed to sell liquor if they meet all applicable Alcoholic Beverage Control (ABC) requirements.
11. The outdoor seating/dining area shall be enclosed by a minimum 3-foot-tall wrought-iron fence. The fence shall delineate the outdoor seating area from the remainder of the shopping center. No alcoholic drinks shall be allowed outside the fenced area.
12. If a gate is installed, it shall remain unlocked during business hours. Entrance into the outdoor seating area shall be kept open at all times during hours of operation.
13. Signs shall be posted on the fence stating “No Alcohol Allowed Outside This Area.” The signs shall be a maximum of 1 square foot and shall be posted on each side of the outdoor dining area in an area visible to customers.
14. No temporary signs shall be attached to the wrought-iron fence. All temporary signs shall be approved and a “Temporary Sign Permit” shall be obtained prior to installation.
15. Any umbrellas placed in the outdoor seating area shall be of color that matches or compliments the building color, and shall not have any type of advertisement.

16. An employee shall monitor the outdoor seating area at all times when alcohol is being served.
17. Alcohol sales in the outdoor seating area shall end no later than 10:00 p.m. Alcohol sales within the restaurant shall end no later than 11:00 p.m., indifferent of the restaurant's hours of operation.
18. This approval is for alcohol sales as an ancillary use to the primary restaurant only.
19. Request to operate as a nightclub, bar, or similar use shall require an additional review and approval from the Planning Commission.

n:shared:planning:PC Resolutions:CUP#1180 Exhibit A

CITY OF MERCED
Planning Commission

Resolution #3090

WHEREAS, the Merced City Planning Commission at its regular meeting of February 21, 2018, held a public hearing and considered **Conditional Use Permit #1223**, initiated by Ali A. Muheyaddin, on behalf of Sandra L. Anderson, Trustee, property owner. This application involves a request to allow an automotive shop (providing major repairs) at 1844 and 1846 Parsons Avenue, generally located on the east side of Parsons Avenue, approximately 150 feet south of Yosemite Parkway, within a Thoroughfare Commercial (C-T) Zone; also known as Assessor's Parcel Number 061-390-025 and 061-390-026; and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through G of Staff Report #18-05; and,

NOW THEREFORE, after reviewing the City's Draft Environmental Determination, and discussing all the issues, the Merced City Planning Commission does resolve to hereby adopt a Categorical Exemption regarding Environmental Review #18-06, and approve Conditional Use Permit #1223, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner COLBY, seconded by Commissioner ALSHAMI, and carried by the following vote:

AYES: Commissioners Alshami, Camper, Colby, Martinez, and Chairperson Dylina

NOES: None

ABSENT: Commissioner Padilla, (one vacancy)

ABSTAIN: None

PLANNING COMMISSION RESOLUTION #3090

Page 2

February 21, 2018

Adopted this 21st day of February 2018



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

Attachment:

Exhibit A – Conditions of Approval

Conditions of Approval
Planning Commission Resolution # 3090
Conditional Use Permit #1223

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (site plan), Exhibit 2 (floor plan), and Exhibit 3 (elevations) - Attachment B, Attachment C, and Attachment D of Staff Report #18-05, except as modified by the conditions.
2. All conditions contained in Resolution #1249-Amended (“Standard Conditional Use Permit Conditions”—except for Condition #16 which has been superseded by Code) shall apply.
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply.
5. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend, and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant’s project is subject to that other governmental entity’s approval and a condition of such approval is that the City indemnify and defend (with counsel selected by the City) such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be

responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

6. As required by Merced Municipal Code Section 17.04.050 and 17.04.060, full public improvements shall be installed/repared if the permit value of the project exceeds \$85,000.00. Public improvements may include, but not be limited to, repairing/replacing the sidewalk, curb, gutter, and street corner ramp(s), so that they comply with ADA standards and other relevant City of Merced/State/Federal standards and regulations.
7. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control.
8. Fire lanes shall be kept clear at all times. (A fire lane with a 25-foot width as referenced on the site plan may require striping at the building permit stage, if deemed necessary by the City's Fire Department).
9. All signing shall comply with the City's Sign Ordinance. Sign permits shall be obtained prior to installing any permanent signing. A Temporary Sign Permit shall be obtained prior to installing any temporary signs or banners. Flags, pennants, temporary freestanding signs, inflatable signs, or A-frame signs are not allowed. Should the applicant/business owner violate these signing restrictions, the City reserves the right to revoke the Conditional Use Permit for a used car lot and major repairs on this site per the revocation procedures in the Merced Municipal Code.
10. Parking lot trees shall be provided at a ratio of one tree for every 6 parking spaces (for customer parking only, not applicable to auto display parking). These trees shall be installed per the City's Parking Lot Landscape Standards, shall be a minimum of 15- gallons, and be of a type that provides a 30-foot minimum canopy at maturity (trees shall be selected from the City's approved tree list).
11. The applicant shall provide sufficient lighting for the parking lot and vehicle display areas. Lighting shall be shielded or oriented in a way that does not allow "spill-over" onto adjacent lots in compliance with the

EXHIBIT A

OF PLANNING COMMISSION RESOLUTION #3090

California Energy Code requirements. Any lighting on the building shall be oriented to shine downward and not spill-over onto adjacent parcels.

12. Auto service repairs shall include services needed to prepare vehicles for sale and the labor shall be conducted away from the public view, inside a screened or enclosed structure. Repair activities shall be limited to those found in the City's "Minor Repair" and "Major Repair" categories (as defined by Merced Municipal Code Section 20.90.020 – Vehicle Repair and Maintenance, Minor and Merced Municipal Code Section 20.90.020 – Vehicle Repair and Maintenance, Major) and shall be subject to Building, Fire, and County Environmental Health Department requirements. All storage of auto-related waste products shall be located away from the public view within a structure.
13. Plans for Building Permits shall be drawn by a licensed professional (e.g. an architect or engineer).
14. The proposed paint booth shall have a fire suppression system.
15. All necessary permits shall be obtained from the San Joaquin Valley Air Pollution Control District prior to obtaining a business license.
16. The applicant shall work with the City's Water Quality Control Division (and other pertinent departments as determined by the WQC Division) and comply with all requirements for this type of business and obtain all proper permits prior to opening for business. Said requirements may include, but are not limited to, ensuring that all items are stored in secondary containments, installing sand separators, installing grease interceptors, and installing floor drains.
17. The applicant shall work with the Merced County Health Department and comply with all requirements for this type of business prior to obtaining a business license or building permit.
18. The applicant shall work with the City's Fire Department to ensure that a Hot Permit is obtained for welding activities. A list of hazardous chemicals used in the conduct of business shall be provided to the Fire Department prior to opening for business.
19. Non-operable vehicles shall require a No Exposure Certificate from the State Water Resource Control Board. Non-operable vehicles shall either be stored inside the automotive repair shop or enclosed within a non-transparent fenced area. Should the applicant choose to install a fenced area, the materials, colors, and location of the fence shall be reviewed

and approved by the Planning Department.

20. Display vehicles shall not be located on the sidewalk and shall comply with the City's vision corner triangle regulations (MMC 20.30.030).
21. The applicant shall work with the City's Refuse Department to determine the exact location for a refuse enclosure. In addition, the applicant shall work with the City's Refuse Department to determine if a recycling container will be required to comply with AB 341. If it is required, the container shall be enclosed within a refuse enclosure built to City Standards. Prior to pouring the concrete for the refuse enclosure, the contractor shall contact the Refuse Department at 209-385-6800 to arrange an inspection by Refuse Department staff to verify the location and angle of the enclosure.
22. The parking lot layouts shall comply with all applicable City Standards.
23. The applicant shall install street trees and an irrigation system within the right-of-way adjacent to the project site, as required by the City's Engineering Department. A landscape and irrigation plan shall be submitted to the Engineering Department for approval prior to the issuance of Building/Fire permits. All landscaping shall be installed prior to the business opening; details on requirements to be worked out Engineering Department to ensure compliance with water conservation regulations based on recent State directives.
24. All display vehicles shall be washed and cleaned periodically to maintain a clean appearance, but in a manner that reduces the amount of water used and recycles as much water as possible, such as using automated car washes or other such facilities.
25. The premises shall remain clean and free of debris and graffiti at all times.
26. The applicant shall provide a minimum of 9 parking spaces for the automotive repair shop and a minimum of 3 parking spaces for the used car lot.
27. The applicant shall either provide proof of a cross-access agreement or apply for a lot merger to merge Assessor's Parcel Numbers 061-390-025 and 061-390-026, prior to issuance of a building permit.
28. The colors used for the exterior of the automotive repair shop, paint

booth, and office shall be of a neutral type approved by Planning staff during the building permit stage.

29. The garage door on the west elevation (facing Parsons Avenue) shall be screened from public view with landscaping or with a non-transparent fence that is reviewed and approved by Planning staff during the building permit stage.

n:\shared\planning\PC Resolutions: CUP #1223 Exhibit A



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.5.

Meeting Date: 4/2/2018

Report Prepared by: Nancy Lee, Secretary II, Engineering Department

SUBJECT: Traffic Committee Minutes of January 9, 2018

RECOMMENDATION

For information only.

ATTACHMENTS

1. TC Minutes of 01-09-18

TRAFFIC COMMITTEE

MINUTES

January 9, 2018

A. CALL TO ORDER

The meeting was called to order at 2:06 p.m.

B. ROLL CALL

Present: Chairperson: Steven Son, City Engineer

Committee Members: Michael Hren, Planning Manager Designee
Juan Olmos, Director of Public Works Designee

Absent: Jacob Struble, Police Chief Designee
Michael Wilkinson, Fire Chief

C. ORAL COMMUNICATIONS

None.

D. CONSENT CALENDAR

1. Traffic Committee Minutes of November 14, 2017

RECOMMENDATION:

Approve and file.

Steven Son Moved, Juan Olmos Seconded

Vote: 3-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos

Absent: Jacob Struble, Michael Wilkinson

Clerk's Note: Staff recommendation approved.

E. REPORTS

1. Committee Member Reports

(At this time, it is appropriate for any Committee Member to give an informational report of any work completed, training, or other item to share with other members. Please be brief, and no action may be taken on these items.)

Committee Member OLMOS requested an update to numerous sections of the City's Municipal Code Chapter 10 – Vehicles and Traffic; the sections to be updated include no parking, timed parking, City parking lots, bus zones, angle parking, loading zones, etc. Mr. OLMOS stated the code update was needed for inconsistencies between what is written and the existing zones, etc. throughout town. Mr. OLMOS referred to agenda item F-2 as an example of a necessary update.

Chairperson SON was in agreement that a code clean-up was warranted and stated the item would be added to the March Traffic Committee Agenda for review and action.

F. BUSINESS

1. Request #18-001 – Request for No Parking Zone at 2973 Willowbrook Drive (Mike Schlessinger)

(City Refuse Department employee is requesting a no parking zone adjacent to the driveway entrance at 2973 due to difficulty accessing the refuse containers on site.)

Chairperson SON stated he was in favor of a 20-foot no parking zone in order to accommodate the refuse vehicle access to the apartment complex. Committee members were in agreement.

MOTION: To approve the addition of a no parking zone along a portion of Willowbrook Drive.

COUNCIL ACTION REQUIRED: Approve amending the current ordinance to add a no parking zone along Willowbrook Drive.

Michel Hren Moved, Juan Olmos Seconded

Vote: 3-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos

Absent: Jacob Struble, Michael Wilkinson

2. Request #18-002 – Code Cleanup for Existing Angle Parking on N Street between 12th Street and the Alley
(Merced Municipal Code Section 10.28.090 must be updated to reflect existing angle parking on N Street.)

Committee members were in favor of updating the code to reflect the existing angle parking; however, the Committee wished to table the item in order to include this request in the clean-up ordinance scheduled for the March Traffic Committee meeting.

MOTION: To table the item to a future meeting as to include it in the code clean-up ordinance.

COUNCIL ACTION REQUIRED: None at this time.

Michael Hren Moved, Juan Olmos Seconded

Vote: 3-0

Voting Aye: Steven Son, Michael Hren, Juan Olmos

Absent: Jacob Struble, Michael Wilkinson

G. ADJOURNMENT

The meeting was adjourned at 2:17 p.m.

By:



Jamie Cruz
Recording Secretary

Approved:



Steven Son
City Engineer/Chairperson



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.6.

Meeting Date: 4/2/2018

SUBJECT: City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of March 5, 2018 and March 8, 2018

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of March 5, 2018 and March 8, 2018.

ALTERNATIVES

1. Approve as recommended; or,
2. Approve, subject to amendments.

ATTACHMENTS

1. Minutes of March 5, 2018
2. Minutes of March 8, 2018



CITY OF MERCED

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

Minutes

City Council/Public Finance and Economic Development Authority/Parking Authority

Monday, March 5, 2018

6:00 PM

A. CLOSED SESSION ROLL CALL

Present: 6 - Council Member Michael Belluomini, Council Member Anthony Martinez, Council Member Joshua Pedrozo, Council Member Matthew Serratto, Mayor Mike Murphy, and Council Member Kevin Blake

Absent: 1 - Mayor Pro Tempore Jill McLeod

B. CLOSED SESSION

Mayor MURPHY called the Closed Session to order at 5:04 PM.

B.1. **SUBJECT:** CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Significant Exposure to Litigation pursuant to Government Code section 54956.9(d)(2): (2) cases

B.2. **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Employee Organization: American Federation of State, County, and Municipal Employees (AFSCME) Council 57; Local 2703; International Association of Fire Fighters, Local 1479; Merced Association of City Employees (MACE). AUTHORITY: Government Code Section 54957.6

B.3. **SUBJECT:** CONFERENCE WITH LABOR NEGOTIATORS -- Agency Designated Representative: City Manager Steve Carrigan; Unrepresented Management AUTHORITY: Government Code Section 54957.6

Clerk's Note: Council adjourned from Closed Session at 5:49 PM.

C. CALL TO ORDER

Mayor MURPHY called the Regular Meeting to order at 6:01 PM.

C.1. Invocation - Lamar Henderson, Human Services Agency (All Dads Matter)

The invocation was delivered by Lamar HENDERSON from Human Services Agency (All Dads Matter).

C.2. Pledge of Allegiance to the Flag

Council Member SERRATTO led the Pledge of Allegiance to the Flag.

D. ROLL CALL

- Present:** 6 - Council Member Michael Belluomini, Council Member Anthony Martinez, Council Member Joshua Pedrozo, Council Member Matthew Serratto, Mayor Mike Murphy, and Council Member Kevin Blake
- Absent:** 1 - Mayor Pro Tempore Jill McLeod

E. REPORT OUT OF CLOSED SESSION

There was no report.

F. CEREMONIAL MATTERS

F.1. **SUBJECT: Recognition of El Capitan High School Cheer Squad**

REPORT IN BRIEF

A certificate will be received by the 2018 USA National Champions, El Capitan High School Cheer Squad.

Mayor MURPHY presented the El Capitan High School Cheer Squad with a Certificate of Recognition.

G. SPECIAL PRESENTATIONS

G.1. Fire Department - Update on Ladder Truck Purchase

Fire Chief Michael WILKINSON gave an update on the new ladder truck purchase.

H. WRITTEN PETITIONS AND COMMUNICATIONS

There were none.

I. ORAL COMMUNICATIONS

Nancy REDING, Merced - spoke on vandalism and violence on Sycamore Street.

Cindy NORVIEL, Merced - spoke on the vandalism, need for fire hydrants, sidewalks, speed bumps, and overall safety on Sycamore Street.

Nirvail SINGH, Salida - spoke on the Sikh American Awareness Event.

Pam and Gary LARIMER, Merced - spoke on the need for streetlights, fire hydrants, sidewalks, and speed bumps on Sycamore Street.

Sol RIVAS, Merced - spoke on the Cannabis Tax allocation.

J. CONSENT CALENDAR

There were no Consent Items pulled.

Approval of the Consent Agenda

A motion was made by Council Member Pedrozo, seconded by Council Member Blake, to approve the Consent Agenda. The motion carried by the following vote:

Aye: 6 - Council Member Belluomini, Council Member Martinez, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 1 - Mayor Pro Tempore McLeod

J.1. **SUBJECT: Reading by Title of All Ordinances and Resolutions**

REPORT IN BRIEF

Ordinances and Resolutions which appear on the public agenda shall be determined to have been read by title and a summary title may be read with further reading waived.

RECOMMENDATION

City Council - Adopt a motion waiving the reading of Ordinances and Resolutions, pursuant to Section 412 of the Merced City Charter.

This Consent Item was approved.

J.2. **SUBJECT: Information-Only Contracts**

REPORT IN BRIEF

Notification of awarded Non-Public Works contracts under \$30,000 and of Public Works contracts under \$67,779.

AUTHORITY

Pursuant to the authority delegated to the City Manager on behalf of the City by Article XI, Section 1109, of the Merced City Charter to execute Public Works contracts under the adjusted FY 2017-2018 threshold of \$67,779.00, and Chapter 3.04.080 - 3.04.110 of the Merced Municipal Code to execute Non-Public Works contracts under the adjusted FY 2017-2018 threshold of \$30,000.00, the contracts listed on the attached table were entered into by the City.

This Consent Item was approved.

J.3. **SUBJECT: Information Only - Site Plan Review Committee Minutes of January 18, 2018**

RECOMMENDATION

For information only.

This Consent Item was approved.

J.4. **SUBJECT: Information Only - Planning Commission Minutes of January 17, 2018**

RECOMMENDATION

For information only.

This Consent Item was approved.

J.5. **SUBJECT: City Council/Public Financing and Economic Development/Parking Authority Meeting Minutes of February 5, 2018**

REPORT IN BRIEF

Official adoption of previously held meeting minutes.

RECOMMENDATION

City Council/Public Financing and Economic Development/Parking Authority - Adopt a motion approving the meeting minutes of February 5, 2018.

This Consent Item was approved.

J.6. **SUBJECT: Accept and Appropriate Donated Funds for the Merced Sports Complex Concrete Bleachers**

REPORT IN BRIEF

Accepting and appropriating \$35,000 from Merced Breakfast Lions Club for construction of concrete bleachers at Merced Sports Complex.

RECOMMENDATION

City Council - Adopt a motion:

A. Accepting and appropriating \$35,000 in donations funds from

Merced Breakfast Lions Club to fund 424, Project #118031; and,

B. Authorizing the Finance Officer to make the necessary budget adjustment; and,

C. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

J.7.

SUBJECT: Agreement for Consultant Services with Chandler Asset Management to Provide Investment Portfolio Management Services

REPORT IN BRIEF

Considers awarding a three (3) year agreement with two (2) one (1) year options for renewal to Chandler Asset Management to provide investment portfolio management services

RECOMMENDATION

City Council - Adopt a motion approving the contract with Chandler Asset Management for Investment Advisory Services; and authorizing the City Manager or Assistant City Manager to execute all necessary documents.

This Consent Item was approved.

J.8.

SUBJECT: Consideration of an Amendment to Agreement with Liebert Cassidy Whitmore for Legal Services Related to Employee Relations and Labor Negotiations

REPORT IN BRIEF

Considers approving an amendment to the existing \$60,000 Legal Services Agreement with Liebert Cassidy Whitmore by \$40,000 to the not to exceed amount of \$100,000.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving an amendment to an agreement for professional services with Liebert Cassidy Whitmore to increase the amount by \$40,000 for a total of not to exceed \$100,000; and,

B. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

This Consent Item was approved.

J.9. **SUBJECT: Acceptance of Donated Safety Vests for Police K9 Unit**

REPORT IN BRIEF

Considers accepting a donation of two safety vests for the police canines from Vested Interest in K9s, Inc.

RECOMMENDATION

City Council - Adopt a motion accepting the donation of two ballistic safety vests from Vested Interest in K9s, Inc. for the Police K9 Program.

This Consent Item was approved.

J.10. **SUBJECT: Resolution of Support for Appointment of Individuals with Ties to the Valley to the University of California Board of Regents**

REPORT IN BRIEF

Resolution expressing support for candidates with ties to the San Joaquin Valley and urging Governor Brown to consider these individuals for vacancies on the board.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-12**, a resolution of the City Council of the City of Merced, California, expressing support of candidates for appointment to the University of California Board of Regents who have strong ties to the San Joaquin Valley.

This Consent Item was approved.

Clerk's Note: Item L.2. was discussed before the Public Hearing section to accommodate a teleconference with a consultant.

L.2. **SUBJECT: Direction on Future Police Headquarters Building**

REPORT IN BRIEF

Staff seeks Council direction on remodeling the existing Sun Star site or the removal of the existing Sun Star structure for the Police Headquarters Building and approval to proceed with a Request for Proposal for Architectural Services.

RECOMMENDATION

Option 1:

City Council - Adopt a motion directing staff to proceed with Option 1 (Merced Sun-Star Remodel) and proceed with issuing a Request for Proposal for Architectural Services.

OR

Option 2:

City Council - Adopt a motion directing staff to proceed with Option 2 (Merced Sun-Star Demolition) and proceed with issuing a Request for Proposal for Architectural Services.

Assistant City Manager Stephanie DIETZ and Director of Public Works Ken ELWIN gave a slide show presentation on the future Police Headquarters Building.

Council and Staff discussed keeping the shell of the building, the needs for a new police station, safety and building standards, cost estimates, remodeling the building versus demolishing the building, and the ability to add a future second story.

The Consultant recommended demolition of the existing structure.

Olivia LYNCH, Merced - asked what the Police Chief thinks the needs are for a new police station to carry out their duties.

Interim Police Chief Chris GOODWIN stated he would prefer demolition of the existing structure as opposed to using the shell of the building.

Council and Staff discussed building a new station to fit the needs and cost of the police station.

A motion was made by Council Member Pedrozo, seconded by Council Member Blake, to direct staff to proceed with Option 2. The motion carried by the following vote:

Aye: 6 - Council Member Belluomini, Council Member Martinez, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 1 - Mayor Pro Tempore McLeod

K. PUBLIC HEARINGS

K.1. SUBJECT: Public Hearing Regarding Proposed Amendments to the
City's Commercial Shopping Center (C-SC) Zone

REPORT IN BRIEF

Council will consider amendments to Merced Municipal Code Table 20.10-1-Permitted Land Uses in the Commercial Zoning Districts regarding the Commercial Shopping Center (C-SC) Zone.

RECOMMENDATION

City Council - Adopt a motion adopting a Categorical Exemption and Introducing **Ordinance No. 2486**, an Ordinance of the City Council of the City of Merced, California, Amending Table 20.10-1 ("Commercial Zoning Districts") of the Merced Municipal Code.

Director of Development Services Scott MCBRIDE gave a slide show presentation.

Council and Staff discussed the ordinance language and allowing other business types in the commercial zoning districts.

Mayor MURPHY opened the Public Hearing at 7:17 PM

Ron DEANDA, Merced - spoke on the need for a South Merced grocery store.

Chris JENSEN, Merced - asked about a limit on drive-thru sites on the proposed location and other options.

Director of Economic Development Frank QUINTERO stated that the proposed property could potentially have up to two drive-thru sites.

Rochelle ABRIL, Merced - spoke on the need of a South Merced grocery store and healthy food options.

Mayor MURPHY closed the Public Hearing at 7:25 PM.

Council and Staff discussed the continuous effort to get a South Merced grocery store, more options for developers to stimulate interest in the site, and site uses.

A motion was made by Council Member Belluomini, seconded by Council Member Pedrozo, to approve the ordinance with the amendment to footnote #9. The motion carried by the following vote:

Aye: 6 - Council Member Belluomini, Council Member Martinez, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 1 - Mayor Pro Tempore McLeod

L. REPORTS

Clerk's Note: Due to the absence of Mayor Pro Tempore MCLEOD , Item L.1. was moved to the March 19th meeting.

L.1. **SUBJECT:** Update and Discussion on Park Benches and Trash Receptacles in the Downtown Area

REPORT IN BRIEF

Staff will provide a brief history on the removal of downtown benches and seek direction on next steps for the benches and trash receptacles.

RECOMMENDATION

Provide staff with direction regarding the next steps to take in regards to downtown park benches and trash receptacles.

L.3. **SUBJECT:** Priority Setting Session

REPORT IN BRIEF

Staff will present a list of possible priorities based on public input from the recent Town Hall meetings and the needs of the City and solicit Council priorities to assist the development of the 2018-2019 budget.

RECOMMENDATION

Provide staff direction on City Council priorities after taking public comment.

City Manager Steve CARRIGAN gave a slide show presentation on Council goals and priorities.

Council discussed their individual goals and priorities.

Angelica COSTILLA, Merced - spoke on allocating more cannabis tax revenue to the Recreation and Parks Department and to youth investment.

Chris MEDINA, Merced - spoke on investing in South Merced.

Council directed staff to add the following items to their goals and priorities: passenger rail, downtown High Speed Rail station, Measure C transition, Parsons Avenue completion, youth services/programs, increasing dispatchers and code enforcement officers, expanding the Citizen's Academy and Neighborhood Watch programs, safe routes to schools, public updates on projects, flood prevention in heavily flooded areas, developing connections with UC Merced, address City/County issues, Campus Parkway build-out, heavy maintenance facilities, railroad quiet zones, Recreation and Parks Director, entry signs, parks maintenance, homeless, traffic flow, blight, housing, downtown subcommittee, infill growth, lighting, water conservation, jobs, cleanup entry areas in town, beautifying the City, annexations towards UC Merced, and honor talent in the City.

Mr. CARRIGAN stated that staff will bring this item back for the March 19th meeting to rank the priorities.

Council discussed separating the priority list into different categories.

M. BUSINESS

M.1. SUBJECT: Appointment - Regional Airport Authority

REPORT IN BRIEF

Consider appointing Travis Colby to the Regional Airport Authority.

RECOMMENDATION

City Council - Adopt a motion appointing Travis Colby to serve as a member of the Regional Airport Authority, to a seat with a term expiration of July 1, 2021, and directing the Clerk's Office to continue recruitment for vacancies on the Regional Airport Authority.

A motion was made by Council Member Blake, seconded by Council Member Serratto, to appoint Travis Colby to the Regional Airport Authority. The motion carried by the following vote:

Aye: 6 - Council Member Belluomini, Council Member Martinez, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 1 - Mayor Pro Tempore McLeod

M.2. **SUBJECT: Mayor Murphy's Request to Discuss Council Meeting
Decorum and Conduct**

REPORT IN BRIEF

This item is in response to Mayor Murphy's request to discuss Council Meeting decorum and conduct pursuant to City Council Administrative Policies and Procedures C-1.

RECOMMENDATION

It is requested Council give staff direction on an ordinance to establish rules of conduct for public meetings.

Council and Staff discussed the Council Meeting decorum and conduct policy.

Michael CLAIBORNE, Merced - spoke on his concerns with the language in the policy.

Isai PALMA, Merced - spoke on his concerns with the decorum and conduct policy.

Sol RIVAS, Merced - spoke on her concerns with the decorum and conduct policy.

Victoria CASTILLO, Merced - spoke on her concerns with the decorum and conduct policy.

Marilyn MOCHELL, Merced - spoke on her concerns with the decorum and conduct policy.

Council continued discussing the Council Meeting decorum and conduct policy.

A motion was made by Council Member Belluomini, seconded by Council Member Blake, to direct the Interim City Attorney to remove section C in the draft ordinance and to bring this item back as an introduction. The motion carried by the following vote:

Aye: 4 - Council Member Belluomini, Council Member Pedrozo, Mayor Murphy, and Council Member Blake

No: 2 - Council Member Martinez, and Council Member Serratto

Absent: 1 - Mayor Pro Tempore McLeod

M.3. Request to Add Item to Future Agenda

No items were added.

M.4. City Council Comments

Council Member MARTINEZ reported on attending a fitness fair event at McNamara Park and the Weaver Middle School Performance.

Council Member PEDROZO reported on attending a fitness fair event at McNamara Park and a Youth Leadership event. He also spoke about the Japanese Internment Camp display in the lobby of City Hall. He also thanked staff for their hard work setting up the Town Hall Meetings and the public for attending the meetings.

Council Member BELLUOMINI thanked the staff for the preparations of the Town Hall Meetings and the public for attending. He spoke on the open positions advertisement for a Police Chief and City Attorney.

Mayor MURPHY spoke on holding a Special Meeting for Thursday, March 8th, at 5:30 PM.

Council Member MARTINEZ requested starting the Special Meeting at 6:00 PM.

Interim City Attorney Jolie HOUSTON stated that, if council gave her direction, she could prepare options for the Cannabis Tax.

A motion was made by Council Member Belluomini, seconded by Council Member Martinez, to direct Interim City Attorney Jolie Houston to prepare options for the Special Meeting that will be held on March 8th at 6:00 PM. The motion carried by the following vote:

Aye: 6 - Council Member Belluomini, Council Member Martinez, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 1 - Mayor Pro Tempore McLeod

Mayor MURPHY reported on attending the UC Merced Board Meeting, the Rotary Club Crab Feed, and UC Merced and City joint Neighborhood Coffee Event. He thanked the staff for the preparations of the Town Hall Meetings and the public for attending. He also reported on attending the Youth Leadership Institute open house, the Breakfast Lyons Club meeting, and the Little Mermaid production.

N. ADJOURNMENT

Clerk's Note: The Regular Meeting adjourned at 9:01 PM.

A motion was made by Council Member Pedrozo, seconded by Council Member Belluomini, to adjourn the Regular Meeting in honor of John Sagin. The motion carried by the following vote:

Aye: 6 - Council Member Belluomini, Council Member Martinez, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 1 - Mayor Pro Tempore McLeod



CITY OF MERCED

City Council Chamber
Merced Civic Center
2nd Floor
678 W. 18th Street
Merced, CA 95340

Minutes

City Council/Public Finance and Economic Development Authority/Parking Authority

Thursday, March 8, 2018

6:00 PM

A. CALL TO ORDER

Mayor MURPHY called the Special Meeting to order at 6:16 PM.

A.1. Pledge of Allegiance

B. ROLL CALL

Present: 7 - Council Member Michael Belluomini, Council Member Anthony Martinez, Mayor Pro Tempore Jill McLeod, Council Member Joshua Pedrozo, Council Member Matthew Serratto, Mayor Mike Murphy, and Council Member Kevin Blake

Absent: 0

C. BUSINESS

C.1.

SUBJECT: Consideration of Amending Section 1. of Previously Submitted Commercial Cannabis Business Tax Ballot Measure Ordinance

REPORT IN BRIEF

Considers amending Section 1. of the submitted ordinance for the Commercial Cannabis Business Tax Measure to allocate funding by percentage to parks and recreation, fire, and police services.

RECOMMENDATION

City Council - Adopt a motion:

A. Amending the submitted ordinance to include language to allocate funds raised by the tax with specific minimum percentages to parks and recreation, fire and police services by choosing option 1 or 2; and,

OPTION ONE

SECTION 1. Special Tax.

The Commercial Cannabis Business Tax is enacted solely to raise revenue for specific governmental purposes for the City of Merced and not

for purposes of regulation. All of the proceeds from the tax imposed by this Ordinance shall be used exclusively to fund local police and fire protection services and parks and recreation services and cannot be spent for any other purpose. Parks/recreation services shall receive a minimum of twenty percent (20%) of the tax revenues annually.

OPTION 2

SECTION 1. Special Tax.

The Commercial Cannabis Business Tax is enacted solely to raise revenue for specific governmental purposes for the City of Merced and not for purposes of regulation. All of the proceeds from the tax imposed by this Ordinance shall be used exclusively to fund local police and fire protection services and parks and recreation services and cannot be spent for any other purpose. Local police, fire protection and parks/recreation services shall each receive a minimum of twenty percent (20%) of the tax revenues annually.

B. Adopting **Resolution 2018-13**, a Resolution of the City Council of the City of Merced, California, Rescinding and Replacing Resolution 2018-10 and Calling a Special Municipal Election to be held on June 5, 2018, for the purpose of submitting a commercial cannabis business tax to the electorate.

City Manager Steve CARRIGAN read the options available for Council to discuss and vote on.

Council Member PEDROZO clarified how the tax dollars are to be used regarding Recreation and Parks.

Council and Staff discussed the options that were listed on the agenda and how the tax dollars could be used.

Claudia GONZALEZ, Merced - spoke on funding for youth activities and not funding the police and fire departments.

Angelica COSTILLA, Merced - spoke on allocating more funding to the youth.

Jorge GARCIA, Merced - spoke on allocating more funding to the youth.

Isai PALMA, Merced - spoke on funding the Recreation and Parks Department and increasing programming for the youth.

Sol RIVAS, Merced - spoke on allocating funding for youth programs and services.

Marilyn MOCHELL, Merced - asked about parks services and safety. She also spoke on investing in the youth.

Christopher JENSEN, Merced - spoke on funding for Recreation and Parks and youth services.

Tsia XIONG, Merced - spoke on youth services and youth cannabis prevention programs.

Ron ROBERTS, Stanislaus County - spoke on the tax ordinance.

Seth SMITH, Merced - spoke on allocating any surplus funds to the youth and other opportunities.

Kristynn SULLIVAN, Merced - spoke on allocating the funds to youth services. She also spoke on parks after dark.

Edward FLORES, Merced - spoke on allocating more funds to the Recreation and Parks Department.

Susana CALDERON, Merced - spoke on afterschool programs. She also asked about the allocation of the remaining 40% of funds.

Casey STEED, Merced - spoke on the cannabis tax funding allocation.

Priya LAKIREDDY, Merced - spoke on youth prevention programs and mental health services.

Council gave their closing statements.

Council and Staff continued discussion on the options listed on the agenda.

Council Member Pedrozo made a motion to adopt Option 1. The motion failed due to lack of a second.

Clerk's Note: Council Member PEDROZO stated his opposition to Option 2, but agreed to vote with the majority on this item.

A motion was made by Council Member Blake, seconded by Council Member Belluomini, to approve Option 2. The motion carried by the following vote:

Aye: 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 0

D. ADJOURNMENT

Clerk's Note: The Special Meeting was adjourned at 7:15 PM.

A motion was made by Council Member Blake, seconded by Council Member Pedrozo, to adjourn the Special Meeting. The motion carried by the following vote:

Aye: 7 - Council Member Belluomini, Council Member Martinez, Mayor Pro Tempore McLeod, Council Member Pedrozo, Council Member Serratto, Mayor Murphy, and Council Member Blake

No: 0

Absent: 0



ADMINISTRATIVE REPORT

Agenda Item I.7.

Meeting Date: 4/2/2018

Report Prepared by: Karen Baker, Development Associate, Merced Visitor Services Program

SUBJECT: Professional Services Agreement between the City of Merced and Merced Main Street Association in the Amount of \$60,000.00 for Fiscal Year 2017-2018

REPORT IN BRIEF

Agreement between the City of Merced and Merced Main Street Association to provide services to the Downtown Business Improvement Area during Fiscal Year 2017-2018.

RECOMMENDATION

City Council - Adopt a motion approving an agreement with the Merced Main Street Association for Downtown Services for 2017-2018 in the amount of \$60,000.00, and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve as recommended by staff; or
2. Approve, subject to notifications as conditioned by Council; or,
3. Deny the requests completely; or,
4. Refer back to staff for reconsideration of specific items as requested by Council; or,
5. Defer action until a specified date.

AUTHORITY

Charter of the City of Merced, Section 200, Merced Municipal Code Section 3.44.020.

CITY COUNCIL PRIORITIES

Downtown Fund 006-Partner and continue to coordinate with the Merced Main Street Association through the Professional Services Agreement.

DISCUSSION

Background

The Downtown Business Improvement Area is defined in Section 3.44.020 of the Merced Municipal Code is bound by "G" Street on the east, "V" Street on the west, Union Pacific Railroad tracks on the south, and the alley between 19th and 20th Streets on the north.

In August of 2014, the City issued a Request for Proposal to find an independent contractor to provide services to the Downtown Business Improvement Area. Merced Main Street Association (MMSA) was awarded the contract and began providing services to the Downtown Business

Improvement Area beginning in January 2015. Contracted responsibilities were based on the RFP, focusing on safety, security, cleanliness, maintenance, events, and securing National Main Street Program certification.

MMSA submitted a report that detailed their accomplishments for FY2016-2017 and published an Annual report. Their accomplishments include but are not limited to:

1. MMSA Website was created in July 2017.
2. Emergency Lighting Program is in place for merchants to place on their buildings.
3. Façade Grant was established and McAuley Motors, Coffee Bandits, Clifford Blauert Properties, and Gottschalks Music Building were recipients.
4. 68 Light Post Holiday decorations and banners were purchased for the 2016 season and 11 additional light pole decorations were purchased in 2017 for Bob Hart Square.
5. MMSA underwrote the extension of the Poppies Mural Project in Bob Hart Square.
6. MMSA acquired an encroachment permit to post banners highlighting the Certified Farmers Market on City light poles in and around the City parking lot at 16th and Canal.
7. Celebrate Downtown program assisted many events giving organizers up to \$500.00 per event. Events included Merced FEAST, Fall Festival, Art Hop, Spring Festival and Mercy Gulch.
8. The Merced FEAST was a sold out success highlighting Main Street. In addition, a free concert was added to this event on the following day.
9. Design, Promotion, Organization and Economic Committees continued to meet on a monthly basis.

The Merced Main Street Association Annual Report in full is attached.

Description

The Merced Main Street Association would like to continue serving as the contractor for the Downtown Improvement Fund for 2017-2018. The Merced Main Street Association Board, which all volunteer, is committed to building on the progress they have made as a new organization, focusing on how best to serve their mission which is safety, security, maintenance, cleanliness, and events in the Downtown. They have completed, submitted and received their 501C (6) status. MMSA is a member of the California Main Street Association and are working on their National Main Street Association certification. Staff completed a 2016/2017 Agreement Compliance Evaluation (Attachment 2) based on MMSA's Scope of Services.

Key Deliverables/Milestones/Timelines

For FY 17-18, MMSA will continue to build upon the work they have accomplished and add to the areas they feel will best serve their core mission including: safety and security, maintenance, cleanliness, and events in the Downtown Area.

They will also support, or continue to support, the following downtown district efforts:

- Work towards a "Welcome To Merced" Arch in conjunction with the High Speed Rail Station

- Promote the Non/Certified Merced Farmer’s Market
- Continue the Façade Grant for curb appeal improvements
- Contract with the Greater Merced Chamber of Commerce for administration
- Host Monthly Membership Meetings
- Continue Celebrate Downtown program to underwrite groups who hold events in the downtown district
- MMSA brochure/map designed and printed
- Interns to assist in marketing in the Downtown Core.
- Design, Promotion, Organization and Economic Committees meet monthly
- Support Farmers’ Market Fall and Spring Festivals in partnership with the Certified Market and Main Street Members/Merchants
- Continue Emergency Lighting Program
- Support the Merced Downtown Neighborhood Association
- Merced FEAST (Festival Engaging Agriculture Sustainability to the Table) Dinner and Concert in partnership with MCFM, Merced Farm Bureau, California Women for Agriculture, Merced College and UC Merced
- Thursday Night Summer’s Street Faire
- Purchase additional Holiday Decorations
- Block by Block Security Program
- National Main Street Membership

TASK	Allocation
• Marketing	\$ 12,000.00
• Administrative	\$ 10,000.00
• Programs and Projects	\$ 34,000.00
• Membership	\$ 4,000.00
• Total	\$ 60,000.00

IMPACT ON CITY RESOURCES

Funding is available within FY17/18 Downtown Fund budget. The General Fund is not used to pay for services provided through the Agreement.

ATTACHMENTS

1. Merced Main Street Association (MMSA) Agreement
2. MMSA 2016/2017 Agreement Compliance Evaluation
3. MMSA Scope of Work
4. MMSA Annual Report

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2018, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as “City”) and Merced Main Street Association, a California Corporation, whose address of record is 510 West Main Street, Merced, California 95340-4701 (hereinafter referred to as “MMSA”).

WHEREAS, the City has determined that services and administration to the Downtown Business Improvement Area (“DBIA”) are vital to the welfare of the community; and

WHEREAS, MMSA represents that it possesses the professional skills to provide services and administration to the DBIA on behalf of the City.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** MMSA shall furnish the services described in Exhibit “A” attached hereto.

No additional services shall be performed by MMSA unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Director of Economic Development or his designee. However, the means by which the work is accomplished shall be the sole responsibility of MMSA. City acknowledges that MMSA is providing services to other entities in addition to the City. MMSA shall not make any commitments or representations on behalf of the City.

In carrying out the services for City, MMSA shall not discriminate against any business or provider of services within the City, such as restaurants, retail stores, banks and insurance agencies, etc., regardless of whether or not such provider of services is a member of MMSA. MMSA shall not make any oral or written statement that would discourage a reasonable person from making or pursuing any type of contractual relationship with any business or provider of services, nor shall MMSA solely recommend businesses, which are members of MMSA.

2. TIME OF PERFORMANCE. All of the work outlined in the Scope of Services shall be performed between July 1, 2017 and June 30, 2018. By mutual agreement and written addendum to this Agreement, the City and the MMSA may change the requirements in said Schedule.

3. COMPENSATION. The City shall pay MMSA a total not to exceed Sixty Thousand Dollars (\$60,000.00) in the following installments:

By April 2018	\$30,000.00
By May 2018	\$15,000.00
By June 2018	\$15,000.00

The City must receive invoices and financial reports for each installment from MMSA thirty (30) days prior to the payment date. The financial reports are to include balance sheets, profit and loss statements, check journals, and meeting minutes and agendas.

4. RECORDS. It is understood and agreed that all records, files, reports, etc., in possession of MMSA relating to the matters covered by this Agreement shall be made available to City at any reasonable time for inspection, copying and use.

MMSA shall provide copies of all Board of Directors, Executive Committee, and Subcommittee reports to the Director of Economic Development or designee. MMSA shall provide an oral report to the City Council at the discretion of the City. City reserves the right to perform an evaluation of MMSA performance and MMSA shall make a presentation to facilitate the evaluation. The Director of Economic Development or his designee shall receive notices in advance of meetings, sub-committee meetings, workshops and events via email.

MMSA agrees to make and maintain full and complete financial records pertaining to the expenditure of all funds paid to MMSA. City may also inspect such records upon reasonable notice to MMSA either at the City or MMSA offices.

It being understood that MMSA is responsible for administering the project, MMSA agrees to accept responsibility for receiving, replying to, and/or complying with any audit exceptions directly related to the provisions of this Agreement.

5. MMSA'S BOOKS AND RECORDS. MMSA shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other

records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to MMSA to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

6. INDEPENDENT CONTRACTOR. It is expressly understood that MMSA is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. MMSA shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should MMSA desire any insurance protection, MMSA is to acquire same at its expense. The City shall not be liable for any payment or compensation in any form to MMSA or any of their employees other than as provided herein.

7. INDEMNITY. MMSA shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of MMSA or MMSA's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of MMSA or its employees, subcontractors, or agents, or by the quality or character of MMSA's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. It is understood that the duty of MMSA to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve MMSA from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, MMSA acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

8. INSURANCE. During the term of this Agreement, MMSA shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) MMSA shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) MMSA shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the MMSA.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by MMSA and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) MMSA shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) MMSA shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the MMSA.
- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by MMSA and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. [Reserved]

e. **Qualifications of Insurer.** The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. **Certificate of Insurance.** MMSA shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, MMSA shall be entitled to be paid pursuant to the terms of this Agreement until MMSA has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if MMSA's insurance policies are not current.

9. **ASSIGNABILITY OF AGREEMENT.** It is understood and agreed that this Agreement contemplates personal performance by the MMSA and is based upon a determination of its unique personal competence and experience and

upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of MMSA under this Agreement will be permitted only with the express written consent of the City.

10. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement at any time by mailing a notice in writing to MMSA that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further works shall be performed by MMSA. If the Agreement is terminated, MMSA shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

11. **CONFORMANCE TO APPLICABLE LAWS.** MMSA shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by MMSA in the employment of persons to work under this contract because of race, color, sexual orientation, national origin, ancestry, disability, sex or religion of such person.

MMSA hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should MMSA so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, MMSA hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

12. **WAIVER.** In the event that either City or MMSA shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

13. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

14. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

15. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

16. **GENERAL PROVISIONS.**

a. This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings oral or otherwise, regarding the subject matter of this Agreement, shall be deemed to exist or to bind any of the parties hereto.

b. At no additional compensation to MMSA, the City may duplicate, use, and disclose in any manner and for any purpose whatsoever, and have others so do, all data, media and marketing copy in any form developed or delivered under this Agreement.

c. MMSA hereby grants to the City a royalty-free, non-exclusive, and irrevocable license to publish, translate, reproduce, deliver, perform, dispose of, and to authorize others so to do, all data now or hereafter covered by this Agreement, provided, that with respect to data not originated in the performance of this Agreement, such license shall be only to the extent that MMSA has the right to grant such license without becoming liable to pay compensation to others because of such grant.

d. MMSA shall not affix any restrictive markings upon any data, and if such markings are affixed, the City shall have the right at any time to modify, remove, obliterate, or ignore such markings. City will provide advance notice of when data is to be used.

e. Nothing in this Agreement shall be construed to prevent direct contact between the City and local, regional, state, federal, or private Main Street related agencies or entities.

f. MMSA is responsible for all costs incurred for the implementation of the Scope of Services.

g. The City is the final authority on any land use design and/or infrastructure decision or projects. All activities carried out by MMSA shall be in compliance with local, state, county and federal regulations.

h. MMSA's focus shall be on safety and security, cleanliness and maintenance and events, and working towards securing National Main Street designation. Events shall include Cap & Town, or similar event, and Mercy Gulch.

17. AMENDMENT. This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

18. INTEGRATION. This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

19. AUTHORITY TO EXECUTE. The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

20. COUNTERPARTS. This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: K. Flores 3.27.18
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

MERCED MAIN STREET
ASSOCIATION, a California
Corporation

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. _____

ADDRESS: 1510 W. Main Street
Merced, CA 95340-4701

TELEPHONE: (209) 384-7092

FAX: (209) 384-8472

E-MAIL:
mercedmainstreetassociation@gmail.com

-Scope of Services-

For the City of Merced

July 2017-June 2018

The Scope of Services shall be performed by the Merced Main Street Association (MMSA) concerning the administration and services provided to the Downtown Business Improvement Area/District. Services shall include but not limited to the following:

DOWNTOWN ADMINISTRATION

- Mailings
- Newsletters
- Fund raising event coordination
- Infrastructure project coordination with the City of Merced
- Social media
- Website presence

The Merced Main Street Association (MMSA) will continue to serve as a non-government program organization to expand the revitalization efforts focusing on the three concerns of study conducted by the Alliance for Community Research and Development.

- Safety and Security
- Maintenance and Cleanliness
- Events in Downtown

MOVING FORWARD IN 2017-18

The MMSA will administer all of the BID funding from all the taxes collected from the downtown merchants including and exclusively to; previously allocated BID funds and city-arranged agreements (Mercy Gulch, Cap & Town) with other community-based organizations.

The MMSA organizational structure is done in compliance with the California Main Street committee structure:

- **Organization Committee (J. Kazakos Chairs)** gets everyone working toward the same goal. A governing board and standing committees make up the fundamental organizational structure of this volunteer-driven program. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders. The Organization Committee plays a key role in keeping the board, committees, staff, and programs-of-work in good shape by attracting people to the organization.
 - Managing staff and volunteers – by recruiting people & supervising them
 - Promoting the program to downtown interests
 - Raising money – for projects and administration, from donations and sponsorships
 - Managing finances – by developing good accounting procedures
- **Promotion Committee (M. Alvarado Chairs)** sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the Main Street district. By marketing the district's unique characteristics to shoppers, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers.

These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area. An effective commercial district promotional strategy contains three components: image promotion, retail promotion, and special events.

- Image promotion markets the downtown as a unified and vital business district.
- Retail promotion markets the quality and range of goods and services downtown provides.
- Special events and festivals are an excellent way to highlight the community's unique heritage, character and local talent.

- **The Design Committee (T. Leach Chairs)** is key role in shaping the physical image of Main Street as a place attractive to shoppers, investors, business owners, and visitors. Design means getting Main Street into top physical shape. Capitalizing on its best assets — such as historic buildings and pedestrian-oriented streets — is just part of the story. Main Street's physical appearance affects the decisions shoppers, investors and visitors make about the district. A commercial district's design should make economic sense as well as aesthetic sense. Design improvements can result in a sales increase, making good design a sound business investment.
 - Educating others about good design—enhancing the image of each business
 - Providing good design advice and encouraging quality improvements to private properties and public spaces
 - Planning Main Street's development, thus guiding future growth and shaping regulations
 - Motivating others to make changes—creating incentives and targeting key projects
- **Economic Restructuring Committee (R. Matsuo Chairs)** identifies new market opportunities for the traditional commercial district, find new uses for historic commercial buildings, and stimulate investment in property. The Economic Restructuring component of the four-point approach involves identifying new downtown business opportunities, helping existing businesses expand, finding new uses for vacant buildings, converting upper stories to housing, office or commercial space, and improving downtown business management techniques. The Economic Restructuring Committee must develop a thorough understanding of the district's economic condition and its best opportunities, focusing on incremental changes that gradually improve the area's economic foundation and eventually make large-scale investment possible.
 - Learning about the district's current economic conditions and identifying opportunities for market growth
 - Strengthening existing businesses and recruiting new ones
 - Finding new economic uses for traditional Main Street buildings
 - Developing financial incentives and capital for building regulations and business development
 - Monitoring the economic performance of the district

Responsibilities: As members of the Downtown business community we believe it is our responsibility to care for the Downtown district. We have vested interest here and feel a great sense duty in the work that we do for our community. That is why we make it our own personal responsibility to be great Stewards of the Downtown, assuming this responsibility; we willingly assume the burden of managing the Downtown Business Improvement funds for all of Merced.

Accountability: Fiscal responsibility is one of the cornerstones to successfully managing the Downtown Fund. We believe transparent accounting and open ledgers are key to garnering and maintaining trust among our peers and historic fiscal accountability.

Reporting: We aim to report in detail our financial plans and objectives while explaining our goals and milestones, grading ourselves along the way.

Engaging: By hosting monthly members’ mixers and board of directors’ meetings we aim to engage businesses and residences in the progress of our downtown community. By sharing this responsibility of what takes place in downtown our hope is to foster a sense of ownership and involve other in the stewardship of downtown.

We continue to build upon our goal of complete transparency as an organization; we will collaborate with other stakeholders and community-based organizations to openly cooperate with them for the betterment of all Merced.

KEY DELIVERABLES/MILESTONES/TIMELINES

We will continue to build upon the work we have accomplished and add to what areas we feel will best serve our core mission to: Safety and Security - Maintenance and Cleanliness – Events in the Downtown Area

We will also support, or continue to support, the following downtown district efforts:

- Work towards a “Welcome To Merced” Arch in conjunction with the High Speed Railroad Station
- Promote the *Non/Certified Merced Farmer’s Market* (2,000)
- The *Greater Merced Chamber of Commerce* contract for our administration agreement (10,000)
- Continue the *Façade Grant* for curb appeal improvements (10,000)
- *National Main Street Program* membership (1,500)
- Continue filing for a *Non-profit 501c (6)* legal fees with the IRS. (1,000)
- Host *Monthly Membership Meetings* (3,500)
- Continue *Celebrate Downtown* program that was established to underwrite groups who hold events in the downtown district to cover permitting fees incurred (3,000)
- Interns to assist in marketing the Downtown Core (2,000)
- Website maintenance for the MMSA (1,500)
- Design, Promotion, Organization and Economic Committees meet monthly
- Support *Farmers’ Market Fall & Spring Festivals* in partnership with the Certified Market and Main Street Members/Merchants(3,000)
- *Holiday Decorations* acquired for the downtown district (12,000)
- MMSA brochure/map designed and printed (3,000)
- Printing and postage for mixers, events, school flyers and general correspondence (2,400)
- Continue *Emergency Lighting Program* (4,000)
- *Block by Block Security Program* (2,000)
- Support the Merced Downtown Neighborhood Association (2,000)
- *Merced FEAST* (Festival Engaging Agriculture Sustainability to the Table) Dinner and Concert in partnership with MCFM, Farm Bureau, California Women for Ag and Merced College (4,450)
- *Thursday Night Summer’s Street Faire* (1,500)

DELIVERABLE TOTALS

Total

❖ MARKETING.....	\$12,000*
❖ ADMINISTRATIVE.....	\$10,000*
❖ PROGRAMS & PROJECTS.....	\$34,000*
❖ MEMBERSHIP.....	\$4,000*
❖ TOTAL.....	\$ 60,000*

(*) Pending the approval of MMSA Board of Directors.

CITY STAFF LIASON

The MMSA shall report to Development Associate Karen Baker on a monthly basis, and coordinating through Mrs. Karen Baker for City support.

Expectations MMSA has of the City

The City shall continue to make significant efforts to assist MMSA in every means to bolster our three area of focus: ***Safety and Security - Maintenance and Cleanliness – Events in the Downtown Area.***

MMSA will continue to partner with other organizations such as: Downtown Neighborhood Association, the Greater Merced Chamber of Commerce and the Certified Farmers' Market who share the same vision of a strong and vibrant city core. This is not just one organization's effort but rather a partnership between business, government & private sectors.

Merced Main Street Association Fiscal Year 2016/2017 Agreement Compliance Evaluation

ATTACHMENT 2

Agreement for Professional Services	Task	Performance
Administration	<p>Establishment of a Downtown office or presence.</p> <p>Administration Costs must be below 15% of the Award amount.</p>	<p>Established an office in the Greater Merced Chamber of Commerce.</p> <p>Administration costs budgeted were \$15,797.00 Out of the \$120,000.00 awarded.</p>
Records & Reports	<p>Records and reports made available to the City.</p>	<p>Generally provided as agreed. Financials and reports were turned in with the request for payments.</p>
Organizational Structure	<p>Establish an organizational structure based on The structure National Main Street Association.</p>	<p>MMSA established the organizational structure of the National Main Street Association. The Committees include the Organization Committee Promotion Committee, Design Committee, and Economic Restructuring Committee. The Committees meet monthly and they are working to become a California Main Street Program.</p>

Downtown Outreach	Proposed social media plan, implementation of a newsletter and outreach to businesses within the district.	Website was recreated in July 2017. A MMSA has a Facebook page and delivers invitations for monthly mixers. An electronic newsletter has created using Facebook as their medium.
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Financial Records Maintain full and complete records. Provided as agreed

Insurance

Full Worker's Compensation of a minimum of \$100,000.	Done
General liability and automobile insurance of at least \$500,000.00.	Done
Certificate of Liability Insurance.	Submitted

Scope of Work

Safety and Security	Emergency Lighting Program. Block to Block Security Program.	Emergency Lighting Program is in place for Merchants to place on their buildings. The Block to Block Security Program is out to MMSA's membership.
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Promotions Façade Grant was established for businesses within the district. Property and Gottschalks Music Building were

McAuley Motors, Coffee Bandits, Clifford Blauert
--

recipients of the Façade Grant. The Partisan Lounge is approved but pending its completion. Total fund disbursed was almost \$12,000.00.

Holiday Decorations.

68 Light Post Holiday decorations and banners were purchased for the 2016 season. 11 additional large pole decorations were purchased in 2017 for Bob Hart Square.

The Poppies Mural Project

MMSA underwrote the extension of the Poppies Mural Project around the complete perimeter of the flag pole flower bed in Bob Hart Square.

Events

Merced Certified Farmers Market

MMSA acquired an encroachment permit to post banners on City light poles in and around the parking lot at 16th and Canal.

Celebrate Downtown

Celebrate Downtown program was established to underwrite groups who hold events in the Downtown district to cover permitting fees. Event Organizers are given up to \$500.00 per event.

Merced FEAST

The inaugural and 2nd Annual Merced FEAST were sold out successes. MMSA in partnership with the Merced County Certified Market, Downtown Neighborhood Association (DNA), UC Merced and Merced College.

Fall Festival

Over 800 children participated in trick-or-treating in dozens of downtown businesses. Games, face-painting, and music for the public to enjoy.

Art Hop

The Merced Art Hop was given \$ 4,000.00 for their quarterly program from MMSA, in addition to City support of \$15,000.00

Spring Festival

MMSA hosted a Spring Festival for children which included egg hunts and activities for Children in Bob Hart Square.

Mercy Gulch

MMSA supported Mercy Gulch as a sponsor.

MMSA Annual Meeting

Annual meeting was held at the Multicultural Art Center.

Maintenance and Cleanliness

Steam cleaning

MMSA is looking into a steam cleaning program.

Merced Main Street Association Fiscal Year 2016/2017 Agreement Compliance Evaluation

ATTACHMENT 2

Agreement for Professional Services	Task	Performance
Administration	Establishment of a Downtown office or presence.	Established an office in the Greater Merced Chamber of Commerce.
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Organizational Structure	Establish an organizational structure based on The structure National Main Street Association.	MMSA established the organizational structure of the National Main Street Association. The Committees include the Organization Committee Promotion Committee, Design Committee, and Economic Restructuring Committee. The Committees meet monthly and they are working to become a California Main Street Program.

Downtown Outreach

Proposed social media plan, implementation
Of a newsletter and outreach to businesses
within the district.

Website was recreated in July 2017. A MMSA
has a Facebook page and delivers invitations for
monthly mixers. An electronic newsletter has
created using Facebook as their medium.

Financial Records

Maintain full and complete records.

Provided as agreed

Insurance

Full Worker's Compensation of a minimum of \$100,000. Done
General liability and automobile insurance of at least Done
\$500,000.00.
Certificate of Liability Insurance. Submitted

Scope of Work

Safety and Security

Emergency Lighting Program.

Block to Block Security Program .

Emergency Lighting Program is in place for
Merchants to place on their buildings.
The Block to Block Security Program is out to
MMSA's membership.

Promotions

Façade Grant was established for
businesses within the district.

McAuley Motors, Coffee Bandits, Clifford Blauert
Property and Gottschalks Music Building were

recipients of the Façade Grant. The Partisan Lounge is approved but pending its completion. Total fund disbursed was almost \$12,000.00.

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MMSA underwrote the extension of the Poppies Mural Project around the complete perimeter of the flag pole flower bed in Bob Hart Square.

Events

Merced Certified Farmers Market

MMSA acquired an encroachment permit to post banners on City light poles in and around the parking lot at 16th and Canal.

Celebrate Downtown

Celebrate Downtown program was established to underwrite groups who hold events in the Downtown district to cover permitting fees. Event Organizers are given up to \$500.00 per event.

Merced FEAST

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Fall Festival

Over 800 children participated in trick-or-treating in dozens of downtown businesses. Games, face-painting, and music for the public to enjoy.

Art Hop

The Merced Art Hop was given \$ 4,000.00 for their quarterly program from MMSA, in addition to City support of \$15,000.00

Spring Festival

MMSA hosted a Spring Festival for children which included egg hunts and activities for Children in Bob Hart Square.

Mercy Gulch

MMSA supported Mercy Gulch as a sponsor.

MMSA Annual Meeting

Annual meeting was held at the Multicultural Art Center.

Maintenance and Cleanliness

Steam cleaning

MMSA is looking into a steam cleaning program.

-Scope of Services-

For the City of Merced

July 2017-June 2018

The Scope of Services shall be performed by the Merced Main Street Association (MMSA) concerning the administration and services provided to the Downtown Business Improvement Area/District. Services shall include but not limited to the following:

DOWNTOWN ADMINISTRATION

- Mailings
- Newsletters
- Fund raising event coordination
- Infrastructure project coordination with the City of Merced
- Social media
- Website presence

The Merced Main Street Association (MMSA) will continue to serve as a non-government program organization to expand the revitalization efforts focusing on the three concerns of study conducted by the Alliance for Community Research and Development.

- Safety and Security
- Maintenance and Cleanliness
- Events in Downtown

MOVING FORWARD IN 2017-18

The MMSA will administer all of the BID funding from all the taxes collected from the downtown merchants including and exclusively to; previously allocated BID funds and city-arranged agreements (Mercy Gulch, Cap & Town) with other community-based organizations.

The MMSA organizational structure is done in compliance with the California Main Street committee structure:

- Organization Committee (J. Kazakos Chairs) gets everyone working toward the same goal. A governing board and standing committees make up the fundamental organizational structure of this volunteer-driven program. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders. The Organization Committee plays a key role in keeping the board, committees, staff, and programs-of-work in good shape by attracting people to the organization.
 - Managing staff and volunteers – by recruiting people & supervising them
 - Promoting the program to downtown interests
 - Raising money – for projects and administration, from donations and sponsorships
 - Managing finances – by developing good accounting procedures
- Promotion Committee (M. Alvarado Chairs) sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the Main Street district. By marketing the district's unique characteristics to shoppers, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers.

These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area. An effective commercial district promotional strategy contains three components: image promotion, retail promotion, and special events.

- Image promotion markets the downtown as a unified and vital business district.
- Retail promotion markets the quality and range of goods and services downtown provides.
- Special events and festivals are an excellent way to highlight the community's unique heritage, character and local talent.

- The Design Committee (T. Leach Chairs) is key role in shaping the physical image of Main Street as a place attractive to shoppers, investors, business owners, and visitors. Design means getting Main Street into top physical shape. Capitalizing on its best assets — such as historic buildings and pedestrian-oriented streets — is just part of the story. Main Street's physical appearance affects the decisions shoppers, investors and visitors make about the district. A commercial district's design should make economic sense as well as aesthetic sense. Design improvements can result in a sales increase, making good design a sound business investment.

- Educating others about good design—enhancing the image of each business
- Providing good design advice and encouraging quality improvements to private properties and public spaces
- Planning Main Street's development, thus guiding future growth and shaping regulations
- Motivating others to make changes—creating incentives and targeting key projects

- Economic Restructuring Committee (R. Matsuo Chairs) identifies new market opportunities for the traditional commercial district, find new uses for historic commercial buildings, and stimulate investment in property. The Economic Restructuring component of the four-point approach involves identifying new downtown business opportunities, helping existing businesses expand, finding new uses for vacant buildings, converting upper stories to housing, office or commercial space, and improving downtown business management techniques. The Economic Restructuring Committee must develop a thorough understanding of the district's economic condition and its best opportunities, focusing on incremental changes that gradually improve the area's economic foundation and eventually make large-scale investment possible.

- Learning about the district's current economic conditions and identifying opportunities for market growth
- Strengthening existing businesses and recruiting new ones
- Finding new economic uses for traditional Main Street buildings
- Developing financial incentives and capital for building regulations and business development
- Monitoring the economic performance of the district

Responsibilities: As members of the Downtown business community we believe it is our responsibility to care for the Downtown district. We have vested interest here and feel a great sense duty in the work that we do for our community. That is why we make it our own personal responsibility to be great Stewarts of the Downtown, assuming this responsibility; we willingly assume the burden of managing the Downtown Business Improvement funds for all of Merced.

Accountability: Fiscal responsibility is one of the cornerstones to successfully managing the Downtown Fund. We believe transparent accounting and open ledgers are key to garnering and maintaining trust among our peers and historic fiscal accountability.

Reporting: We aim to report in detail our financial plans and objectives while explaining our goals and milestones, grading ourselves along the way.

Engaging: By hosting monthly members’ mixers and board of directors’ meetings we aim to engage businesses and residences in the progress of our downtown community. By sharing this responsibility of what takes place in downtown our hope is to foster a sense of ownership and involve other in the stewardship of downtown.

We continue to build upon our goal of complete transparency as an organization; we will collaborate with other stakeholders and community-based organizations to openly cooperate with them for the betterment of all Merced.

KEY DELIVERABLES/MILESTONES/TIMELINES

We will continue to build upon the work we have accomplished and add to what areas we feel will best serve our core mission to: Safety and Security - Maintenance and Cleanliness – Events in the Downtown Area

We will also support, or continue to support, the following downtown district efforts:

- Work towards a “Welcome To Merced” Arch in conjunction with the High Speed Railroad Station
- Promote the Non/Certified Merced Farmer’s Market (2,000)
- The Greater Merced Chamber of Commerce contract for our administration agreement (10,000)
- Continue the Façade Grant for curb appeal improvements (10,000)
- National Main Street Program membership (1,500)
- Continue filing for a Non-profit 501c (6) legal fees with the IRS. (1,000)
- Host Monthly Membership Meetings (3,500)
- Continue Celebrate Downtown program that was established to underwrite groups who hold events in the downtown district to cover permitting fees incurred (3,000)
- Interns to assist in marketing the Downtown Core (2,000)
- Website maintenance for the MMSA (1,500)
- Design, Promotion, Organization and Economic Committees meet monthly
- Support Farmers’ Market Fall & Spring Festivals in partnership with the Certified Market and Main Street Members/Merchants(3,000)
- Holiday Decorations acquired for the downtown district (12,000)
- MMSA brochure/map designed and printed (3,000)
- Printing and postage for mixers, events, school flyers and general correspondence (2,400)
- Continue Emergency Lighting Program (4,000)
- Block by Block Security Program (2,000)
- Support the Merced Downtown Neighborhood Association (2,000)
- Merced FEAST (Festival Engaging Agriculture Sustainability to the Table) Dinner and Concert in partnership with MCFM, Farm Bureau, California Women for Ag and Merced College (4,450)
- Thursday Night Summer’s Street Faire (1,500)

DELIVERABLE TOTALS Total

❖	MARKETING.....	\$12,000*
❖	ADMINISTRATIVE.....	\$10,000*
❖	PROGRAMS & PROJECTS.....	\$34,000*
❖	MEMBERSHIP.....	<u>\$4,000*</u>
❖	TOTAL.....	<u>\$ 60,000*</u>

(*) Pending the approval of MMSA Board of Directors.

CITY STAFF LIASON

The MMSA shall report to Development Associate Karen Baker on a monthly basis, and coordinating through Mrs. Karen Baker for City support.

Expectations MMSA has of the City

The City shall continue to make significant efforts to assist MMSA in every means to bolster our three area of focus: Safety and Security - Maintenance and Cleanliness – Events in the Downtown Area.

MMSA will continue to partner with other organizations such as: Downtown Neighborhood Association, the Greater Merced Chamber of Commerce and the Certified Farmers' Market who share the same vision of a strong and vibrant city core. This is not just one organization's effort but rather a partnership between business, government & private sectors.



Merced Main Street Association
Annual Report 2016-2017

Design | Promotion | Organization | Economic Restructure

MISSION



Merced Main Street Association focus to improve the Downtown District through organization, promotion, design and economic stability, by fostering a safe, pleasant, diverse retail and entertainment environment.

Merced Main Street Association Board of Directors 2016-2017

Robert Matsuo, **President**

Jessica Kazakos, **Vice President**

Miguel Lopez, **Secretary**

Manuel J. Alvarado, **Treasurer**

Kevin Hammon (2016)

Alfred Whitehurst (2016)

Joey Essig (2016)

Melissa Villegas

Colton Dennis

Joe Ramirez

Tom Leach

Eddie Beltran

Mark Purnell

Joy Alexander

Christopher Medina

Mike Waite

A MESSAGE FROM ROBERT MATSUO, PRESIDENT

Friends-

It is with great pleasure to share our annual report with you and our fine community! In the following pages of the publication you will see the progress we have made in building a safe and vibrant downtown for all of Merced's residents and to document our programming we have put into place and its' effects. This being our fiscal year 2016-2017, we are pleased with the accomplishments our organization has been able to achieve with an ALL volunteer board and staff and in cooperation with the City of Merced.

At MMSA, we work in many ways to improve our downtown business district (BID) by utilizing the revenues paid by our business membership's of the BID and keeping our mission in mind at all times. On behalf of the Board of Directors of MMSA, it is my pleasure to present to you the successes of this years' funding. Please understand, it has taken many meetings, discussions and hundreds of hours of work to get to where we are today and all of it has been done by all volunteers. We would also like to acknowledge the work of termed-off board members; Joey Essig, Kevin Hammon and Al Whitehurst who served during 2016 time period. The current board of director's thanks you all three for their leadership and talent.

To those of you who have worked along-side us in the numerous accomplishments over the past several months, we thank you for your effort in helping us create a downtown that will be the center for all of Merced.

The Merced Main Street Association will continue to serve as a non-profit organization to expand the revitalization efforts focusing on the three concerns of study conducted by the Alliance for Community Research and Development for years to come.

- Safety/Security,
- Maintenance/Cleanliness
- Downtown Events.

We look forward to continue our partnerships and the excellent work the future holds in store for us.



A handwritten signature in black ink that reads "Robert Matsuo". The signature is written in a cursive, flowing style.

Robert Matsuo, President, MMSA

The Merced Main Street Association is a partnership of the following:



The City of Merced



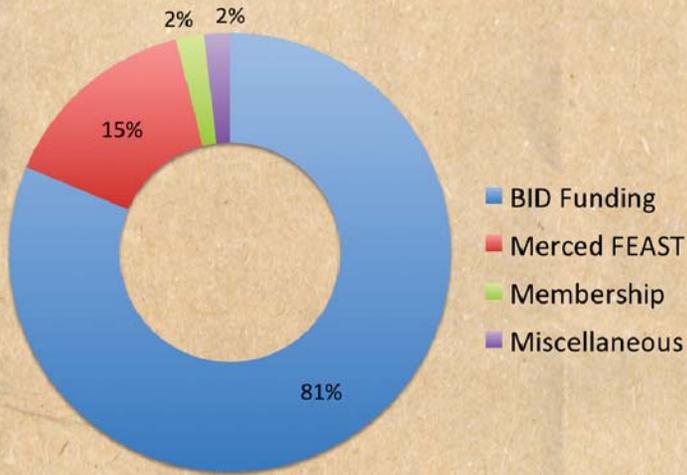
Merced Certified Farmers' Market



Greater Merced Chamber of Commerce



Merced Downtown Neighborhood Association



Total Association Budget

\$120,000.00	BID Funding
\$21,699.00	Merced FEAST
\$3,000.00	Membership
\$2,820.00	Miscellaneous

\$147,519.00 Pre-Audit numbers

Programs Budget: \$39,300.00

Façade Grants - Coffee Bandits, Gottschalks Music, McAuley Motors, The Partisan, Larke Properties, Poppies Galore, Blauert Properties, Second Time Around Bookstore, Brightdart Printing & Design and Wilson's Uniforms.

Celebrate Downtown - Veterans Parade, Mercy Gulch, Merced Downtown Street Faire, Christmas Parade, Merced Certified Farmers' Market, MMSA Spring Festival, Playhouse Merced, Merced FEAST (Festival Engaging Agriculture Sustainability to the Table), MMSA Fall Festival, Sattelite Rotary Free Swim Fridays, Cap and Town, UC Merced and Tsunami Collaboration.

Operational Budget: \$21,714.34

2016

| Emergency Lighting Program is in place for merchants to place on their buildings. | Block by Block Security Program is out to our membership. |
| Holidays 2016: 68 Light Post Holiday Decorations were purchased and installed for the downtown district; Holiday Banners were also purchased and installed in the BID district. |

MARCH 2016 | An encroachment permit was acquired from the city to post Farmers' Market Banner on city light poles in and around the parking lot on 16th & Canal Streets.

SPRING 2016 | • Celebrate Downtown program has again been established to underwrite groups who hold events in the downtown district to cover permitting fees incurred to support these efforts.
• The Merced Un-Certified Farmers' Market has been reinstated.

2016 >

Jan • Feb • Mar • Apr • May • Jun

2017 >

SPRING 2017 | • The Merced Art Hop has been given \$4,000 for their quarterly program for the 2016 year in addition to the City support.
• The Poppies Mural Project in Bob Hart Square was extended completely around the perimeter of the flag pole flower bed by an underwriting effort by MMSA with Artist Monika Modest.

APRIL 15 | On the Saturday prior to Easter, we hosted a Spring Festival for children where there were Egg Hunts in Bob Hart Square along with other activities for children.

MAY 20 | The MMSA supported Mercy Gulch as a sponsor along with the City of Merced, PG&E and Horizons Unlimited.

2016 - 2017 Ongoing

| Design, Promotion, Organization and Economic Committees were organized and meet monthly |
| MMSA is working to become a California Main Street Program |
| MMSA has paid a fee to the Greater Merced Chamber of Commerce for administrative support . |
| Supported the Merced Downtown Street Faire this past summer once the initial organization could no longer do so. MMSA plans to sponsor these events for the 2017 season. |
| A total of four Façade Grant was awarded to MMSA businesses to improve their curb appeal in the Business Improvement District. McAuley Motors, Coffee Bandits, Clifford Blauert Property and Gottschalks Music Building. The Partisan lounge is approved but pending its completion. Total fund disbursed for the grant program was almost \$12,000. |



SEP 22nd | The inaugural Merced FEAST was a huge sold-out success on Main Street, in partnership with several other community based organizations i.e. Merced County Certified Farmers' Market, California Women for Ag (CWA), Downtown Neighborhood Association (DNA), Merced College with corporate sponsorship by Foster Farms, Joseph Gallo Farms, Rabobank and CWA. Raised a total of \$7,598 which was shared with Merced Certified Farmers' Market and the Downtown Neighborhood Association.

OCT 29th | On the last Saturday of October, MMSA held its second annual Fall Festival in Bob Hart Square where we had over 800 children trick-or-treating in dozens of downtown businesses and merchants. Games, food booths, face-painting and balloon artists were available for children to enjoy.

Jul • Aug • Sep • Oct • Nov • Dec



JULY 2017 | • Website recreated for the MMSA.
• We have recruited five new board of directors for our 2016-17 year, and sadly will see three of our current members leave the board. Our new members are: Joe Ramirez, Miguel Lopez, Colton Dennis, Jessica Kazakos, Chris Medina and Mellissa Villegas.

AUG 10 | MMSA's annual membership meeting of all the BID contributors at the Multicultural Arts Center.

OCT 29th | The Fall Festival is being planned in partnership with the Merced Certified Farmers' Market and Main Street Members/Merchants.

The MMSA organizational structure is done in compliance with the National Main Street committee structure:

ORGANIZATION COMMITTEE gets everyone working toward the same goal. A governing board and standing committees make up the fundamental organizational structure of this volunteer-driven program. This structure not only divides the workload and clearly delineates responsibilities, but also builds consensus and cooperation among the various stakeholders. The Organization Committee plays a key role in keeping the board, committees, staff, and programs-of-work in good shape by attracting people to the organization.



Dr. Lakisha Jenkins



Melissa Villegas

PROMOTION COMMITTEE sells a positive image of the commercial district and encourages consumers and investors to live, work, shop, play and invest in the Main Street district. By marketing the district's unique characteristics to shoppers, investors, business owners, and visitors, an effective promotional strategy forges a positive image through advertising, retail promotional activity, special events, and marketing campaigns carried out by local volunteers. These activities improve consumer and investor confidence in the district and encourage commercial activity and investment in the area. An effective commercial district promotional strategy contains three components: image promotion, retail promotion, and special events.



Jessica Kazakos



Christopher Medina



Colton Dennis



Manuel J. Alvarado

THE DESIGN COMMITTEE is key role in shaping the physical image of Main Street as a place attractive to shoppers, investors, business owners, and visitors. Design means getting Main Street into top physical shape, capitalizing on its best assets — such as historic buildings and pedestrian-oriented streets. Main Street's physical appearance affects the decisions shoppers, investors and visitors make about the district. A commercial district's design should make economic sense as well as aesthetic sense. Design improvements can result in an increase of sales.



Robert Matsuo



Tom Leech



Mike Waite



Eddie Beltran

ECONOMIC RESTRUCTURING COMMITTEE identifies new market opportunities for the traditional commercial district, find new uses for historic commercial buildings, and stimulate investment in property. The Economic Restructuring component of the four-point approach involves identifying new downtown business opportunities, helping existing businesses expand, finding new uses for vacant buildings, converting upper stories to housing, office or commercial space, and improving downtown business management techniques. The Economic Restructuring Committee must develop a thorough understanding of the district's economic condition and its best opportunities, focusing on incremental changes that gradually improve the area's economic foundation and eventually make large-scale investment possible.



Tom Leech



Manuel J. Alvarado



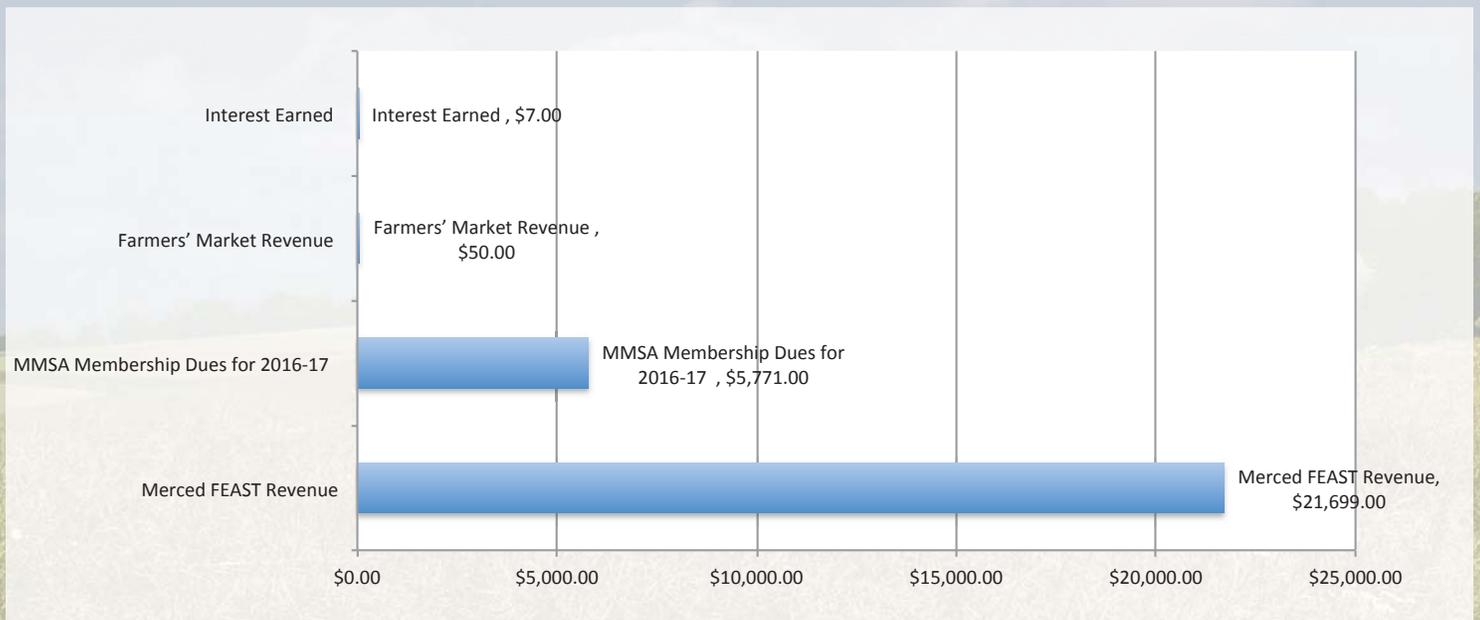
Miguel Lopez

2016-17 in Review

Income

The Merced Downtown Business Improvement District Tax was awarded to MMSA in 2016-17 with a total of \$120,000.00.

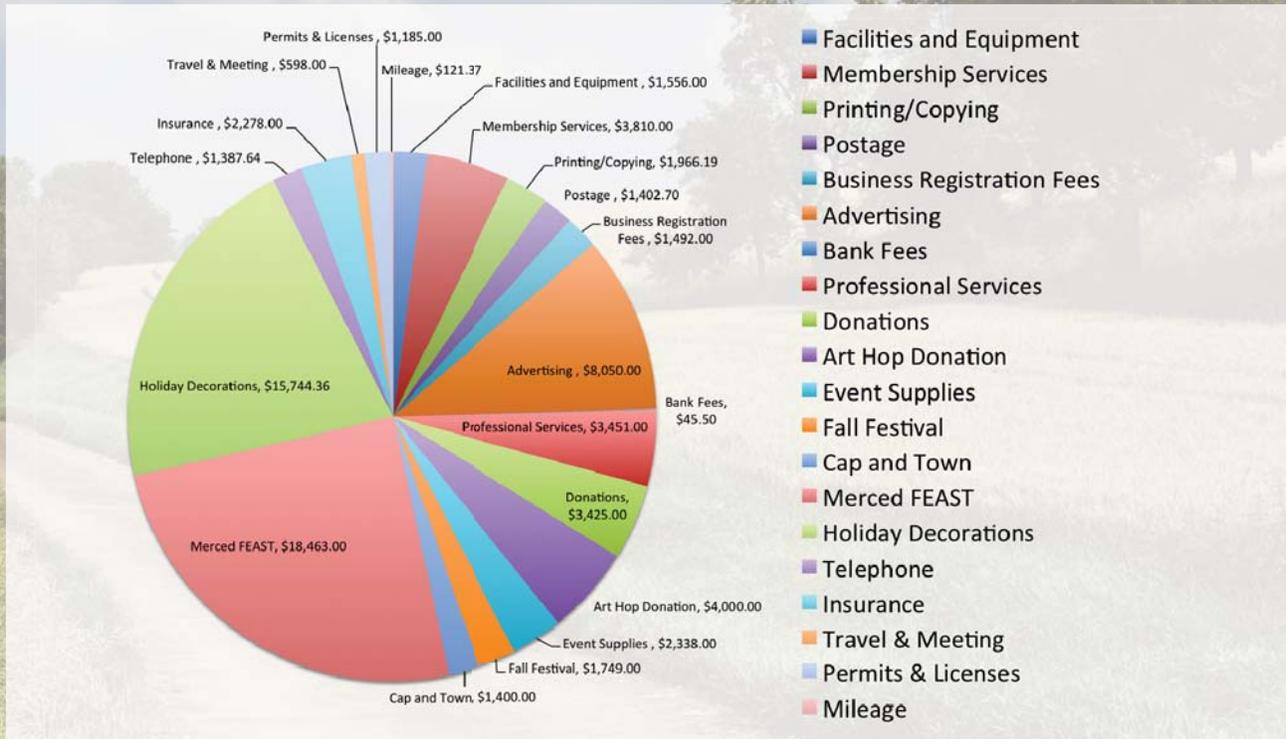
Total Income | \$147,519.00



Organizational Expenses

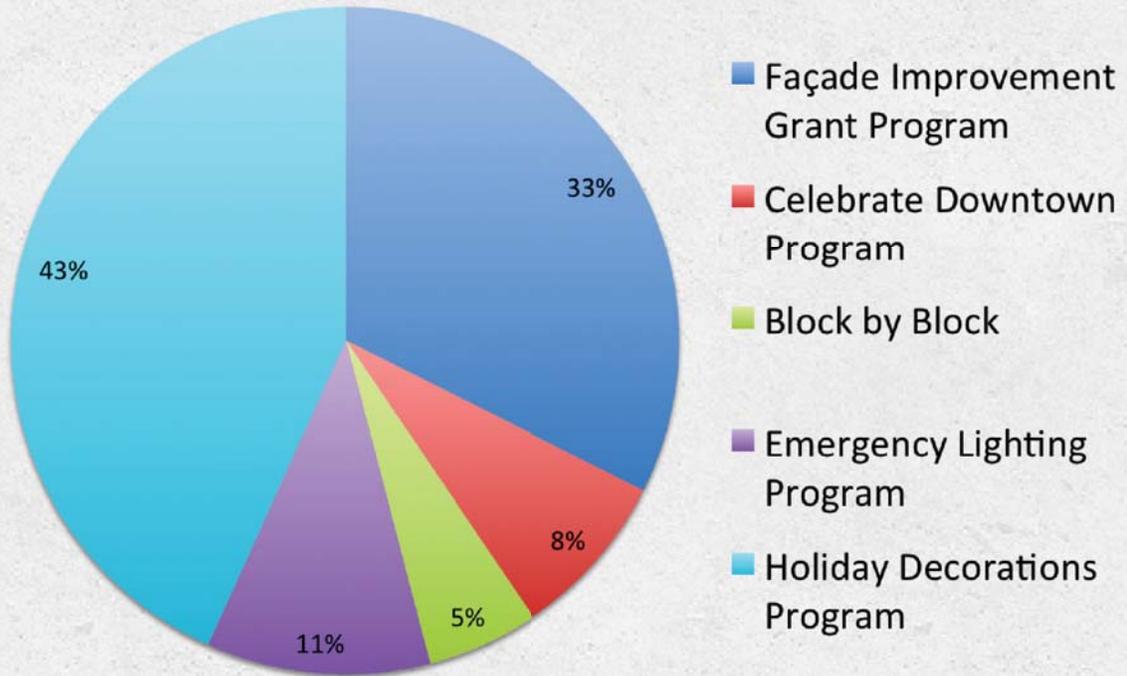
Total | \$71,991.00

Reserve Balance | \$55,000.00



Programming Expenses 2016-2017

Total | \$39,300.00





MOVING FORWARD IN 2018

The MMSA will administer all of the BID funding from the taxes collected from the downtown merchants including previously allocated city staffing funds and city -arranged agreements with other community based organizations.

We are dedicated to our membership and promise to be:

Responsible: As members of the Downtown business community we believe it is our responsibility to care for the Downtown district. We have a vested interest here and feel a great sense of duty in the work that we do for our community, that is why we make it our own personal responsibility to be great stewards of the Downtown. In assuming this responsibility, we willingly assume the burden of managing the Downtown Business Improvement funds for all of Merced.

Accountable: Fiscal responsibility is one of the cornerstones to successfully managing the Downtown Fund. We believe transparent accounting and open ledgers are key to garnering and maintaining trust among our peers and historic fiscal accountability.

Report: We aim to report in detail our financial plans and objectives while explaining our goals and milestones, grading ourselves along the way.

Engage: By hosting monthly members' mixers and board of directors meetings, we aim to engage businesses and residences in the progress of our downtown community. By sharing this responsibility of what takes place in downtown, our hope is to foster a sense of ownership and involve others in the stewardship of downtown.

We continue to build upon our goal of complete transparency as an organization; we will collaborate with other stakeholders and community based organizations to openly cooperate with them for the betterment of all Merced.

In 2017 -2018 the Merced Main Street Association's Board of Directors would like to do the following:

- Work towards a "Welcome To Merced" Arch in conjunction with the High Speed Railroad Station
- Promote the Non/Certified Merced Farmers' Market Manager cost of roughly \$5,000*
- \$2,500 to the Greater Merced Chamber of Commerce for our administration agreement*
- Continue the Façade Grant for curb appeal improvements for a total of \$12,000*
- National Main Street Program membership at a cost of \$1,500.00
- Continue filing for a Non-profit 501 (c) (6) legal fees \$1,000.00 with the IRS.*
- Host Monthly Membership Meetings \$3,500
- Continue Celebrate Downtown program, which was established to underwrite groups who hold events in the downtown district to cover permitting fees incurred with a total of \$3,000*

- Interns to assist in marketing the Downtown Core \$2,000*
- Website maintenance for the MMSA \$1,500
- Design, Promotion, Organization and Economic Committees meet quarterly
- Support Farmers' Market Fall & Spring Festivals in partnership with the Merced Certified Farmers' Market and Main Street Members/Merchants \$3,000.00*
- Holiday Decorations acquired for the downtown district \$16,000*
- MMSA brochure designed and printed \$3,000.00*
- Printing and postage for mixers, events, school flyers and general correspondence \$3,000
- Continue the Emergency Lighting Program \$4,000*
- Block by Block Security Program \$2,000 *
- Support the Merced Downtown Neighborhood Association \$2,000*
- Merced FEAST in partnership with MCFM, Farm Bureau, California Women for Ag, Downtown Neighborhood Association and Merced College \$2,000.00*
- Thursday Night Concert in the Sqaure \$3,000.00*

() Pending the approval of City of Merced and the MMSA Board of Directors.*



To improve the Downtown District through organization, promotion, design and economic stability, by fostering a safe, pleasant, diverse retail and entertainment environment.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.8.

Meeting Date: 4/2/2018

Report Prepared by: Jolie Houston, Interim City Attorney, City Attorney's Office

SUBJECT: Resolution Implementing Local Business Preference Policy

REPORT IN BRIEF

Resolution implementing a policy that allows for a 5% local preference when purchasing goods and services from vendors.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-18**, a Resolution of the City Council of the City of Merced, California, adopting a Local Business Preference Policy.

ALTERNATIVES

1. Adopt Resolution as requested; or,
2. Continue to a future meeting; or,
3. Deny this item.

AUTHORITY

City of Merced Charter, Section 200.

CITY COUNCIL PRIORITIES

As it pertains to stimulating the local economy.

DISCUSSION

The City purchases a variety of supplies and services as a part of doing daily business. In addition to common items such as office supplies, the City purchases landscaping materials, hand tools and various parts and supplies. The City also requires the use of non-professional services such as minor construction, including fencing of properties, towing, signage, City automobile repair, miscellaneous facility repairs and more. While many of these purchases and services are not available from vendors in Merced, others are available locally. Staff currently seeks out local vendors whenever possible.

The City Council asked staff to prepare a policy that would require the City to consider and select local businesses, when appropriate, in an effort to support, stimulate, and boost the City of Merced's local economy. Strategies that promote the use of local vendors and service provider's help retain local dollars within the community and strengthen employment. In order to promote employment and business opportunities for local businesses and give preference to Merced businesses and consultants.

At the February 20, 2018 meeting, the City Council adopted Ordinance 2485(attached), amending the City of Merced's Municipal Code Chapter 3.04 Purchasing System by adding a new section, Local Business Preference Policy, which allows the Council to establish a Local Business Preference Policy by resolution. By having the Local Business Preference Policy adopted by resolution, it may be amended by the Council from time to time without the formalities of an ordinance. The ordinance went into full effect on March 23, 2018 so it is now appropriate for Council to adopt the resolution implementing the policy.

The attached resolution and Local Business Preference Policy will give a competitive preference to local industries and/or companies doing business within the City by requiring that departments consider the locality of industries and/or businesses and their sub-consultants. When more than one business or service provider is considered and they are competitively matched in terms of other criteria, local service providers should be selected.

The resolution and Local Business Preference Policy provide that local businesses will be given a 5% local preference for purposes of quantitative comparisons when comparing the prices offered by bidders. Application of the Local Business Preference Policy will be for comparison purposes only when evaluating proposals and will not actually reduce the amount ultimately paid to the successful vendor. This policy will apply in all cases when the City is soliciting proposals for products or services, except as noted below:

- Services provided under a cooperative purchasing agreement.
- Contracts which are funded in whole or in part by a governmental entity, and the laws, regulations or policies governing such funding prohibit application of a local preference.
- Construction (public works) contracts or other contracts procured under authority which requires award to the lowest responsible bidder without an exception for a local preference criterion or which otherwise does not allow consideration of a local preference criterion.
- Contracts procured under emergency situations.
- Purchases not made through competitive bidding, pursuant to Section 3.04.210 of the Merced Municipal Code.
- When the City Manager determines that application of this policy would hinder the operational effectiveness or public benefit of the City.

The local business preference established in the policy will in no way inhibit, limit or restrict the right and obligation of the City to compare quality and fitness for use of services proposed for purchase and will compare the qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Nor will the preference established in this policy be construed to prohibit the right of the City from giving any other preference permitted by law. In addition, if the City will be paying sales tax on the purchase, the local business will have to possess a valid resale license from the State Board of Equalization showing evidence of a City of Merced address and the payment of the local share of the sales tax will have to go to the City of Merced. The local business cannot be in default or delinquent on any fee, tax or charge owed to the City of Merced.

The policy will require any vendor or consultant claiming to be a local business to provide a signed

declaration when submitting their bid. The City will verify the accuracy of the declaration and will have sole discretion to determine if a consultant meets the definition of "Local Business." A Local Business will be defined as a business or consultant who meets all the following qualifications:

- Has a valid physical address located within the City of Merced from which the vendor or consultant operates or performs business on a day-to-day-basis;
- Has conducted business in the City of Merced for at least six months prior to submittal of a qualifying bid; and
- Holds a valid City of Merced business license for at least six months prior to submittal of a qualifying bid.

IMPACT ON CITY RESOURCES

N/A

ATTACHMENTS

1. Resolution 2018-18
2. Ordinance 2485

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF MERCED, CALIFORNIA, ADOPTING A
LOCAL BUSINESS PREFERENCE POLICY**

WHEREAS, the City Council of the City of Merced desires to find opportunities to support, stimulate, and boost the City of Merced's economy; and

WHEREAS, strategies that promote the use of local vendors and service providers help retain local dollars within the community and strengthen employment; and

WHEREAS, in order to promote employment and business opportunities for local businesses and give preference to Merced businesses and consultants; and

WHEREAS, a local business preference policy would give competitive preference to local industries and companies doing business with the City by requiring that when more than one business or service provider is considered and they are competitively matched in terms of other criteria, local service providers should be selected; and

WHEREAS, a local business preference policy would provide a 5% local preference for purposes of quantitative comparisons when comparing the prices offered by bidders; and

WHEREAS, Municipal Section Code 3.04.215 allows the City Council of the City of Merced to establish a Local Business Preference Policy by resolution.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED
DOES RESOLVE AS FOLLOWS:**

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SECTION 1. That certain document entitled "Local Business Preference Policy," attached hereto as Exhibit "A," is hereby approved.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Velvet Sanchez 3/12/18
City Attorney Date

CITY OF MERCED LOCAL BUSINESS PREFERENCE POLICY

The City of Merced recognizes that strategies that promote the use of local vendors and services providers help create a sustainable economy and preserve local businesses. The use of local businesses helps retain local dollars within the community and strengthen employment. It is the policy of the City to promote employment and business opportunities for local businesses on all contracts and give preference to Merced businesses and consultants to the extent consistent with the law and interests of the public.

Local Service Provider

A Local Business is defined as a business or consultant who meets all the following qualifications:

1. Has a valid physical address located within Merced from which the vendor or consultant operates or performs business on a day-to-day-basis;
2. Has conducted business in Merced for at least six months prior to submittal of a qualifying bid; and
3. Holds a valid Merced business license for at least six months prior to submittal of a qualifying bid.

Preference Policy

Departments shall consider the locality of consultants or businesses and their sub-consultants when selecting business for purchases or service contracts. If there is more than one business or service provider being considered and the providers are competitively matched in terms of other criteria, local service providers should be selected.

When comparing the prices offered by bidders, Local Businesses shall be given a 5% local preference for purposes of quantitative comparisons. Application of the local preference is for comparison purposes only when evaluating proposals and does not actually reduce the amount ultimately paid to the successful vendor. This policy applies in all cases when the City is soliciting proposals for products or services, except as noted below.

Exceptions to Local Preference Policy

1. Services provided under a cooperative purchasing agreement.
2. Contracts which are funded in whole or in part by a governmental entity, and the laws, regulations or policies governing such funding prohibit application of a local preference.
3. Construction contracts or other contracts procured under authority which requires award to the lowest responsible bidder without an exception for a local preference criterion or which otherwise does not allow consideration of a local preference criterion.
4. Contracts procured under emergency situations.
5. Purchases not made through competitive bidding, pursuant to Section 3.04.210 of the Merced Municipal Code.
6. When the City Manager determines that application of this policy would hinder the operational effectiveness or public benefit of the City.

Quality and Fitness

The preference established in this policy shall in no way be construed to inhibit, limit or restrict the right and obligation of the City to compare quality and fitness for use of services proposed for purchase and compare the qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Nor shall the preference established in this policy be construed to prohibit the right of the City from giving any other preference permitted by law.

Other Criteria

Where the City will be paying sales tax on the purchase, the local business must possess a valid resale license from the State Board of Equalization showing evidence of a City of Merced address. The payment of the local share of the sales tax must go to the City of Merced.

The local business must not be in default or delinquent on any fee, tax or charge owed to the City of Merced or the County of Merced.

Verification of Local Business Preference Eligibility

Any vendor or consultant claiming to be a local business shall provide a signed declaration when submitting their bid. The City shall verify the accuracy of the declaration and shall have sole discretion to determine if a consultant meets the definition of “Local Business.”

ORDINANCE NO. 2485

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
AMENDING CHAPTER 3.04 BY ADDING
SECTION 3.04.215, “LOCAL BUSINESS
PREFERENCE POLICY,” TO THE MERCED
MUNICIPAL CODE**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN
AS FOLLOWS:**

SECTION 1. ADDITION TO CODE. Section 3.04.215, “Local Preference Policy,” is hereby added to the Merced Municipal Code to read as follows:

“3.04.215 Local Business Preference Policy.

The Council may, by resolution, adopt a local business preference policy which otherwise complies with the regulations of this chapter.”

SECTION 2. EFFECTIVE DATE. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

SECTION 3. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. PUBLICATION. The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the 5 day of February, 2018, and was passed and adopted at a regular meeting of said City Council held on the 20 day of February, 2018, by the following called vote:

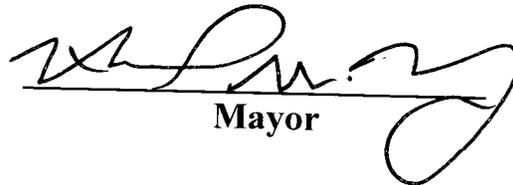
AYES: 7 **Council Members:** BELLUOMINI, BLAKE, MARTINEZ, MCLEOD, MURPHY, PEDROZO, SERRATTO

NOES: 0 **Council Members:** NONE

ABSTAIN: 0 **Council Members:** NONE

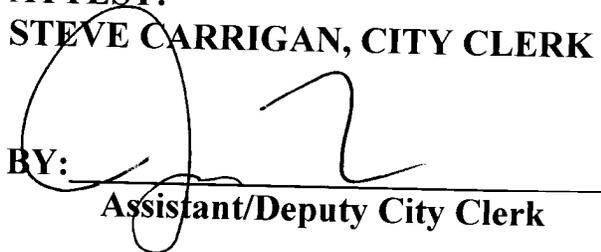
ABSENT: 0 **Council Members:** NONE

APPROVED:



Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

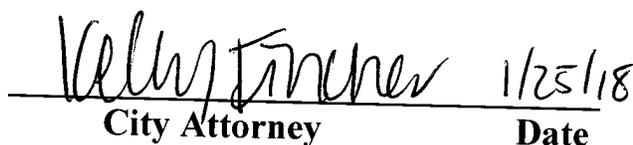
BY: 

Assistant/Deputy City Clerk

(SEAL)



APPROVED AS TO FORM:



City Attorney 1/25/18
Date



ADMINISTRATIVE REPORT

Agenda Item I.9.

Meeting Date: 4/2/2018

Report Prepared by: Janet German, Secretary III, Fire Dept.

SUBJECT: Approval of Two Agreements for Professional Services with Tait Environmental Services, Inc., for a Commodities Flow Study and a Community Risk Assessment Plan and Approval to Waive the Competitive Bidding Requirement Which May Be Waived For Professional Services

REPORT IN BRIEF

Considers approving two agreements for professional services with Tait Environmental Services, Inc., for a Commodities Flow Study and a Community Risk Assessment Plan. The work will be paid for by Cal OES Hazardous Materials Emergency Preparedness Program grant funds (\$55,000) that the City Council accepted on October 16, 2017. Also considers waiving the competitive bidding requirement as the work being performed is a professional service.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving a Professional Services Agreement for \$29,694 with Tait Environmental Services, Inc. for a Commodities Flow Study; and,
- B. Approving a Professional Services Agreement for \$14,951 with Tait Environmental Services, Inc. for a Community Risk Assessment Plan; and,
- C. Waiving the Competitive Bidding Requirement pursuant to Merced Municipal Code section 3.04.210; and,
- D. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve as recommended by Staff; or
- 2. Approve, subject to other than recommended by staff; or,
- 3. Deny; or,
- 4. Refer to Staff for further evaluation.

AUTHORITY

MMC Title 3, Chapter 3.04, Article III. - Purchases over Twenty-Five Thousand Dollars
§ 3.04.210 - Exemptions from competitive bidding may be authorized for professional services.

CITY COUNCIL PRIORITIES

Public Safety, as provided for in the 2017-18 Adopted Budget.

DISCUSSION

On October 16, 2017, the City Council accepted a \$55,000 grant award through the 2017-18 Grant Cycle under the Cal OES Hazardous Materials Emergency Preparedness (HMEP) Planning Sub-Grant Program. There is no in-kind match required for this grant.

When the City accepted the grant on October 16, 2017, it did so with the intent to hire an environmental consultant to conduct a commodities flow study and/or a hazardous materials transportation analyses to determine the frequency and quantity of hazardous material shipments being transported through City. The intended purpose of the study is to assess whether the Merced Fire Department ("MFD") is appropriately trained to respond to incidents involving bulk shipments of energy products and other hazardous materials. After receiving the results of the study and assessment, the MFD intends to use the data and information provided to identify hazardous material planning needs in the following areas:

- Hazardous material response equipment deficiencies/needs.
- Hazardous material response training, preplan incident response.
- Hazardous material transportation incident prevention, response, and mitigation.
- Identify the need to establish a hazardous material response team or develop a multi-agency team.
- Identify potential effectiveness of mutual aid to be received.

Initially, to select a consultant to perform the commodities flow study, MFD put forth a Request for Proposal (RFP). Four vendors responded to the RFP. After reviewing the RFP response material, the evaluation committee scored the vendors as follows:

Vendor	Cost	Product Provided	Score	Ranking
Blue Rock	\$53,250	Commodity Flow Study and Planning Needs Assessment	23	3
Citygate Associations, LLC	\$39,986	Commodity Flow Study and Planning Needs Assessment	25	2
IHS Markit	\$29,500	Commodity Flow Study	16	4

Tait Environmental Services, Inc.	\$29,694	Commodity Flow Study and Planning Needs Assessment	32	1
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Based upon the scoring criteria and ranking, Tait Environmental Services, Inc. (“Tait”), was selected as the environmental consultant to prepare the commodities study and needs assessment. Tait has extensive experience with completing commodity flow studies and planning needs assessment for HMEP grant programs for municipalities statewide. In addition, Tait is concurrently working with the Merced County Department of Environmental Health to complete a Hazardous Materials Area Plan update so they are familiar with the City of Merced.

The original amount of the HMEP grant is \$55,000. The cost of Tait’s services for conducting the commodities flow study is \$29,694, which is well under the grant allotted budget. The selection of Tait as the City’s consultant resulted in about \$25,306 of unused grant funds. Upon being notified that the City was not going to be using the entire grant amount allotted for the commodities flow study, Cal OES told the MFD that it could use the remaining unused grant funds to hire a consultant to conduct a Community Risk Assessment Plan for Hazardous Materials. As detailed above, this Plan is something the MFD desired to develop based the information and data provided in the commodities flow study. However, time is of the essence as the State OES has notified the City that the grant funds need to be used within 90 days of the approval of the agreement for the commodities flow study. Accordingly, if the City desires to use the remaining unused grant funds to conduct a Community Risk Assessment Plan for Hazardous Materials, it does not have sufficient time to select a consultant by way of a RFP process. Based on these circumstances, the MFD asked Tait to provide a quote for conduct a Community Risk Assessment Plan. Tait responded to the request by providing the City with a proposal to conduct the Assessment for \$14,951, which will leave \$10,355 of unused grant funds from the original grant award amount of \$55,000.

Staff is requesting to enter into two professional service agreements with Tait; one for the Commodities Flow Study and another for the Community Risk Assessment Plan. While the selection of Tait as the consultant to perform the Commodities Flow Study was originally done by way of the RFP process, this process was not required by the terms of the CAL OES grant. Moreover, Tait is a Civil Engineering and Environmental Consultant Company who will be performing professional services for the City. As such, the City Council has the authority to waive the competitive bidding requirements for the awarding of these contracts. Specifically, Merced Municipal Code section 3.04.210 states in relevant part:

“3.04.210 - Exemptions from competitive bidding.

Except as otherwise provided in this chapter, competitive bidding requirements for purchases in excess of twenty-five thousand dollars (\$25,000.00), the "bidding threshold," may be waived with the approval of the city council. Waivers may be authorized for, but are not limited to, cooperative purchasing in conjunction with other governmental entities, professional services, annual service or supply agreements, or purchases necessary for standardization on particular types of equipment.”

By waiving the competitive bidding requirement and approving both professional service agreements with Tait, the City will maximize the use of the grant funds it received from the State OES. In addition, by selecting Tait to conduct both services, the City will benefit from a sole source information gathering and analysis that will be part of both the study and resulting plan.

In the alternative, if the City Council does not want to waive the competitive bidding requirement and award Tait environmental the additional contract for conducting a Community Risk Assessment Plan for Hazardous Materials, Staff seeks approval to award Tait the contract for the Commodities Flow Study as they are the consulted selected to perform the Study as a result of the RFP process.

IMPACT ON CITY RESOURCES

None. Funding for this contract is fully sub-vented through \$55,000 in grant funds, which were appropriated at the October 16, 2017, City Council meeting under account # 001-0901-522.17-00 (Professional Services).

ATTACHMENTS

1. Commodities Flow Study and Needs Assessment Agreement
2. Community Risk Assessment
3. Certificate of Insurance
4. Cal OES Grant Subaward Face Sheet
5. Accepting Subaward Admin Report
6. Adopted Resolution 2017-55

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2018, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as “City”) and Tait Environmental Services, Inc., a California Corporation, whose address of record is 701 North Parkcenter Drive, Santa Ana, California 92705 (hereinafter referred to as “Consultant”).

WHEREAS, City is undertaking a project to conduct a Commodities Flow Study and Needs Assessment; and,

WHEREAS, Consultant represents that it possesses the professional skills to provide the services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the services described in Exhibit “A” attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Fire Chief or his designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit “B” attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. **RESERVED.**

4. **COMPENSATION.** Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an

invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "C" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "C". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of Twenty-Nine Thousand Six Hundred Ninety-Four Dollars (\$29,694.00).

5. **METHOD OF PAYMENT.** Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of

competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. 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 by City 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 survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.

- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is

based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: Kelley Tomner 3/27/18
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
TAIT ENVIRONMENTAL SERVICES,
INC., A California Corporation

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. 33-0359360

ADDRESS: 701 Parkcenter Drive
Santa Ana, CA 92705

TELEPHONE: (714) 560-8200

FAX: (714) 560-8244

E-MAIL: pmccarter@tait.com

Exhibit A

Scope of Services

A Tait Project Manager will attend a "kick-off" meeting in March 2018 with MFD and other key stakeholders, as determined by MFD, to jointly strategize on the goals and objectives of the project. This stage is critical to ensure that sufficient and reliable information/data are collected, negating the need for iterative, costly and time-consuming field investigation activities. At this time, the locations of the highway placard surveys will be finalized. In the event that Tait is chosen to complete the CFS/PNA for the MFD, the kick-off meeting should be coordinated with the kick-off meeting of the Merced County Department of Environmental Health (County) Hazardous Materials Area Plan Update. Tait has been granted a contract with the County to complete this update. Details are noted below in Section 3.7.

Tait will perform the highway placard survey over a four-day period at a designated time in the spring of 2018. The placard surveys will be completed during the daylight hours. All of the field work related to the CFS/PNA will be completed at this time.

During the completion of the report, Tait personnel will be available for consultation via teleconference during normal working hours.

3.5 Process

Tait in coordination with MFD will define the CFS/PNA objectives, methodology, and overall structure of the study. This will be discussed during the initial kickoff meeting and refined as necessary during the course of the study. In general, the CFS/PNA will identify and analyzed the types, quantities, and transportation routes of hazardous commodities being transported through the City of Merced (City).

The following areas are included into the scope of work for the CFS/PNA:

Pipelines: The CFS/PNA will identify the types, quantities, and frequencies of hazardous materials as defined by the DOT-PHMSA, which are being transported through the City. Pipeline data will be obtained through PHMSA's National Pipeline Mapping System (NPMS), and through follow up with pipeline operators. This will include the gas transmission and petroleum liquid pipelines that parallel Highway 99 and the gas transmission pipeline that runs along Highway 59 and Yosemite Avenue.

Railroads: The CFS/PNA will attempt to identify types, quantities, and routes of hazardous materials transported via railway through the City, to the extent that the information is publically available. Burlington Northern and Santa Fe (BNSF) and Union Pacific (UP) railroads transport a variety of hazardous cargo through the City boundaries.

It has been Tait's experience, however, that certain railway companies have been hesitant to release data concerning their hazardous materials transport to the public for reasons of national security. They may release data to a public entity, but not allow for the consultant to review it. In any case, all efforts should be made by MFD to secure such data. A

placard survey of rail traffic is not included in this proposal, unless otherwise requested by MFD. It is considered to be a labor intensive event requiring additional funding, and beyond the scope of this RFP.

Air and Military Transportation: It is assumed that hazardous materials shipped via air and military transport are not considered part of this CFS/PNA.

Highways: The traffic flow study on the highways will be performed by a placard survey of hazardous materials cargo carriers at key observation points. These key observation points will generally be at ingress and egress locations of the major highway within the County, as well as at key highway junctions. This will allow for detailed information to be collected concerning the directional flow of hazardous materials through the City. Depending upon the amount of traffic at each of these observation points, Tait will employ one to two people to complete the placard surveys at each survey location. The actual length of time that the surveys will cover will depend on the traffic levels at each site. In the past Tait has undertaken surveys ranging from 2 hours to 6 hours at specific times of day. These variables will be further refined during the kick-off meeting with MFD.

For the CFS/PNA, Tait will perform placard surveys on the major highways and intersections within the City. These survey locations will include the following:

- Hwy 99 at Franklin Road: 6 hour survey (2 people)
- Hwy 99 at E. Mission Avenue: 6 hour survey (2 people)
- Hwy 140 at Arboleda: 6 hour survey (1 person)
- Hwy 140 at Franklin Road: 6-hour survey (1 person)
- Santa Fe Drive at Beachwood: 6-hour survey (1 person)
- Highway 59 at W. Cardelia: 4-hour survey (1 person)
- E. Yosemite at Lake Road: 4-hour survey (1 person)
- Highway 59 at Rahilly Rd.: 4-hour survey (1 person)

Other intersections/survey points may be designated for highway placard surveys by the MFD; however, due to budget considerations, there may need to be adjustments to the survey parameters outlined above.

Relevant statistical analysis of the collected data shall include:

- Type of hazardous material or substance.
- Type of container/truck type –cryogenic, hopper, box, semi-trailer, tanker, etc.
- Identification of vehicle placards.
- Determination of flow patterns of hazardous materials.
- Prioritization of risk according to most dangerous substances being transported.
- Preparation of an alphabetical list of chemicals identified.
- Identification of the percentage of shipments according to DOT classifications of hazardous materials.

- Identification of the percentage of shipments according to specific commodities classifications.

Additional information concerning the transport of hazardous materials through the City may include additional sources. However, obtaining this information is generally labor intensive, and beyond the scope of the funded amount of this CFS/PNA. In the event that MFD can provide Tait with the information, a general analysis of the data can be included in the report. The categories of these data are:

- Weight of each category in pounds or tons noted.
- Zip code of shipment origin and shipment destination.
- Review of shipping documents.
- Identify the volume shipped per ton-mile.
- Review existing data within the California Environmental Reporting System (CERS).
- Review traffic accident information concerning hazardous materials for MFD.
- Designation of sensitive/sacred areas bordering the City.

Upon completion of the field work program of the project, Tait will prepare a CFS/PNA Report based on a data analysis of all field and other relevant data to the project. Data will be analyzed and presented by the use of comparative graphs, tables, and maps, and it will include an introduction, executive summary, methodology, regional overview, stakeholders, data collection, data analysis, and transportation data of hazardous materials.

The CFS/PNA Report will contain a summary of the CFS as well as a planning needs assessment for the MFD. The planning needs assessment will be based on the results of the CFS, information provided by the MFD, as well as other information obtained from the County's Area Plan Update, which will be completed by Tait concurrently with the CFS/PNA and is discussed below in Section 3.7. The information obtained from the Area Plan Update will be directly focused on the MFDs needs, as well as mutual agreements with other agencies. The planning needs assessment discussion will focus on the following as outlined by the MFD:

- Response equipment deficiencies and requirements.
- Response training deficiencies and requirements, including awareness training for drivers and emergency response personnel.
- Transportation incidents and mitigation needs.
- Effectiveness in developing a multi-agency response team through mutual aid agreements.

3.6 Implementation Plan

The preparation of the CFS/PNA will follow the general implementation plan of events:

- **Task A- Initial Meeting and Data Review:** Tait will attend a "kick-off" meeting in March 2018, with MFD and other key stakeholders, as determined by MFD, to jointly strategize on the goals and objectives of the project. This stage is critical to ensure that sufficient and reliable information/data are collected and the locations of the highway survey points are

determined. A discussion on the availability of rail data will also be undertaken during the kick-off meeting. This meeting should also include stakeholders from the County's Area Plan Update group as defined by both the MFD and the County. The cooperative effort by the MFD and the County is defined below in Section 3.7.

Tait will review any relevant existing plans and information provided by MFD to identify data gaps. Based upon the review, Tait will advise MFD's Project Manager of data gap(s), their significance in relation to the project goals/data objectives, and on data collection alternatives to address the data gap. If at all, possible, the kick-off meeting should be scheduled prior to March 31, 2018, to allow for the CFS/PNA to be completed by June 30, 2018.

- **Task B:** Complete field work for all phases of the Commodity Study during April 2018. It is anticipated that the field work will take up to four days to complete. MFD may provide input on optimal times for completion of field work at specific locations.
- **Task C:** Provide MFD with an electronic copy of a Draft GFS/PNA for review and comment by May 31, 2018. Following receipt of the Draft GFS/PNA, a teleconference with the MFD and other stakeholders will be held in early June to discuss and determine the path forward for the completion of the Final CFS/PNA.
- **Task D:** Provide the MFD with electronic copy, hard copy, and CD media of the Final CFS/PNA by June 30, 2018. The final report will be presented in 8 ½ X 11 format. The report will contain comparative graphs, tables, and maps, and it will include an introduction, executive summary, methodology, regional overview, stakeholders, data collection, data analysis, and transportation data of hazardous materials, as well as a needs assessment for future planning with respect to responses to hazardous materials incidents.

3.7 Service Enhancements

Tait has recently secured a contract to prepare an update to the Merced County Department of Environmental Health (County) Hazardous Materials Area Plan. In the event that Tait secures the contract for the MFD CFS/PNA, it is recommended that the kick-off meetings for both of these projects be completed concurrently, and at that representatives of the County and the MFD be present at both kick-off meetings. It is also recommended that relevant information from both of these projects be included in the respective final reports in a synergistic approach, providing it is acceptable to both MFD and the County. To that end, and in the event that Tait is chosen by the MFD to complete the CFS/PNA, it is recommended that the kick-off meeting be scheduled for late March to allow for project completion in the following months, and to allow for completion of the Final CFS/PNA by June 30, 2018.

The planning needs assessment portion of the CFS/PNA will incorporate MFD-specific information that will also be included in the County's Area Plan Update.

3.8 Community Involvement

Key members of the Tait team regularly attend the Annual California CUPA Conferences. In addition, Tait personnel made a presentation on Commodity Studies at the 2013 CUPA Conference in Garden Grove. Tait also presented a session on Area Plans and Hazardous

Materials Commodities Flow Studies at the 2017 CUPA Conference in San Diego in February 2017 and at the 2018 CUPA Conference in Burlingame in February 2018. This proactive approach to training keeps Tait well informed of upcoming changes in regulations.

In addition, Tait has attended Local Emergency Planning Commission (LEPC) meetings in LEPC Regions V and VI and has made presentations on CFSs during meetings in both regions.

Exhibit B

Time of Performance

A Tait Project Manager will attend a "kick-off" meeting in March 2018 with MFD and other key stakeholders, as determined by MFD, to jointly strategize on the goals and objectives of the project. This stage is critical to ensure that sufficient and reliable information/data are collected, negating the need for iterative, costly and time-consuming field investigation activities. At this time, the locations of the highway placard surveys will be finalized. The kick-off meeting should be coordinated with the kick-off meeting of the Merced County Department of Environmental Health (County) Hazardous Materials Area Plan Update. Tait has been granted a contract with the County to complete this update. Details are noted below in Section 3.7.

Tait will perform the highway placard survey over a four-day period at a designated time in the spring of 2018. The placard surveys will be completed during the daylight hours. All of the field work related to the CFS/PNA will be completed at this time.

During the completion of the report, Tait personnel will be available for consultation via teleconference during normal working hours.

3.5 Process

Tait in coordination with MFD will define the CFS/PNA objectives, methodology, and overall structure of the study. This will be discussed during the initial kickoff meeting and refined as necessary during the course of the study. In general, the CFS/PNA will identify and analyzed the types, quantities, and transportation routes of hazardous commodities being transported through the City of Merced (City).

The following areas are included into the scope of work for the CFS/PNA:

Pipelines: The CFS/PNA will identify the types, quantities, and frequencies of hazardous materials as defined by the DOT-PHMSA, which are being transported through the City. Pipeline data will be obtained through PHMSA's National Pipeline Mapping System (NPMS), and through follow up with pipeline operators. This will include the gas transmission and petroleum liquid pipelines that parallel Highway 99 and the gas transmission pipeline that runs along Highway 59 and Yosemite Avenue.

Railroads: The CFS/PNA will attempt to identify types, quantities, and routes of hazardous materials transported via railway through the City, to the extent that the information is publically available. Burlington Northern and Santa Fe (BNSF) and Union Pacific (UP) railroads transport a variety of hazardous cargo through the City boundaries.

It has been Tait's experience, however, that certain railway companies have been hesitant to release data concerning their hazardous materials transport to the public for reasons of national security. They may release data to a public entity, but not allow for the consultant to review it. In any case, all efforts should be made by MFD to secure such data. A

placard survey of rail traffic is not included in this proposal, unless otherwise requested by MFD. It is considered to be a labor intensive event requiring additional funding, and beyond the scope of this RFP.

Air and Military Transportation: It is assumed that hazardous materials shipped via air and military transport are not considered part of this CFS/PNA.

Highways: The traffic flow study on the highways will be performed by a placard survey of hazardous materials cargo carriers at key observation points. These key observation points will generally be at ingress and egress locations of the major highway within the County, as well as at key highway junctions. This will allow for detailed information to be collected concerning the directional flow of hazardous materials through the City. Depending upon the amount of traffic at each of these observation points, Tait will employ one to two people to complete the placard surveys at each survey location. The actual length of time that the surveys will cover will depend on the traffic levels at each site. In the past Tait has undertaken surveys ranging from 2 hours to 6 hours at specific times of day. These variables will be further refined during the kick-off meeting with MFD.

For the CFS/PNA, Tait will perform placard surveys on the major highways and intersections within the City. These survey locations will include the following:

- Hwy 99 at Franklin Road: 6 hour survey (2 people)
- Hwy 99 at E. Mission Avenue: 6 hour survey (2 people)
- Hwy 140 at Arboleda: 6 hour survey (1 person)
- Hwy 140 at Franklin Road: 6-hour survey (1 person)
- Santa Fe Drive at Beachwood: 6-hour survey (1 person)
- Highway 59 at W. Cardelia: 4-hour survey (1 person)
- E. Yosemite at Lake Road: 4-hour survey (1 person)
- Highway 59 at Rahilly Rd.: 4-hour survey (1 person)

Other intersections/survey points may be designated for highway placard surveys by the MFD; however, due to budget considerations, there may need to be adjustments to the survey parameters outlined above.

Relevant statistical analysis of the collected data shall include:

- Type of hazardous material or substance.
- Type of container/truck type –cryogenic, hopper, box, semi-trailer, tanker, etc.
- Identification of vehicle placards.
- Determination of flow patterns of hazardous materials.
- Prioritization of risk according to most dangerous substances being transported.
- Preparation of an alphabetical list of chemicals identified.
- Identification of the percentage of shipments according to DOT classifications of hazardous materials.

- Identification of the percentage of shipments according to specific commodities classifications.

Additional information concerning the transport of hazardous materials through the City may include additional sources. However, obtaining this information is generally labor intensive, and beyond the scope of the funded amount of this CFS/PNA. In the event that MFD can provide Tait with the information, a general analysis of the data can be included in the report. The categories of these data are:

- Weight of each category in pounds or tons noted.
- Zip code of shipment origin and shipment destination.
- Review of shipping documents.
- Identify the volume shipped per ton-mile.
- Review existing data within the California Environmental Reporting System (CERS).
- Review traffic accident information concerning hazardous materials for MFD.
- Designation of sensitive/sacred areas bordering the City.

Upon completion of the field work program of the project, Tait will prepare a CFS/PNA Report based on a data analysis of all field and other relevant data to the project. Data will be analyzed and presented by the use of comparative graphs, tables, and maps, and it will include an introduction, executive summary, methodology, regional overview, stakeholders, data collection, data analysis, and transportation data of hazardous materials.

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The planning needs assessment portion of the CFS/PNA will incorporate MFD-specific information that will also be included in the County's Area Plan Update.

Exhibit C

Appendix A: Cost Proposal - Merced City Fire Department CFS/PNA

Task	Task Description	Task Details	Unit	Unit Type	Personnel	Unit Rate	Cost		
A	Kick-off Meeting/Data Review	Kick off Meeting/Data Review	6	hours	Senior Scientist	\$135	\$810		
			1	hours	Administrative	\$65	\$65		
		Subtotal					\$875		
		Travel to Merced							
		Hotel and Meals	1	days		\$150	\$150		
		Mileage	640	miles		\$0.90	\$576		
		Hours	12	hours	Senior Scientist	\$135	\$1,620		
		Subtotal					\$2,346		
	B	Field Surveys	Survey Locations						
			Hwy. 99 at Franklin Road	7	hours	Senior Scientist	\$135	\$945	
7				hours	Scientist	\$100	\$700		
Hwy 99 at East Mission Avenue			7	hours	Senior Scientist	\$135	\$945		
			7	hours	Scientist	\$100	\$700		
Hwy 140 at Arboleda Drive			5	hours	Scientist	\$100	\$500		
Hwy 140 at Franklin Road			5	hours	Scientist	\$100	\$500		
Santa Fe Drive at Beachwood Drive			5	hours	Senior Scientist	\$135	\$675		
Highway 59 at W. Cardella Road			5	hours	Senior Scientist	\$135	\$675		
E. Yosemite Ave. at Lake Road			5	hours	Senior Scientist	\$135	\$675		
Hwy 59 at Rahilly Road			5	hours	Scientist	\$100	\$500		
			Subtotal					\$6,815	
			Travel to Merced						
			Hotel and Meals	9	days		\$150	\$1,346	
			Air Fare	1	flights		\$518	\$518	
			Car Rental	1	cars		\$230	\$230	
			Mileage	700	miles		\$0.90	\$630	
			Scientist	12	hours	Scientist	\$100	\$1,200	
			Sr. Scientist	24	hours	Senior Scientist	\$135	\$3,240	
	Subtotal					\$7,163			
C	Draft CFS/PNA	Report and Teleconferences							
			14	hours	Senior Scientist	\$135	\$1,890		
			80	hours	Scientist	\$100	\$8,000		
			3	hours	Administrative	\$65	\$195		
	Subtotal					\$10,085			
D	Final CFS/PNA	Report							
			6	hours	Senior Scientist	\$135	\$810		
			16	hours	Scientist	\$100	\$1,600		
	Subtotal					\$2,410			
GRAND TOTAL							\$29,694		

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this ____ day of _____, 2018, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as “City”) and Tait Environmental Services, Inc., a California Corporation, whose address of record is 701 North Parkcenter Drive, Santa Ana, California 92705 (hereinafter referred to as “Consultant”).

WHEREAS, City is undertaking a project to conduct a Community Risk Assessment; and,

WHEREAS, Consultant represents that it possesses the professional skills to provide the services in connection with said project.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the services described in Exhibit “A” attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Fire Chief or his designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in accordance with the Schedule outlined in Exhibit “A” attached hereto and incorporated herein by reference. By mutual agreement and written addendum to this Agreement, the City and the Consultant may change the requirements in said Schedule.

3. **RESERVED.**

4. **COMPENSATION.** Payment by the City to the Consultant for actual services rendered under this Agreement shall be made upon presentation of an

invoice detailing services performed under the Scope of Services, in accordance with the fee schedule set forth in Exhibit "A" attached hereto and incorporated herein by reference. The Consultant agrees to provide all services required under the Scope of Services in Exhibit "A" within the compensation amount set forth in Exhibit "A". For Consultant's services rendered under this Agreement, City shall pay Consultant the not to exceed sum of Fourteen Thousand Nine Hundred Fifty-One Dollars (\$14,951.00).

5. **METHOD OF PAYMENT.** Compensation to Consultant shall be paid by the City after submission by Consultant of an invoice delineating the services performed.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of

competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. INDEMNITY. Consultant shall indemnify, protect, defend (with legal counsel selected by the City), save and hold City, its officers, employees, and agents, harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Consultant or Consultant's officers, employees, volunteers, and agents during performance of this Agreement, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Consultant or its employees, subcontractors, or agents, or by the quality or character of Consultant's work, or resulting from the negligence of the City, its officers, employees, volunteers and agents, except for loss caused by the sole negligence or willful misconduct of the City or its officers, employees, volunteers or agents. 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 by City 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 survive the termination of this Agreement and shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Consultant acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

10. INSURANCE. During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. Workers' Compensation Insurance. Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. General Liability.

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.
- (v) Consultant shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.

- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant's profession in the minimum amount of One Million Dollars (\$1,000,000). Architects and engineers' coverage is to be endorsed to include contractual liability.

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation—including cancellation for nonpayment of premium.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is

based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

13. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

14. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

16. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

17. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

18. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

19. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

20. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

21. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: Kelly Finney 3/27/18
City Attorney Date

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

CONSULTANT
TAIT ENVIRONMENTAL SERVICES,
INC., A California Corporation

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

BY: _____
(Signature)

(Typed Name)

Its: _____
(Title)

Taxpayer I.D. No. 33-0359360

ADDRESS: 701 Parkcenter Drive
Santa Ana, CA 92705

TELEPHONE: (714) 560-8200

FAX: (714) 560-8244

E-MAIL: pmccarter@tait.com



March 22, 2018

Joshua Wilson, Fire Captain
Merced Fire Department
99 E. 16th Street
Merced, CA 95340

**SUBJECT: PROPOSAL FOR A COMMUNITY RISK ASSESSMENT
FOR HAZARDOUS MATERIALS
CITY OF MERCED FIRE DEPARTMENT**

Mr. Wilson:

Tait Environmental Services, Inc. (Tait) is pleased to present this Proposal for a Community Risk Assessment CRA for Hazardous Materials for the City of Merced Fire Department (MFD). The CRA will be completed utilizing data from the Commodity Flow Study (CFS) as well as demographic data available from the City from the City's overall 2015 Community Risk Assessment (or more recent data if available).

Tait is currently preparing an Update of the Area Plan (AP) for the County of Merced Division of Environmental Health, and information compiled in this Update can be utilized in the preparation of the CRA. Some of this information will be incorporated into the Planning Needs section of the CFS, and will include the following:

- Hazardous material response equipment deficiencies and needs.
- Hazardous material response training and incident preplan needs.
- Hazardous material transportation incident response and mitigation needs.
- Identify the effectiveness of developing a multi-agency hazardous material response team vs. establishing a response team in addition to Merced County Fire Department's team.
- Given a multi-agency approach, identify potential effectiveness of mutual aid to be received by the City.

The CRA, which will be prepared for the MFD will cover only the Hazardous Materials use and transport within the City. It will expand upon the Planning Needs section of the CFS. Information incorporated into the CRA will focus on, but not be necessarily restricted to the following areas:

- Hazardous materials producers/users/transporters within the City (The County may be included here if there is transport through the City).
- Transportation routes of hazardous materials through the City and along Highway 99.

EXHIBIT A

- Evaluation of Risk Control points throughout the City.
- Land use in high-risk areas (commercial, industrial, residential).
- Demographics.
- Utilization of CalARP data from the City/County.
- Possible incorporation of ALOHA/CAMEO/MARPLOT data into the CRA for high-risk areas.
- Potential impacts in high-risk areas.
- Evaluation of the vulnerability of specific areas.
- Gap analysis and prioritization of the gaps. Recommendations on how to handle the gaps.
- Training and equipment requirements. (This will follow on the information obtained from the CFS and the CRA studies, but will be put in the CRA.)

Following completion of the CRA, a PowerPoint presentation covering the information contained in the CRA will be presented to the MFD and other stakeholders, as determined by the MFD. The PowerPoint will be presented at the offices of the MFD or other location as determined by the MFD.

This Proposal excludes the determination of costs related to program options, equipment, training, etc., including other costs related to recommendations outlined in both the CFS and the CRA.

A Draft CRA will be submitted to the MFD for review and comment, and teleconferences can be held as needed to update and finalize the Draft CRA.

The final CRA can be completed within 90 days of the completion and submittal of the CFS.

TAIT proposes to provide the aforementioned scope of work for a time and material fee of **\$14,951.00**. The overall budget is shown below:

Cost Proposal - Merced City Fire Department Community Risk Assessment - Hazardous Materials

Task	Task Description	Task Details	Unit	Unit Type	Personnel	Unit Rate	Cost	
A	Completion of CRA	Report and Teleconferences	64	hours	Senior Scientist	\$135	\$8,640	
			35	hours	Scientist	\$100	\$3,500	
			3	hours	Administrative	\$65	\$195	
		Subtotal					\$12,335	
B	PowerPoint Presentation of CRA	Presentation	2	hours	Senior Scientist	\$135	\$270	
		Subtotal					\$270	
		Travel to Merced						
		Hotel and Meals	1	days		\$150	\$150	
		Air Fare/Ground transportation	1	unit		\$576	\$576	
		Hours	12	hours	Senior Scientist	\$135	\$1,620	
	Subtotal					\$2,346		
	TOTAL					\$14,951		

This proposal is valid for a 60-day period from the date on this letterhead.

**PROPOSAL FOR A COMMUNITY RISK ASSESSMENT
FOR HAZARDOUS MATERIALS
CITY OF MERCED FIRE DEPARTMENT**

March 22, 2018

If you have any questions, please don't hesitate to call.

Sincerely,
TAIT ENVIRONMENTAL SERVICES, INC.

A handwritten signature in black ink, appearing to read "Paul N. McCarter". The signature is fluid and cursive, with the first name "Paul" and last name "McCarter" clearly distinguishable.

Paul N. McCarter
Senior Geologist/Senior Project Manager.
(714) 560-8612



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

3/26/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Garrett/Mosier/Griffith/Sistrunk Risk Management & Insurance Services 12 Truman Irvine, CA 92620 www.gmgs.com 0B84519	CONTACT NAME: Ashley Brewster PHONE (A/C, No. Ext): 949-559-3377 E-MAIL ADDRESS: ashleyb@gmgs.com	FAX (A/C, No): 949-559-6703	
	INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Tait & Associates, Inc. Tait Environmental Services, Inc. 701 Parkcenter Dr. Santa Ana CA 92705	INSURER A: Travelers Property Casualty Co of America		25674
	INSURER B:		
	INSURER C:		
	INSURER D:		
	INSURER E:		
	INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 41006916

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			810-7138R642-17-CAG \$1,000 Comp. Ded. \$1,000 Coll. Ded.	9/1/2017	9/1/2018	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N Y	N/A	UB-4J588939-17	9/1/2017	9/1/2018	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Agreement for Professional Services
 As respects Automobile Liability coverage, City of Merced, its officers, employees, volunteers and agents are added as Additional Insured as per CAT3530215 attached.
 As respects Workers' Compensation coverage, a Waiver of Subrogation is hereby included per attached WC990376(00)-001.

CERTIFICATE HOLDER**CANCELLATION**

City of Merced, a California Charter Municipal Corporation 678 West 18th Street Merced CA 95340	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE  Michael Finn
---	--

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ACORD 25 (2016/03)

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| <ul style="list-style-type: none"> A. BROAD FORM NAMED INSURED B. BLANKET ADDITIONAL INSURED C. EMPLOYEE HIRED AUTO D. EMPLOYEES AS INSURED E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS G. WAIVER OF DEDUCTIBLE – GLASS | <ul style="list-style-type: none"> H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT J. PERSONAL PROPERTY K. AIRBAGS L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS M. BLANKET WAIVER OF SUBROGATION N. UNINTENTIONAL ERRORS OR OMISSIONS |
|---|---|

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in Section II.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., **Other Insurance**, of **SECTION IV – BUSINESS AUTO CONDITIONS**:

b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your



WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY

ENDORSEMENT, WC 99 03 76 (A) - 001 UB-4J588939-17

POLICY NUMBER:

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA (BLANKET WAIVER)

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule.

The additional premium for this endorsement shall be 04.00 % of the California workers' compensation premium.

Schedule

Person or Organization

Job Description

ANY PERSON OR ORGANIZATION FOR WHICH THE INSURED HAS AGREED BY WRITTEN CONTRACT EXECUTED PRIOR TO LOSS TO FURNISH THIS WAIVER.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.) 9/1/2017 UB-4J588939-17

Endorsement Effective Date: 9/1/2017
Insured: Tait & Associates, Inc. / Tait Environmental Services, Inc.
Policy No.
Endorsement No. Premium

Insurance Company

Countersigned by _____

DATE OF ISSUE:

ST ASSIGN:

Page 1 of 1

INSURED: Tait & Associates, Inc.

POLICY PERIOD: 09/01/2017

POLICY #: SP002747012017

TO: 09/01/2018

**ADDITIONAL INSURED/PRIMARY COVERAGE
INCLUDING COMPLETED OPERATIONS
(CGL & CONTRACTORS POLLUTION COVERAGE)**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies the Specialty Package Policy.

In consideration of the premium charged, it is agreed that:

SECTION III – WHO IS AN INSURED is amended to include as an Additional Insured the person or organization shown in the schedule below as respects Coverages A, B and D, but only for liability arising out of **Your Work** or **Covered Operations** performed by you or on your behalf for that Additional Insured and not due to any actual or alleged independent liability of said Additional Insured.

This endorsement does not apply to **Bodily Injury**, **Property Damage** or **Loss** arising out of the sole negligence or willful conduct of, or for defects in design furnished by the Additional Insured.

As respects the coverage afforded the Additional Insured, this insurance is primary and non-contributory where a written contract or written agreement in effect prior to any related **Claim** requires you to provide such coverage. When this insurance is primary and non-contributory, our obligations are not affected by any other insurance carried directly by such additional insured whether it is primary or excess coverage.

However, regardless of the provisions above:

We will not extend any insurance coverage to the additional Insured person or organization:

- (1) That is not provided to you in this Policy; or
- (2) That is broader coverage than you are required to provide to the additional Insured person or organization in the written contract or written agreement.

This endorsement does not increase the Company's Limits of Insurance as specified in the Declarations of the Policy.

SCHEDULE OF ADDITIONAL INSUREDS

As required by written contract in effect prior to any related Claim

INSURED: Tait & Associates, Inc.

POLICY PERIOD: 09/01/2017

POLICY #: SP002747012017

TO: 09/01/2018

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

SPECIALTY PACKAGE POLICY

SCHEDULE

Name Of Person Or Organization:

As required by written contract

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 12. **Subrogation of Section VI – Common Conditions:**

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or **Your Work** done under a contract with that person or organization and included in the **Products-Completed Operations Hazard**. This waiver applies only to the person or organization shown in the Schedule above.

Includes copyrighted material of Insurance Services Office, Inc with its permission

CG 24 04 05 09

(Cal OES Use Only)

Cal OES#	FIPS#	VS #	Subaward #
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CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES GRANT SUBAWARD FACE SHEET

The California Governor's Office of Emergency Services (Cal OES), makes a Grant Subaward of funds set forth to the following:

1. **Subrecipient:** City of Merced 1a. DUNS#: 169211554
2. **Implementing Agency:** City of Merced Fire Department 2a. DUNS#: 169211554
3. **Implementing Agency Address:** 99 E. 16th St. Merced 95340-5020
Street City Zip+4
4. **Location of Project:** Merced Merced 95340-5020
City County Zip+4
5. **Disaster/Program Title:** Hazardous Materials Emergency Preparedness **6. Performance Period:** _____ to _____
7. **Indirect Cost Rate:** N/A; 10% de minimis; Federally Approved ICR _____ %

Grant Year	Fund Source	A. State	B. Federal	C. Total	D. Cash Match	E. In-Kind Match	F. Total Match	G. Total Project Cost
Select	8. Select						\$ 0	\$ 0
2018	9. HMEP		\$ 55,000		\$ 0	\$ 0	\$ 0	\$ 55,000
Select	10. Select						\$ 0	\$ 0
Select	11. Select						\$ 0	\$ 0
Select	12. Select						\$ 0	\$ 0
	TOTALS	\$ 0	\$ 55,000	\$ 55,000	\$ 0	\$ 0	\$ 0	12. G Total Project Cost: \$ 55,000

13. **Certification** - This Grant Subaward consists of this title page, the application for the grant, which is attached and made a part hereof, and the Assurances/Certifications. I hereby certify I am vested with the authority to enter into this Grant Subaward, and have the approval of the City/County Financial Officer, City Manager, County Administrator, Governing Board Chair, or other Approving Body. The Subrecipient certifies that all funds received pursuant to this agreement will be spent exclusively on the purposes specified in the Grant Subaward. The Subrecipient accepts this Grant Subaward and agrees to administer the grant project in accordance with the Grant Subaward as well as all applicable state and federal laws, audit requirements, federal program guidelines, and Cal OES policy and program guidance. The Subrecipient further agrees that the allocation of funds may be contingent on the enactment of the State Budget.

14. **CA Public Records Act** - Grant applications are subject to the California Public Records Act, Government Code section 6250 et seq. Do not put any personally identifiable information or private information on this application. If you believe that any of the information you are putting on this application is exempt from the Public Records Act, please attach a statement that indicates what portions of the application and the basis for the exemption. Your statement that the information is not subject to the Public Records Act will not guarantee that the information will not be disclosed.

15. **Official Authorized to Sign for Subrecipient:** _____ **16. Federal Employer ID Number:** 94-6000371
- Name: _____ Title: _____
- Telephone: _____ (area code) FAX: _____ (area code) Email: _____
- Payment Mailing Address: 678 W. 18th St. City: Merced Zip+4: 95340-4708
- Signature: _____ Date: _____

[FOR Cal OES USE ONLY]

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purposes of this expenditure stated above.

Cal OES Fiscal Officer _____	Date _____	Cal OES Director (or designee) _____	Date _____
------------------------------	------------	--------------------------------------	------------

GRANT SUBAWARD FACE SHEET INSTRUCTIONS

Cal OES Section: The top portion of the form contains blocks for four (4) important numbers.
Please do not fill in these blocks. These numbers will be entered by Cal OES.

1. Subrecipient

The Subrecipient is the unit of government or community based organization (CBO) that will have legal responsibility for these grant funds (e.g. County of Alameda, City of Fresno or Women's Place of Merced). Enter the legal title of the Subrecipient.

1a. Federal DUNS Number (Subrecipient)

Enter the full 9-digit Federal Data Universal Numbering System (DUNS) ID number for the Subrecipient. If the Subrecipient does not yet have a DUNS number assigned, one may be obtained by contacting Dun & Bradstreet at 866-705-5711 or at www.dnb.com. This requirement applies to federally funded grants only. Your DUNS # must be current and active in the System for Award Management (SAM) at the time of your Award.

2. Implementing Agency

Enter the complete name of the agency responsible for the day-to-day operation of the grant (e.g. Sheriff, Police Department, or Department of Public Works). If the Implementing Agency is the same as the Subrecipient, enter the same title again.

2a. Federal DUNS Number (Implementing Agency)

Enter the full 9-digit Federal Data Universal Numbering System (DUNS) ID number for the Implementing Agency. If the Implementing Agency does not yet have a DUNS number assigned, one may be obtained by contacting Dun & Bradstreet at 866-705-5711 or at www.dnb.com. This requirement applies to federally funded grants only. Your DUNS # must be current and active in the System for Award Management (SAM) at the time of your Award.

3. Implementing Agency Address

Enter the address of the Implementing Agency. Provide the complete nine digit zip code (Zip+4).

4. Location of Project

Enter the City and County/Operational Area where the project is located. Provide the complete nine digit zip code (Zip+4).

5. Disaster/Program Title

Enter the name of the Disaster or Program providing the funds for this Grant Subaward. A disaster may be referred by the federal declaration number. Program titles should be complete without the use of acronyms.

6. Performance Period

Enter beginning and ending dates of the performance period for the Grant Subaward. (mm/dd/yy)

7. Indirect Cost Rate

Indicate whether you are using the 10% de minimis rate based on Modified Total Direct Costs (MTDC) or your cognizant agency approved indirect cost rate agreement. A copy of the approved ICR Negotiation Agreement must be enclosed with your application. Indicate N/A if you will not be claiming indirect costs under the award. **Indirect costs may or may not be allowable under all Federal fund sources.**

8A – 12G. Fund Allocations and Total Project Cost

For each fund source used in the program, select the correct grant year and acronym from the drop down lists, the amount of state or federal funds requested, the amount of cash *and/or* in-kind match contributed and the resulting totals. Please do not enter both state and federal on the same line. Block 12G should correspond to the total project cost specified in the budget.

13. Certification Paragraph

Please review the certification paragraph.

14. CA Public Records Act

Please review, and if applicable, provide the necessary documentation.

15. Official Authorized to sign for the Subrecipient

Enter the name, title, telephone number, and e-mail address of the official authorized to enter into the Grant Subaward for the Subrecipient as stated in Block 1 of the Grant Subaward Face Sheet (Cal OES 2-101). Enter the Payment Mailing Address where grant funds should be sent.

16. Federal Employer ID Number

Enter the 9-digit Federal Employer Identification Number for the Agency.

Provide an original signature of the authorized official. The use of white out or tape is prohibited and will invalidate the signature on the Grant Subaward Face Sheet.

Report Prepared by: *Janet German, Secretary III, Fire Dept.*

..Title

SUBJECT: Fiscal Year 2017-18 Hazardous Materials Emergency Preparedness (HMEP) Planning Subaward

REPORT IN BRIEF

Considers accepting California Governor's Office of Emergency Services (Cal OES) FY 2017-18 Hazardous Materials Emergency Preparedness (HMEP) Planning Subaward, appropriating the funds, and the using of pooled cash to cover the appropriation until grant funds are reimbursed.

RECOMMENDATION

City Council – Adopt a motion:

- A. Accepting and Appropriating Fiscal Year 2017-18 Hazardous Materials Emergency Preparedness (HMEP) Planning Subaward funds in the amount of \$55,000, as revenue in account 001-0901-321-17-00; and,
- B. Appropriating \$55,000 to account 001-0901-522.17-00 for professional services; and,
- C. Authorizing the use of pooled cash to cover the appropriation until grant funds are reimbursed; and,
- D. Approving **Resolution 2017-55**, a Resolution of the City Council of the City of Merced, California, authorizing the City Manager to execute the California Governor's Office of Emergency Services Fiscal Year 2017-18 Grant Assurances Agreement, and;
- E. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

..Body

ALTERNATIVES

- 1. Approve, as recommended by staff; or
- 2. Approve, subject to other than recommended by staff; or,
- 3. Deny; or,
- 4. Refer to staff for reconsideration of specific items.

AUTHORITY

Charter of the City of Merced, Section 200 – Powers
Charter of the City of Merced, Section 405 – Powers Vested in the City Council

CITY COUNCIL PRIORITIES

Public Safety as provided for in the 2017-18 Adopted Budget.

DISCUSSION

On July 1, 2017, the MFD submitted a grant application in the amount of \$55,000 through the 2017-18 Grant Cycle under the Cal OES Hazardous Materials Emergency Preparedness (HMEP) Planning Subgrant Program. No in-kind match is required nor needed for this grant.

The purpose of the grant is to increase effectiveness in safely and efficiently handling hazardous materials incidents and encouraging a comprehensive approach to emergency training and planning by incorporating the unique challenges of responses to transportation situations. To increase the safety of its community, the MFD intends to hire a consultant to conduct commodity flow studies and/or other Hazardous Materials transportation hazard analyses to determine the frequency and quantity of Hazardous Materials shipments being transported through our community. The study will also assess whether the MFD is appropriately trained to respond to incidents involving bulk shipments of energy products as well as other hazardous materials. MFD will bring an Agreement to hire a consultant to the City Council for consideration of approval at a future meeting. Using the consultant's study and assessment, the MFD will identify hazardous material planning needs in the following areas:

- Hazardous material response equipment deficiencies/needs.
- Hazardous material response training, preplan incident response.
- Hazardous material transportation incident prevention, response, and mitigation.
- Identify the need to establish a hazardous material response team or develop a multi-agency team.
- Identify potential effectiveness of mutual aid to be received.

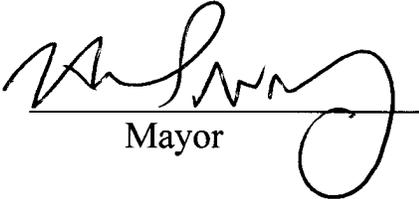
IMPACT ON CITY RESOURCES

There is no cost to the City, as grant funds fully subvent this project and no match is required.

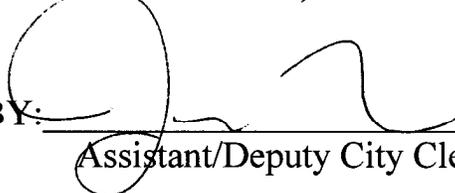
ATTACHMENTS

1. Resolution 2017-55
2. 2017-18 HMEP Grant Award Letter

APPROVED:


Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK


BY: _____
Assistant/Deputy City Clerk



(SEAL)

APPROVED AS TO FORM:

 10/10/17
City Attorney Date



ADMINISTRATIVE REPORT

Agenda Item I.10.

Meeting Date: 4/2/2018

Report Prepared by: Mark E. Hamilton, Housing Program Supervisor, Housing Division, Department of Development Services

SUBJECT: Request to Set a Public Hearing for the 2018 Housing and Urban Development (HUD) Annual Action Plan

REPORT IN BRIEF

Request to set a Public Hearing for Monday, April 16, 2018, to consider the 2018 Housing and Urban Development (HUD) Annual Action Plan.

RECOMMENDATION

City Council - Adopt a motion setting a Public Hearing for Monday, April 16, 2018, to consider the Housing and Urban Development Annual Action Plan.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff; or,
3. Deny; or,
4. Refer to the City Manager for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Sections 405 and 411, et seq., of the City of Merced, and Pursuant to 24 CFR 91.520, the City will submit the 2018 HUD Annual Action Plan to the Department of Housing and Urban Development.

DISCUSSION

Staff is requesting Council to set a Public Hearing to consider the 2018 HUD Annual Action Plan. The 2018 HUD Annual Action Plan outlines programs and activities to be funded with Community Development Block Grant funds next Fiscal Year. In order for an activity or program to become eligible, they must meet the HUD criteria, which includes National Goals and Objectives designed to eliminate blight and provide housing for low-income families.

Guidelines for each program dictate how the funds may be spent. Staff works with each recipient to ensure eligibility for and compliance with Community Development Block Grant (CDBG) or HOME Investment Partnerships Program (HOME) federal grant programs.

The Action Plan describes how funds will be used by the City of Merced. Whether the funds are being used for administrative or program activities, the proposed activities must meet a HUD-approved national objective to be considered eligible. The three national objectives are: 1) Directly benefit low- and moderate-income persons; 2) Aid in the prevention and elimination of slums or blight; or, 3) Meet an urgent need such as flood, hurricane, or tornado cleanup and repair.

The common goal of these programs is to make Merced a more livable community. This goal is achieved in three ways. First, by granting funds to local nonprofit organizations and assisting them with providing funds to expand their programs. Second, by providing affordable, safe, and decent housing throughout the community. Lastly, these funds can be used for upgrades to existing public facilities to make them accessible for individuals with disabilities.

History and Past Actions

Each year the City of Merced prepares an Annual Action Plan for submission to the U.S. Department of Housing and Urban Development. The framework for the Annual Action Plan finds its roots in the *City of Merced 2015-20 Consolidated Plan*. The *Consolidated Plan* is a five-year planning document, outlining the City's strategy for pursuing federal, state, and local resources to meet housing and community development needs of low- and moderate-income residents.

IMPACT ON CITY RESOURCES

No appropriation of general funds is needed.



ADMINISTRATIVE REPORT

Agenda Item I.11.

Meeting Date: 4/2/2018

Report Prepared by: Venus Rodriguez, Finance Officer

SUBJECT: Approval of an Update to the City's Investment Policy

REPORT IN BRIEF

Considers approving an update to the City's Investment Policy.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-22**, a Resolution of the City Council of the City of Merced, California, adopting Investment Policy.

ALTERNATIVES

1. Adopt as recommended by staff; or
2. Refer back to staff with specific direction.

AUTHORITY

California Government Code Section 53646, subdivision (a)(2)

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget

DISCUSSION

Current investment law states that the Finance Officer may annually render to the legislative body a statement of investment policy, which the legislative body shall consider at a public meeting. Any change in the policy shall be considered by the legislative body at a public meeting.

A good investment policy drives the cash, treasury, and investment management functions of an agency. It serves as a guide for setting and achieving program objectives, defines rules and establishes benchmarks, and reduces the exposures to liability of the investment staff and the governing board.

On March 5, 2018, the City Council approved a Professional Service Agreement with Chandler Asset Management for Investment Advisory Services. The scope of service included the extensive review of the City's investment policy to ensure it appropriately embodies the City's investment objectives, risk profile and expected outcomes as well as applicable laws and industry best practices.

The City of Merced met with Chandler Asset Management to discuss and review all proposed

changes to the Investment Policy. The revised modifications encompass changes to the California Government Code, include the latest California best practices and enhance the clarity and readability of the policy. A brief summary of the changes is below:

Scope

- Inclusion of language specifying that debt service funds included in the scope of this policy refer to monies related to inter-fund borrowing to differentiate from bond-related funds which are subject to bond covenants (and not this policy).

Prudence

- Replacement of the policy's Prudent Person Standard with the Prudent Investor Standard which is the standard required by Code Section 53600.3.

Objectives

- A move of any language discussing possible benchmarks to a separate section addressing investment program performance evaluation. Moreover, addition of language that specifies the City seeks to generate a market rate of return commensurate with the risk parameters of the portfolio.

Delegation of Authority

- Inclusion of language permitting the City to engage the services of a professional investment adviser.
- Inclusion of language requiring the professional management of the portfolio, with measured losses to be considered in the overall context of the portfolio and cash flow requirements of the City. Although investments are structured to provide cash when needed without the need to liquidate funds, periodic losses may be realized temporarily when sales before maturity occur to improve the overall yield of the portfolio.

Authorized Financial Dealers and Institutions

- Updates to this section to include the most current best practices, including:
 - A requirement that all transactions be completed via a competitive process
 - A requirement that the Finance Officer establish procedures for the selection of authorized financial dealers and institutions
 - A description of the types of financial institutions that are permitted to do business with the City
 - A requirement that any financial institution that does business with the City acknowledge reviewing Code Section 53600 et. seq. and the City's investment policy
 - An acknowledgement that the City's investment adviser may maintain its own list of financial dealers and institutions

Authorized and Suitable Investments

- Expansion of the descriptions of authorized investments and added additional requirements for U.S. Treasury obligations, Federal Agency securities, certificates of deposit, Local Agency Investment Fund, passbook savings, bankers' acceptances, commercial paper, medium-term

notes, repurchase agreements, Local Agency Investment Fund (“LAIF”), and mutual funds. The requirements bring concentration limits and credit requirements in line with Code, and add an additional limit of 5% per issuer on certain asset classes.

- Inclusion of asset classes allowable by Code. We believe that inclusion of these additional asset classes will provide the City additional diversification and may enhance long-term returns:
 - Municipal securities from the State of California and its political subdivisions
 - Municipal securities from the treasuries or agencies of the other 49 states
 - Negotiable certificates of deposit
 - Pass-through securities such as asset-backed and mortgage-backed securities, and collateralized mortgage obligations
 - Supranational securities

Prohibited Investment Vehicles and Practices

- Addition of a new section to the policy specifying prohibited investments as specified by Code.
- Inclusion of a prohibition on trading for speculation only and trading on margin.

Investment Pools/Mutual Funds

- Addition of a new section to the policy requiring due diligence in the use of investment pools and mutual funds.

Delivery, Safekeeping and Custody

- Augmentation of language requiring delivery versus payment when trading securities, as well as a requirement that the City’s funds shall be held in a third-party custodial safekeeping arrangement.

Risk Management and Diversification

- Inclusion of language requiring steps to mitigate both credit and market risk. The requirements include:
 - A 5% per issuer limit on all security types unless otherwise specified
 - Sales before maturity which are permitted under specified circumstances
 - A policy to handle securities that have been downgraded below the minimum allowable credit quality
 - A requirement to maintain a minimum of six months of operating expenses in short-term investments to provide for expected disbursements
 - A 20% limit on callable securities
 - A maturity limit of five years unless allowed otherwise specified by the policy
 - A portfolio duration limit of 20% +/- the benchmark duration

Review of the Investment Portfolio

- Inclusion of language requiring that the portfolio be reviewed no less than quarterly to ensure

all investments comply with the investment policy.

Maximum Maturities

- Inclusion of language requiring any investments longer than five years will require City Council approval no less than 90 days prior to the first investment.

Performance Evaluation

- Inclusions of language requiring the Finance Officer to adopt a benchmark to measure the progress of the investment program.

Glossary

- Update of the policy's Glossary.

The investment policy was last updated in 2016 when it adopted Resolution No. 2016-11. The only changes at that time were minor updates to language and definitions.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Investment Policy 2016
2. Resolution with Investment Policy 2018-22

City of Merced Investment Policy

1. Policy

It is the Policy of the City of Merced and all entities of the City of Merced to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all state and local statutes governing the investment of public funds.

2. Scope

This investment policy applies to the investment activities of the City of Merced and all entities of the City of Merced. These funds are accounted for in the Annual Financial Reports and include:

Funds:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust and Agency Funds

This investment policy does not apply to any retirement funds or deferred compensation funds administered by other agencies.

3. Prudence

Investment officials shall use judgment and care in accordance with established procedures and exercise due diligence in investing these funds. The standard of prudence to be used by investment officials shall be the "prudent person" and shall be applied in the context of the overall portfolio.

4. Objectives

Safety: Safety of principal is the foremost objective of the investment program. Funds will be invested in a manner that will preserve and protect capital in the overall portfolio.

Liquidity: A portion of the investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated, thereby obviating the need for forced liquidation. Liquidity requirements shall be ensured by maintaining sufficient investment amounts in, Local Investment Agency Fund, Savings, or any maturing investment.

Return on Investments: The investment portfolio should at a minimum regularly exceed the average return on three-month U.S. Treasury bills, or the average rate on Fed funds, whichever is higher. These indices comprise a minimum standard for a rate of return that is considered a benchmark for riskless investment transactions. Returns above this threshold will be sought when consistent with risk limitations identified herein and prudent investment principles.

With the use of daily cash balance reports and cash flow projections available funds will be invested as near as possible to 100%.

5. Delegation of Authority

The finance officer is designated as investment officer and is responsible for investment decisions and activities, under the direction of the city manager. The finance officer shall be responsible for developing and maintaining administrative procedures for the operation of the program which are consistent with these policies.

6. Ethics and Conflicts of Interests

Any employee involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the city manager any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of this jurisdiction's portfolio. Employees and officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

7. Authorized Financial Dealers and Institutions

The Finance Officer will maintain a list of financial institutions authorized to provide investment services. All financial institutions and broker/dealers who desire to become qualified bidders must be affiliated as primary dealers with the New York Federal Reserve Bank or broker/dealers who comply with the Federal capital adequacy guidelines. They must also certify that they have read and understood the City of Merced investment policies.

Banks shall be selected through the banking services procurement process. A formal request for proposal of depository services shall be issued no less than every five years. In selecting banks, the finance officer shall review the bank's financial history and creditworthiness.

8. Authorized & Suitable Investments

Funds may be used to purchase the following investment instruments:

- A. U.S. Treasury and U.S. Agency Issues
- B. Certificates of Deposit
- C. Local Agency Investment Fund
- D. Government Bonds and Notes
- E. Passbook Savings
- F. Bankers' Acceptance
- G. Commercial Paper
- H. Medium-term Notes
- I. Repurchase Agreements
- J. Mutual Funds

As far as is practicable two quotes will always be obtained before purchasing or selling securities.

To ensure receipt of securities, all trades will be executed on a delivery versus "payment" or "book entry" basis.

Bankers' Acceptance will only be purchased from prime money-center banks.

All U.S. Treasury and Agency obligations will be purchased at prices that are at or below par.

Commercial paper to be of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and have an "A" or higher rating for issuer's debt, other than commercial paper, if any, as provided for by Moody Investors Service Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 15% of the portfolio.

Medium-term notes to be of maximum of five years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment shall be rated in a rating category of "A" or its equivalent or better by a nationally recognized rating service. Purchase of medium-term notes may not exceed 30% of the portfolio.

Investments in repurchase agreements is limited to purchase of U.S. Treasury and U.S. Agency Issues and Government Bonds and Notes (collateral) pursuant to an agreement by which the seller will repurchase the securities on or before a specified date and for a specified amount. The term of the repurchase agreement shall be for one year or less.

Investments in mutual funds will be restricted to those funds that invest in securities and obligations otherwise eligible for local agency investment. Purchase of mutual fund shares may not exceed 15% of the portfolio.

Marketable securities will be traded prior to maturity if capital appreciation has occurred and/or yield can be increased with a minimum extension of maturity or the maturity can be shortened with a minimal loss in yield.

Losses are acceptable on a sale before maturity only if the reinvested proceeds will earn an income flow that would have been generated by the old investment considering any capital loss or forgone interest on the original investment. Any such sales will only be made upon the recommendation of the finance officer and approved by the city manager.

If not otherwise stated, the maximum maturity and maximum percent of investment type to total portfolio will be based on State law.

9. Collateralization

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements.

Certificates of deposit must be fully insured by the FDIC; if over \$250,000 the difference must be collateralized with securities having a market value of at least 110% of the value of the public funds or 150% if the depository uses mortgaged back securities.

Collateral for repurchase agreement will have a market value of at least 102% of the specified amount in the agreement. Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership must be supplied to the City and retained.

10. Safekeeping and Custody

Where practicable, to protect against potential fraud and embezzlement, the City of Merced's ownership of all investments and collateral will be maintained through third-party custodial safekeeping. Bearer instruments shall be held only through third party institutions and all investment officials will be bonded.

11. Diversification

Assets invested shall be sufficiently diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issue, or a specific class of securities. Investment maturities shall be scheduled to coincide with projected cash flow needs.

12. Maximum Maturities

To the extent possible, the City of Merced will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow and authorized by the City Council, the City will not directly invest in securities maturing more than five years from the date of purchase.

13. Internal Controls

The finance officer shall establish a system of internal controls, which shall be designed to prevent losses of public funds arising from fraud, employee error, third party misrepresentation, unanticipated changes in financial markets or imprudent actions by employees and officers.

14. Performance Standards

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

15. Reporting

The finance officer shall submit a monthly investment report to the city council and city manager. This report will show the investments in the portfolio, specific information concerning these investments and any narrative necessary for clarification.

16. Investment Policy Adoption

The investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the Finance Officer and any modifications made thereto approved by the City Council.

GLOSSARY

AGENCIES: Federal agency securities.

ANNUAL FINANCIAL REPORT: The City shall issue either a Basic Financial Statement or Comprehensive Annual Financial Report (CAFR) annually. The Basic Financial Statement includes the minimum combination of financial statements and note disclosures required for fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). The CAFR is a broader report that includes at a minimum, three sections 1) introductory, 2) financial, and 3) statistical. The financial section provides information on each individual fund and component unit. It is in conformity with both GAAP and Government Finance Officer Association (GFOA) recommendations.

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A short-term, secured deposit in a financial institution that usually returns principal and interest to the lender at the end of the loan period. Certificates of Deposit (CDs) differ in terms of collateralization and marketability. Those appropriate to public agency investing include Negotiable Certificates of Deposit and Non-Negotiable Certificates of Deposit.

Negotiable Certificates of Deposit – Generally, short-term debt instrument that usually pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. The majority of negotiable CDs mature within six months while the average maturity is two weeks. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor/investor. Negotiable CDs are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000, but they are not collateralized beyond that amount. No more than 30% of an agency's portfolio may be invested in negotiable CDs.

Non-Negotiable Certificates of Deposit – CDs that carry penalty if redeemed prior to maturity. A secondary market does exist for non-negotiable CDs, but redemption includes a transaction cost that reduces returns to the investor. Non-negotiable CDs issued by banks and savings and loans are insured by the FDIC up to \$250,000. Amounts deposited above \$250,000 may be secured with other forms of collateral through an agreement between the investor and issuer.

COLLATERAL: Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public moneys.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his/her own account.

DELIVERY VERSUS PAYMENT: There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery for securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signers receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety for securities offering independent returns.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., saving and loan associations, small business firms, students, farmers, farm cooperatives, and exports.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. The rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a`-vis member commercial bank.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie MAE, as the corporation is called, is a private stockholder-owned corporation. This corporation's purchase include a variety of adjustable mortgages and second loans, in addition to fixed rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA, or FMHM mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase—reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of defaults by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.)

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity, on a bond it is the current income return.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security “buyer” in effect lends the “seller” money for the period of the agreement, and the terms of the agreement are structured to compensate him/her for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuable of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

TREASURY BOND: Long-term U.S. Treasury securities having initial maturities of more than 10 years.

TREASURY NOTES: Medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to 10 years.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price with the adjustment spread over the period from the date of purchase to the date of maturity of the bonds.

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
ADOPTING INVESTMENT POLICY**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That certain document entitled, "Investment Policy" is hereby
adopted as the official investment policy for the City of Merced.

SECTION 2. The City Manager and Finance Officer are hereby authorized
and directed to comply with the Investment Policy effective immediately.

PASSED AND ADOPTED by the City Council of the City of Merced at a
regular meeting held on the _____ day of _____ 2018, by the following
vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Kelly Fincher 3/27/18
City Attorney Date

City of Merced Investment Policy

1. Policy

It is the Policy of the City of Merced and all entities of the City of Merced to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands and conforming to all state and local statutes governing the investment of public funds.

2. Scope

This investment policy applies to the investment activities of the City of Merced and all entities of the City of Merced. These funds are accounted for in the Annual Financial Reports and include:

Funds:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds
- Trust and Agency Funds

This investment policy does not apply to any retirement, deferred compensation or debt service funds administered by other agencies.

3. Prudence

Pursuant to California Government Code, Section 53600.3, all persons authorized to make investment decisions on behalf of the City are trustees and therefore fiduciaries subject to the Prudent Investor Standard:

"...all governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the City, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the City. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

The Finance Officer and other authorized persons responsible for managing City funds acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that the Finance Officer or other authorized persons acted in good faith. Deviations from expectations of a security's credit or market risk should be reported to the City Manager in a timely fashion and appropriate action should be taken to control adverse developments.

4. Objectives

Safety: Safety of principal is the foremost objective of the investment program. Funds will be invested in a manner that will preserve and protect capital in the overall portfolio.

Liquidity: A portion of the investment portfolio will remain sufficiently liquid to meet all operating requirements which might be reasonably anticipated, thereby obviating the need for forced liquidation. Liquidity requirements shall be ensured by maintaining sufficient investment amounts in, Local Investment Agency Fund, Savings, or any maturing investment.

Return on Investments: The investment portfolio will be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints for safety and liquidity needs.

With the use of daily cash balance reports and cash flow projections available funds will be invested as near as possible to 100%.

5. Delegation of Authority

The Finance Officer is designated as Investment Officer and is responsible for investment decisions and activities, under the direction of the City Manager. The Finance Officer shall be responsible for developing and maintaining administrative procedures for the operation of the program which are consistent with these policies.

The City may engage the services of one or more external investment advisers, who are registered under the Investment Advisers Act of 1940, to assist in the management of the City's investment portfolio in a manner consistent with the City's objectives. External investment advisers may be granted discretion to purchase and sell investment securities in accordance with this investment policy.

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that in a diversified portfolio, occasional measured losses may be inevitable and must be considered within the context of the overall portfolio's return and the cash flow requirements of the City.

6. Ethics and Conflicts of Interests

Any employee involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Manager any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any large personal financial/investment positions that could be related to the performance of this jurisdiction's portfolio. Employees and officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

7. Authorized Financial Dealers and Institutions

To the extent practicable, the Finance Officer shall endeavor to complete investment transactions using a competitive bid process whenever possible. The City's Finance Officer will determine which financial institutions are authorized to provide investment services to the City. It shall be the City's policy to purchase securities only from authorized institutions and firms.

The Finance Officer shall maintain procedures for establishing a list of authorized broker/dealers and financial institutions which are approved for investment purposes that are selected through a process of due diligence as determined by the City. Due inquiry shall determine whether such authorized broker/dealers, and the individuals covering the City are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all of their financial obligations. These institutions may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

In accordance with Section 53601.5, institutions eligible to transact investment business with the City include:

- Primary government dealers as designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase.

Selection of financial institutions and broker/dealers authorized to engage in transactions will be at the sole discretion of the City, except where the City utilizes an external investment adviser in which case the City may rely on the adviser for selection.

All financial institutions which desire to become qualified bidders for investment transactions (and which are not dealing only with the investment adviser) must supply the Finance Officer with audited financials and a statement certifying that the institution has reviewed the California Government Code, Section 53600 et seq. and the City's investment policy. The Finance Officer will conduct an annual review of the financial condition and registrations of such qualified bidders.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

Selection of broker/dealers used by an external investment adviser retained by the City will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue

Banks shall be selected through the banking services procurement process. A formal request for proposal of depository services shall be issued no less than every five years. In selecting banks, the Finance Officer shall review the bank's financial history and creditworthiness.

8. Authorized & Suitable Investments

The City's investments are governed by California Government Code, Sections 53600 et seq. Within the investments permitted by the Code, the City seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity, and shall be exempt from the current policy. At the time of the investment's maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by primarily purchasing securities that are of high quality, liquid, and

marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers. Funds may be used to purchase the following investment instruments:

- A. Municipal Securities which include obligations of the City, the State of California, and any local agency within the State of California, provided that:
 - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
 - No more than 30% of the portfolio may be in Municipal Securities.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed five (5) years.
- B. Municipal Securities (Registered Treasury Notes or Bonds) of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.
 - The securities are rated in a rating category of "A" or its equivalent or better by at least one nationally recognized statistical rating organization ("NRSRO").
 - No more than 30% of the portfolio may be in Municipal Securities.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed five (5) years.
- C. U.S. Treasury and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage that the City may invest in U.S. Treasuries, provided that:
 - The maximum maturity is five (5) years.
- D. Federal Agencies or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage that the City may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:
 - No more than 25% of the portfolio may be invested in any single Agency/GSE issuer.
 - The maximum maturity does not exceed five (5) years.
- E. Federally Insured Time Deposits —(Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:
 - The amount per institution is limited to the maximum covered under federal insurance.
 - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
 - The maximum maturity does not exceed five (5) years.
- F. Collateralized Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:
 - No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
 - The maximum maturity does not exceed five (5) years.
- G. Negotiable Certificates of Deposit (NCDS), issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:
 - The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
 - Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - No more than 30% of the total portfolio may be invested in NCDs.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed five (5) years.

- H. Local Agency Investment Fund (LAIF), provided that:
- The City may invest up to the maximum amount permitted by LAIF.
 - LAIF's investments in instruments prohibited by or not specified in the City's policy do not exclude the investment in LAIF itself from the City's list of allowable investments, provided LAIF's reports allow the Finance Officer to adequately judge the risk inherent in LAIF's portfolio.
- I. Collateralized Bank Deposits. City's deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651. There are no limits on the dollar amount or percentage that the City may invest in collateralized bank deposits.
- J. Bankers' Acceptances, provided that:
- They are issued by institutions which have short-term debt obligations rated "A-1" or its equivalent or better by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - No more than 40% of the portfolio may be invested in Banker's Acceptances.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed 180 days.
- K. Commercial Paper, provided that:
- The issuer is a corporation organized and operating in the United States with assets in excess of \$500 million.
 - The securities are rated "A-1" or its equivalent or better by at least one NRSRO.
 - They are issued by corporations which have long-term obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - City may purchase no more than 10% of the outstanding commercial paper of any single issuer.
 - No more than 25% of the portfolio may be invested in Commercial Paper.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed 270 days.
- L. Medium-term Notes, provided that:
- The notes are issued by a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
 - The securities are rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - No more than 30% of the total portfolio may be invested in MTNs.
 - No more than 5% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed five (5) years.
- M. Repurchase Agreements— collateralized with securities authorized under California Government Code, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the City may invest, provided that:
- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third party custodian.
 - Repurchase Agreements are subject to a Master Repurchase Agreement between the City and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
 - The maximum maturity does not exceed one (1) year.
- N. Mutual Funds and Money Market Mutual Funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, provided that:
- a. Mutual Funds that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:
1. Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and

obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.

3. No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
- b. Money Market Mutual Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and issued by diversified management companies and meet either of the following criteria:
1. Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
 2. Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500 million.
 3. No more than 20% of the total portfolio may be invested in Money Market Mutual Funds.
- O. Asset-backed, Mortgage-backed, Mortgage Pass-Through Securities, and Collateralized Mortgage Obligations, provided that:
- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
 - They are issued by an issuer having long-term debt obligations rated in a rating category of "A" or its equivalent or better by at least one NRSRO.
 - No more than 20% of the total portfolio may be invested in these securities.
 - No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer. There is no issuer limitation on any Mortgage security where the issuer is the US Treasury or a Federal Agency/GSE.
 - The maximum legal final maturity does not exceed five (5) years.
- P. Supranationals, provided that:
- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
 - The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
 - No more than 30% of the total portfolio may be invested in these securities.
 - No more than 10% of the portfolio may be invested in any single issuer.
 - The maximum maturity does not exceed five (5) years.

9. Prohibited Investment Vehicles and Practices

- State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.

10. Investment Pools/Mutual Funds

The City shall conduct a thorough investigation of any pool or mutual fund prior to making an investment, and on a continual basis thereafter. The Treasurer shall develop a questionnaire which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.

- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

11. Collateralization

Collateralization will be required on two types of investments: certificates of deposit and repurchase agreements.

Certificates of deposit must be fully insured by the FDIC; if over \$250,000 the difference must be collateralized with securities having a market value of at least 110% of the value of the public funds or 150% if the depository uses mortgaged back securities.

Collateral for repurchase agreement will have a market value of at least 102% of the specified amount in the agreement. Collateral will always be held by an independent third party with whom the City has a current custodial agreement. A clearly marked evidence of ownership must be supplied to the City and retained.

12. Delivery, Safekeeping and Custody

To ensure receipt of securities, all trades will be executed on a delivery versus" payment" or "book entry" basis.

To protect against potential fraud and embezzlement, the City of Merced's ownership of all investments and collateral will be maintained through third-party custodial safekeeping in the City's name. Bearer instruments shall be held only through third party institutions and all investment officials will be bonded. All investment transactions will require a safekeeping receipt or acknowledgment generated from the trade. A monthly report will be received by the City from the custodian listing all securities held in safekeeping with current market data and other information.

The only exceptions to the foregoing shall be depository accounts and securities purchases made with: (i) local government investment pools; (ii) time certificates of deposit, and, (iii) money market funds and mutual funds, since the purchased securities are not deliverable.

13. Risk Management and Diversification

Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The City will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy are designed to mitigate credit risk in the portfolio.
- No more than 5% of the total portfolio may be deposited with or invested in securities issued by any single issuer unless otherwise specified in this policy.
- The City may elect to sell a security prior to its maturity and record a capital gain or loss in order to manage the quality, liquidity or yield of the portfolio in response to market conditions or the City's risk preferences.
- If securities owned by the City are downgraded by an NRSRO to a level below the quality required by this investment policy, it will be the City's policy to review the credit situation and make a determination as to whether to sell or retain such securities in the portfolio.
- If a security is downgraded, the Finance Officer will use discretion in determining whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.
- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the City Manager.

Mitigating Market Risk in the Portfolio

Market risk is the risk that the portfolio value will fluctuate due to changes in the general level of interest rates. The City recognizes that, over time, longer-term portfolios have the potential to achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The City will mitigate market risk by providing adequate liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The City further recognizes that certain types of securities, including variable rate securities, securities with principal pay downs prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The City, therefore, adopts the following strategies to control and mitigate its exposure to market risk:

- The City will maintain a minimum of six months of budgeted operating expenditures in short term investments to provide sufficient liquidity for expected disbursements.
- The maximum percent of callable securities (does not include "make whole call" securities) in the portfolio will be 20%.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, except as otherwise stated in this policy.
- The duration of the portfolio will generally be approximately equal to the duration (typically, plus or minus 20%) of a Market Benchmark, an index selected by the City based on the City's investment objectives, constraints and risk tolerances.

14. Review of the Investment Portfolio

The Finance Officer shall periodically, but no less than quarterly, review the portfolio to identify investments that do not comply with this investment policy and establish protocols for reporting major and critical incidences of noncompliance to the City Manager.

15. Maximum Maturities

To the extent possible, the City of Merced will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow and authorized by the City Council, the City will not directly invest in securities maturing more than five years from the date of purchase. Any such authorization must be received no less than 90 days before the initial investment.

16. Internal Controls

The Finance Officer shall establish a system of internal controls, which shall be designed to prevent losses of public funds arising from fraud, employee error, third party misrepresentation, unanticipated changes in financial markets or imprudent actions by employees and officers.

17. Performance Standards and Evaluation

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints, the state and local laws, ordinances, or resolutions that restrict investments, and the cash flow needs.

The Finance Officer shall monitor and evaluate the portfolio's performance relative to the chosen market benchmark(s), which will be included in the monthly investment report. The Finance Officer shall select an appropriate, readily available index to use as a market benchmark.

18. Reporting

The Finance Officer shall submit a monthly investment report to the City Council and City Manager. This report will show the investments in the portfolio, specific information concerning these investments and any narrative necessary for clarification.

19. Investment Policy Adoption

The investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the Finance Officer and any modifications made thereto approved by the City Council.

GLOSSARY

- AGENCIES.** Shorthand market terminology for any obligation issued by a *government-sponsored entity (GSE)*, or a *federally related institution*. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:
- FFCB.** The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.
 - FHLB.** The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.
 - FHLMC.** Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "FreddieMac" issues discount notes, bonds and mortgage pass-through securities.
 - FNMA.** Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "FannieMae," issues discount notes, bonds and mortgage pass-through securities.
 - GNMA.** The Government National Mortgage Association, known as "GinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.
 - PEFCO.** The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.
 - TVA.** The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.
- ASKED.** The price at which a seller offers to sell a security.
- ASSET BACKED SECURITIES.** Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.
- AVERAGE LIFE.** In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.
- BANKER'S ACCEPTANCE.** A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.
- BENCHMARK.** A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.
- BID.** The price at which a buyer offers to buy a security.
- BROKER.** A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.
- CALLABLE.** A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.
- CERTIFICATE OF DEPOSIT (CD).** A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.
- CERTIFICATE OF DEPOSIT ACCOUNT REGISTRY SYSTEM (CDARS).** A private placement service that allows local agencies to purchase more than \$250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than \$250,000 each, so that FDIC coverage is maintained.
- COLLATERAL.** Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.
- COLLATERALIZED MORTGAGE OBLIGATIONS (CMO).** Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.
- COMMERCIAL PAPER.** The short-term unsecured debt of corporations.
- COST YIELD.** The annual income from an investment divided by the purchase cost. Because it does not give effect to premiums and discounts which may have been included in the purchase cost, it is an incomplete measure of return.
- COUPON.** The rate of return at which interest is paid on a bond.
- CREDIT RISK.** The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes

in the condition of the issuer.

CURRENT YIELD. The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

DEALER. A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

DEBENTURE. A bond secured only by the general credit of the issuer.

DELIVERY VS. PAYMENT (DVP). A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

DERIVATIVE. Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

DISCOUNT. The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION. Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

DURATION. The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

FEDERAL FUNDS RATE. The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

FEDERAL OPEN MARKET COMMITTEE. A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

LEVERAGE. Borrowing funds in order to invest in securities that have the potential to pay earnings at a rate higher than the cost of borrowing.

LIQUIDITY. The speed and ease with which an asset can be converted to cash.

LOCAL AGENCY INVESTMENT FUND (LAIF). A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

LOCAL GOVERNMENT INVESTMENT POOL. Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

MAKE WHOLE CALL. A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call. With this type of call, an investor is compensated, or "made whole."

MARGIN. The difference between the market value of a security and the loan a broker makes using that security as collateral.

MARKET RISK. The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

MARKET VALUE. The price at which a security can be traded.

MARKING TO MARKET. The process of posting current market values for securities in a portfolio.

MATURITY. The final date upon which the principal of a security becomes due and payable.

MEDIUM TERM NOTES. Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

MODIFIED DURATION. The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

MONEY MARKET. The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

MORTGAGE PASS-THROUGH SECURITIES. A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

MUNICIPAL SECURITIES. Securities issued by state and local agencies to finance capital and operating expenses.

MUTUAL FUND. An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or

international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO).

A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

NEGOTIABLE CD. A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

PREMIUM. The difference between the par value of a bond and the cost of the bond, when the cost is above par.

PREPAYMENT SPEED. A measure of how quickly principal is repaid to investors in mortgage securities.

PREPAYMENT WINDOW. The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

PRIMARY DEALER. A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

PRUDENT PERSON (PRUDENT INVESTOR) RULE. A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

REALIZED YIELD. The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

REGIONAL DEALER. A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

REPURCHASE AGREEMENT. Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

SAFEKEEPING. A service to bank customers whereby securities are held by the bank in the customer's name.

STRUCTURED NOTE. A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced cost of borrowing by purchasing interest rate swap agreements.

SUPRANATIONAL. A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

TOTAL RATE OF RETURN. A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. TREASURY OBLIGATIONS. Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

TREASURY BILLS. All securities issued with initial maturities of one year or less are issued as discounted instruments, and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

TREASURY NOTES. All securities issued with initial maturities of two to ten years are called Treasury notes, and pay interest semi-annually.

TREASURY BONDS. All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

VOLATILITY. The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

YIELD TO MATURITY. The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.



ADMINISTRATIVE REPORT

Agenda Item I.12.

Meeting Date: 4/2/2018

Report Prepared by: Venus Rodriguez, Finance Officer

SUBJECT: Revenue Stabilization Fund Policy and Economic Development Opportunity Fund Policy

REPORT IN BRIEF

Consider adopting the Revenue Stabilization Fund Policy and Economic Development Opportunity Fund Policy.

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2018-19**, A Resolution of the City Council of the City of Merced, California, adopting Revenue Stabilization Fund Policy; and
- B. Adopting **Resolution 2018-20**, A Resolution of the City Council of the city of Merced, California, adopting Economic Development Opportunity Fund Policy.

ALTERNATIVES

- 1. Adopt as recommended by staff: or
- 2. Refer back to staff with specific direction

AUTHORITY

Merced Municipal Code Section 3.16.120 Administration of funds

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget

DISCUSSION

During the Fiscal Year 2016-2017 budget process the Revenue Stabilization Fund and the Economic Development Opportunity Fund were established. The intention in establishing these separate funds was to develop a City Council approved policy that would identify the purpose, how resources would accumulate, the maximum amounts to accumulate, and when the funds could be used.

The Revenue Stabilization Fund was established to have funds available to mitigate unanticipated General Fund revenue shortfalls or to provide revenue for emergency circumstances such as a natural disaster. This is in addition to the city's goal of maintaining the unassigned portion of the

unrestricted General Fund balance at a minimum of the average of two months of revenue and expenditures as recommended by the Government Finance Officers Association (GFOA). The proposed policy states resources will accumulate up to a maximum of \$20,000,000. Resources will accumulate from the General Fund in amounts determined by the City Council or during the budget submission process. Per the proposed policy, the funds can be used if the City Council declares a “fiscal hardship”. If the City Manager proposes a budget for a fiscal year, where General Fund revenues result in one percent or greater reduction in funding for general City services compared to the projected operating costs then the City Council can declare a “fiscal hardship” and use the funds from the Revenue Stabilization Fund to balance the General Fund. All expenditures from this fund will require City Council approval either at the specific use or as part of the annual budget.

The Economic Development Opportunity Fund was established to provide the opportunity to take advantage of business development and/or job creation or for significant capital investment. The proposed policy states resources will accumulate up to a maximum of \$5,000,000. Resources will accumulate from any source, gains from investment, and from the General Fund during the budget submission process. Per the proposed policy, the funds can be used for several specific purposes that are associated with its intent.

On October 16, 2017 the City Council gave staff direction to evaluate the benefits of establishing a Trust 115 for Pension Liability, and if determined beneficial, to issue a request for proposal. After additional research and evaluation, staff has determined it is in the best interest of the City and is developing a request for proposals. Part of the evaluation was to determine what funding would be utilized to put into the trust. Using the model initially developed when the Revenue Stabilization and Economic Development Opportunity Funds were created staff is proposing the following in order to support these three financial resources.

The budget submission for each year will include a recommendation for a General Fund contribution of the calculated 75% excess of prior year audited unreserved General Fund balance over the GFOA recommended minimum.

Example:

Fiscal Year 15-16 audited unreserved fund balance at June 30	\$8,659,009
Fiscal Year 17-18 GFOA Recommended minimum	<u>6,681,022</u>
Excess over GFOA Minimum	1,977,987

Amount Rounded	1,900,000
	<u>75%</u>
75% of Excess	\$1,425,000

50% of 75% excess to Revenue Stabilization	\$ 712,500
20% of 75% excess to Economic Development Opportunity	285,000
30% of 75% excess to Trust 115 for Pension	<u>427,500</u>
Total	\$1,425,000

IMPACT ON CITY RESOURCES

No Appropriation of Funds is needed at this time.

ATTACHMENTS

1. Resolution-Revenue Stabilization Fund
2. Resolution-Economic Development Opportunity Fund

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
ADOPTING REVENUE STABILIZATION FUND
POLICY**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That certain document entitled, "Revenue Stabilization Fund Policy" is hereby adopted as the official revenue stabilization fund policy for the City of Merced.

SECTION 2. The City Manager and Finance Officer are hereby authorized and directed to comply with the Revenue Stabilization Fund Policy effective immediately.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the _____ day of _____ 2018, by the following vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Kelley Foreman 3/23/18
City Attorney Date

Revenue Stabilization Fund

Name of fund.

There is created and established within the budget of the City of Merced a fund to be known as the "Revenue Stabilization Fund."

Purpose of fund.

The purpose of the Revenue Stabilization Fund is to identify, reserve, and accumulate General Fund resources in order to mitigate impacts of future unanticipated General Fund revenue shortfalls, budgetary imbalances, shortages in working capital, and to provide revenue for emergency or other exigent circumstances. This is in addition to the city's goal of maintaining the unassigned portion of the unrestricted General Fund fund balance at a minimum of the average of two months of revenue and expenditures as recommended by the Government Finance Officers Association (GFOA). The resources in the General Fund Revenue Stabilization Fund shall accumulate for year to year until available reserves in the Revenue Stabilization Fund equal \$20,000,000.

Sources of resources.

- (1) There shall be deposited into the Revenue Stabilization Fund contributions from the General Fund in amounts determined by the city council.
- (2) The budget submission for each year shall include a recommendation for a General Fund contribution, which is calculated as 50% of the 75% excess of prior year audited unreserved General Fund balance over the GFOA recommended minimum.

Example:

Fiscal Year 15-16 Audited unreserved fund balance at June 30	\$8,659,009
Fiscal Year 17-18 GFOA Recommended minimum	<u>6,681,022</u>
- Excess over GFOA Minimum	1,977,987
Amount Rounded	1,900,000
	<u>75%</u>
75% of Excess	1,425,000
	<u>50%</u>
50% to Revenue Stabilization	\$ <u>712,500</u>

Use of fund.

- (1) Expenditures from this fund shall be used only for the following purposes:
 - a. If the City Council declares a fiscal hardship, requiring the use of such resources to maintain current levels of city services and programs. For purposes of this section, a "fiscal hardship" shall be deemed to occur whenever the City Manager, in the proposed budget for a fiscal year, projects a level of General Fund structural revenues that will result in a 1 percent or greater reduction in funding for general City services, as compared to the base budget that would be needed to maintain existing services. For purposes of this section, the phrase "base budget" means the projected on-going costs

needed to maintain the same level of General Fund operations as the prior fiscal year's budget.

- b. To sustain city services in the event of a catastrophic event such as a natural/manmade disaster (e.g., earthquake, windstorm, flood, terrorist attack, etc.)

- (2) All expenditures from this fund shall require prior city council approval, unless previously specifically authorized by the city council for expenditure in the annual budget.

Fund Manager.

The Finance Officer or designee shall administer the Revenue Stabilization Fund within the financial management system, and shall serve as the fund manager.

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
ADOPTING ECONOMIC DEVELOPMENT
OPPORTUNITY FUND POLICY**

THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY
RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. That certain document entitled, “Economic Development
Opportunity Fund Policy” is hereby adopted as the official economic development
opportunity fund policy for the City of Merced.

SECTION 2. The City Manager and Finance Officer are hereby authorized
and directed to comply with the Economic Development Opportunity Fund Policy
effective immediately.

PASSED AND ADOPTED by the City Council of the City of Merced at a
regular meeting held on the _____ day of _____ 2018, by the following
vote:

AYES: Council Members:

NOES: Council Members:

ABSENT: Council Members:

ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Walter J. ... 3/23/18
City Attorney Date

Economic Development Opportunity Fund

Name of fund.

There is created and established within the budget of the City of Merced a fund to be known as the "Economic Development Opportunity Fund."

Purpose of fund.

The purpose of the Economic Development Opportunity Fund is to support extraordinary economic development opportunities that create and retain employment as well as create significant capital investments. The resources in the Economic Development Opportunity Fund shall accumulate from year to year until available reserves equal \$5,000,000.

Sources of resources.

- (1) All money appropriated or allocated for inclusion in the fund, from whatever source.
- (2) Subject to any pledge, contract or other obligation, all interest or other gains from investment of money from the fund.
- (3) Any other money available and directed to be paid into the fund.
- (4) The budget submission for each year shall include a recommendation for a General Fund contribution, which is calculated as 20% of the 75% excess of prior year audited unreserved General Fund balance over the Government Finance Officers Association (GFOA) recommended minimum.

Example:

Fiscal Year 15-16 Audited unreserved fund balance at June 30	\$8,659,009
Fiscal Year 17-18 GFOA Recommended minimum	<u>6,681,022</u>
- Excess over GFOA Minimum	1,977,987
Amount Rounded	1,900,000
	<u>75%</u>
75% of Excess	1,425,000
	<u>20%</u>
20% to Revenue Stabilization	\$ <u>285,000</u>

Use of fund.

- (1) Expenditures from this fund shall be used only for the following purposes:
 - a. To retain and/or expand existing businesses located in the City
 - b. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment
 - c. To diversify the local economy, encourage economic and commercial activity, including the range of goods and services available

- d. To provide significant economic impact by attracting other businesses, jobs, or investment
- e. To increase the tax base
- f. To facilitate the development process and to achieve development on sites which would not otherwise be developed or that would be under developed without assistance
- g. To offset increased costs of development (i.e. contaminated site clean-up) over and above the costs normally incurred in development
- h. To fully utilize existing real estate, real property, existing or planned infrastructure, facility or capital improvements
- i. To contribute to the implementation of other identifiable goals of the City

(2) All expenditures from this fund shall require prior city council approval, unless previously specifically authorized by the city council for expenditure in the annual budget.

Fund Manager.

The Director of Economic Development or designee shall administer the Economic Development Opportunity Fund within the financial management system, and shall serve as the fund manager.



ADMINISTRATIVE REPORT

Agenda Item I.13.

Meeting Date: 4/2/2018

Report Prepared by: Lance Eber, Crime Analyst, Police Department

SUBJECT: Acceptance of Grant Funding From the San Joaquin Valley Air Pollution Control District Incentive Program

REPORT IN BRIEF

Consider the acceptance of grant funding in the amount of \$86,749.65 from the San Joaquin Valley Air Pollution Control District (SJVAPCD) to reimburse the City for the purchase of electric vehicles.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting the grant award and increasing the revenue budget in account 001-1002-324.02-00 by \$86,749.65; and,
- B. Appropriating the same to 001-1002-523.43-00; and,
- C. Approving the use of pooled cash until reimbursement from the grant is received; and,
- D. Authorizing the City Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve, as recommended by Staff; or,
- 2. Deny; or,
- 3. Refer back to Staff for reconsideration of specific items.

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

DISCUSSION

Background

The Merced Police Department (MPD) has not previously applied for this grant funding from the SJVAPD.

Description

The MPD submitted a grant application for the incentive program from the SJVAPCD. This incentive program provides funding for the purchase of new alternative fueled vehicles (Electric, Plug-In Hybrid, CNG, LNG, LPG, etc.) for public agencies to promote clean air alternative-fuel technologies and the use of low- or zero-emission vehicles in public fleets. Applications for this component are accepted on a first-come, first-served basis with the allowance of one application per calendar year.

Maximum funding is up to \$20,000 per vehicle, with a limit of \$100,000 per agency per year.

The MPD application included our request to fund the program accordingly:

One (1) Zero DS electric motorcycle	=	\$19,138.00
Six (6) Cushman T3 Hauler Pro	=	\$67,611.65
TOTAL REQUEST	=	\$86,749.65
Match Amount	=	\$-0-

The Zero motorcycle will be used by the MPD Traffic Unit. The six T3 units will be available and assigned for various purposes, such as: Assigned to School Resource Officers at the local high schools, used during parades and marches, used at community events requiring police presence.

This grant does not require a match of any type (in-kind or cash). It is a 100% reimbursement grant. Funds are first expended by the MPD, and then requests for reimbursement are submitted as expenses are incurred and subsequently paid. The grant program period is three years, based on the date signed by the SJVAPCD designee on the final agreement/award.

IMPACT ON CITY RESOURCES

Staff is requesting that Council accept the grant award and increase the revenue budget in Account 001-1002-324.02-00 by \$86,749.65, and appropriate the same to Fund 001-1002-523.43-00; and, allow the use of pooled cash until reimbursement from the grant is received. Without grant funding, the equipment described in this grant would not get purchased.

ATTACHMENTS

1. SJVAPCD Grant Agreement/Award

February 28, 2018

Lance Eber
City of Merced
611 W 22nd St
Merced, CA 95340

RE: **Project Status: Agreement**
Public Benefit Program Alt-Fuel Component - Project Number: **C-55146-A**

Dear Lance Eber:

Thank you for your interest in the San Joaquin Valley Air Pollution Control District (SJVAPCD) Incentive Programs. Your project has been approved for funding.

Please find the grant amount on the enclosed contract under the section: **COMPENSATION**.

Note: If the actual project costs are less than the estimated costs stated in your application, the funding amount may be reduced.

An agreement is enclosed along with the SJVAPCD Disclosure of Funds form. Please carefully review the terms and conditions of the agreement and verify that the information in the agreement is accurate. In addition, please review and complete the Disclosure of Funds form. Please sign and return both the agreement and the Disclosure of Funds form to the SJVAPCD Central Region Office in Fresno, California no later than **March 14, 2018**.

Agreements are executed after signatures from all parties involved (Applicant and SJVAPCD) have been obtained. **Do not** purchase, order, or in any way take possession of the new alternative fuel vehicle(s) until you are notified that your agreement has been executed. **Your agreement is not yet executed.**

Please do not date or place any stamps on the agreement. The agreement will be dated when the final signature is received.

If you have any questions, please call (559) 230-5800 or email weberip@valleyair.org and the Incentive Programs staff will be happy to assist you. Please be sure to reference your Project Number **C-55146-A**.

Sincerely,

Public Benefit Program Staff
Incentive Programs

Enclosures (2)
AM

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Application Received: 05/22/2017 10:34:00

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-8400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

**SJVAPCD Disclosure of Funds
Identification of Potential Co-Funding**

Public Benefit Program Alt-Fuel Component
Project Number: **C-55146-A**

To be eligible to receive incentive funding from the San Joaquin Valley Air Pollution Control District (SJVAPCD), you **must** indicate below if you have applied for or received funding from any other sources for this project. You must also indicate if you intend to apply for additional funding from other sources in the future for this project. Examples of additional funding sources include, but are not limited to, the USDA EQIP, California Air Resources Board, and private sources. Additionally, you are required to disclose the value of any current financial incentive that directly reduces the project cost; including tax credits or deductions, grants, or other public financial assistance; of the new alternative fuel vehicle(s) in this project.

Information provided on this form may be shared as required by federal, state, and local laws. Any owner, designee, or other third party who is found to have submitted multiple applications or signed multiple contracts for this same specific project without proper disclosure shall be disqualified from funding for that project from all sources within the control of the SJVAPCD, other air districts, or ARB.

NOTE: Applying for or receiving funding from other sources for this project does not necessarily preclude you from applying for or receiving funding from the SJVAPCD.

Applicant certifies (please check one):

Yes, I **HAVE** applied for funding from other sources. List applicable Source, Program and Project/Reference Number(s).

Indicate Funding amount \$ _____

No, I **HAVE NOT** applied and **WILL NOT** apply for funding from other sources.

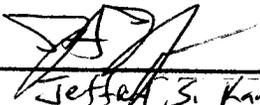
Please list here any current financial incentive(s) you have received which directly reduces the project cost:

— NONE —

Steven Carrigan
Contract Signing Authority

Contract Signing Authority Signature
APPROVED AS TO FORM:

Date
(**Date required on this document, do not date the contract.)


Jeffrey S. Kantman
Interim City Attorney

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT
PUBLIC BENEFIT GRANTS PROGRAM
FUNDING AGREEMENT
(New Alternative Fuel Vehicle Purchase)

This Agreement is made and entered into this _____ day of _____, 2018, by and between the SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, a unified air pollution control district formed pursuant to California Health and Safety Code section 40150 et seq. (District), and **City of Merced** (Participant).

WITNESSETH:

WHEREAS, the California Clean Air Act (CCAA) requires local air pollution control districts to reduce emissions from motor vehicles;

WHEREAS, AB 2766, AB 923, SB 709, and AB 2522 authorize districts to impose fees upon certain registered motor vehicles within the district, and the governing board of the District has imposed said fees;

WHEREAS, said legislation requires District to use said funds for activities related to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988; and

WHEREAS, the District has developed other funding mechanisms in order to provide grant monies for its incentive programs; and

WHEREAS, on August 11, 2011, the District began accepting applications to approve for funding those projects deemed to be most suitable for vehicle license fees and other funding; and

WHEREAS, Participant has proposed a project that meets the eligibility criteria of the Public Benefit Grants Program, New Alternative Fuel Vehicle Purchase Component and has been approved by the District for funding; and

1 **WHEREAS**, Participant represents that it is willing and able to perform the
2 activities set forth herein.

3 **NOW, THEREFORE**, based on their mutual promises, covenants, and
4 conditions, the parties hereby agree as follows:

5 **1. PROJECT**

6 The Participant agrees to purchase and place into service the type and
7 number of new alternative fuel vehicle(s) as set forth in the application attached hereto
8 and incorporated herein as Exhibit A. Participant agrees, that at the date of execution
9 of this Agreement, Participant has not yet purchased, taken possession, or ordered said
10 vehicle(s) and agrees to furnish all labor, materials, equipment, licenses, permits, fees,
11 and other incidentals necessary to perform and complete, per schedule, in a
12 professional manner, the requirements described herein. Participant agrees and
13 represents that purchase of the specified vehicle(s) subject of this Agreement is/are not
14 required by or to be used for compliance with any local, state, or federal rule or
15 regulation, settlement agreement, mitigation agreement, memorandum of
16 understanding (MOU), memorandum of agreement (MOA), or other legal mandate
17 currently in effect. Participant waives all rights to any emission reduction credits that
18 may accrue as a result of purchase of the specified vehicle(s).

19 In the event of any conflict between or among the terms and conditions of
20 this Agreement and the exhibit incorporated herein, such conflict shall be resolved by
21 giving precedence in the following order of priority:

- 22 1. To the text of this Agreement
- 23 2. Exhibit to this Agreement

24 **2. TIMETABLE/PERIOD OF PERFORMANCE**

25 Participant shall purchase and place the new alternative fuel vehicle(s)
26 into service, and submit all final claims as outlined in Paragraph 3, **no later than one**
27 **(1) year from the execution date of this Agreement.** If the Participant cannot meet
28 the project timetable as set forth herein, the Participant must notify the District in writing

1 and request to amend the Agreement to provide the Participant additional time to meet
2 all performance requirements under the Agreement. Such request is subject to review
3 and approval by the District. Participant agrees to amend the Agreement as necessary,
4 if requested by the District, to ensure the project is completed within the timetable
5 approved by the District.

6 A. **Agreement Period:** The Participant shall own and operate the new
7 alternative fuel vehicle(s) purchased under this Agreement according to the terms of
8 this Agreement for no less than three (3) years from the date in which the vehicle(s)
9 is/are first placed into service.

10 **3. COMPENSATION**

11 The total obligation of the District under this Agreement shall not exceed
12 **Eighty-Six Thousand Seven Hundred Forty-Nine And 65/100 dollars (\$86,749.65)**
13 for the purchase of the new alternative fuel vehicle(s) identified in Exhibit A. The
14 maximum funding provided per vehicle is limited to the corresponding Eligible Amount
15 identified in Exhibit A.

16 Participant shall obtain through other sources sufficient additional monies
17 to fund the total cost of the vehicle(s) as outlined in Exhibit A. In the event funding from
18 other sources for the total cost of the vehicle(s) is not received by Participant, District
19 reserves the right to terminate or re-negotiate this Agreement.

20 A. **Payments:** Advance payments shall not be permitted. The District
21 shall issue payment to Participant upon receipt of a properly supported and verified
22 claim for payment as specified in the Public Benefit Grants Program, New Alternative
23 Fuel Vehicle Purchase Component payment procedures document. The payment
24 procedures document shall be provided to Participant by the District. Payment is for
25 reimbursement to the Participant for the purchase of new alternative fuel vehicle(s) and
26 funding shall only be allowed toward the purchase of the specific vehicle(s) described
27 in Exhibit A. The District reserves the right to reduce the funding paid to the Participant
28 if it is determined that the actual invoiced costs paid by the Participant for the purchase

1 of the new vehicle(s) is/are less than the Total Eligible Amount specified in Exhibit A.
2 The District also reserves the right to reduce the funding if the Participant receives or
3 will receive co-funding from a third party that, in addition to the District's funding,
4 exceeds the total invoiced cost(s) of the new alternative fuel vehicle(s) purchased under
5 this Agreement. Participant is required to disclose all such information to the District
6 prior to the execution date of this Agreement. The Participant will not be reimbursed by
7 the District for the purchase of the new alternative fuel vehicle(s) if the Participant has
8 purchased, taken possession, or ordered the said new vehicle(s) prior to the execution
9 date of this Agreement.

10 Concurrently with the submission of any claim for payment, Participant
11 shall certify (through copies of invoices issued, checks, receipts, and the like) that
12 complete payment has been made or invoiced. Participant understands that any
13 payment received from the District to fund the vehicle(s) in this Agreement may be
14 subject to taxation and the District will issue a form 1099 to the Participant. Any tax
15 liability on the funds provided by the District shall be the sole responsibility of the
16 Participant.

17 **B. Surplus Funds:** Any compensation, which is not expended by
18 Participant pursuant to the terms and conditions of this Agreement by the project
19 completion date, shall automatically revert to District. Only expenditures incurred by
20 Participant in the direct performance of this Agreement will be reimbursed by District.

21 **4. NON-ALLOCATION OF FUNDS**

22 The terms of this Agreement are contingent on the approval and receipt
23 of funds by the appropriating government agency. Should sufficient funds not be
24 allocated, the services provided may be modified or this Agreement terminated at any
25 time by giving Participant thirty (30) days' prior written notice.

26 **5. ANNUAL REPORTING**

27 Participant shall submit annual reports on the vehicle(s) that include the
28 following information:

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1. Participant contact information;
2. Proof of current California registration for the new alternative fuel vehicle(s);
3. Proof of insurance as required by paragraph 11.
4. Annual miles or hours traveled (including mileage/activity or hour/activity logs for documentation);
5. Summary of maintenance performed;
6. Any other pertinent information requested by the District on a form to be provided to the Participant by the District.

Annual reporting will be required for three (3) subsequent years following the purchase of the new alternative fuel vehicle(s). The first year annual report is due on the anniversary date of when the new alternative fuel vehicle(s) was/were first placed into service and for each ensuing year thereafter. Noncompliance with the reporting requirements shall result in on-site monitoring by District personnel and will impact the Participant's ability to receive funding from the District for future projects. Participants with annual reports more than six (6) months late will not be granted any additional grant funds from the District until all reports are satisfactorily submitted.

The District or representative designated by the District reserves the right to monitor the vehicle(s), enforce the terms of this Agreement at any time during the Agreement Period specified in subparagraph 2.A, and pursue repayment of funds for non-compliance within the terms and conditions of this Agreement or applicable state laws or regulations.

6. TERMINATION

A. Breach of Agreement: District may immediately suspend or terminate this Agreement, in whole or in part, where in the determination of District there is:

1. An illegal or improper use of funds;
2. A failure to comply with any term of this Agreement;

1 independent contractor and shall act in an independent capacity and not as an officer,
2 agent, servant, employee, joint venture, partner, or associate of District or ARB.
3 Furthermore, District shall have no right to control or supervise or direct the manner or
4 method by which Contractor shall perform its work and function. However, District shall
5 retain the right to administer this Agreement so as to verify that Contractor is performing
6 its obligations in accordance to the terms and conditions thereof. Contractor and District
7 shall comply with all applicable provisions of law and the rules and regulations, if any,
8 of governmental authorities having jurisdiction over matters the subject thereof.

9 Because of its status as an independent contractor, Contractor shall have
10 absolutely no right to employment rights and benefits available to District employees.
11 Contractor shall be solely liable and responsible for providing to, or on behalf of, itself
12 all legally required employee benefits. In addition, Contractor shall be solely responsible
13 and save District harmless from all matters relating to payment of Contractor's
14 employees, including compliance with social security, withholding, and all other
15 regulations governing such matters. It is acknowledged that during the term of this
16 Agreement, Contractor may be providing services to others unrelated to District or to
17 this Agreement.

18 **9. NON-ASSIGNMENT**

19 Participant may not assign, sell, transfer, license, or subcontract any rights
20 or obligations to a third party within or outside of the District's boundaries without the
21 express prior consent of the District for the duration of the Agreement Period specified
22 in subparagraph 2.A. If the Participant sells or transfers ownership of the vehicle(s) or
23 any portion thereof for any reason, or is required to replace the vehicle(s) with cleaner
24 vehicle(s) prior to the end of the Agreement Period, the Participant must request and
25 receive written consent from the District prior to selling or transferring ownership of the
26 vehicle(s) or any portion thereof.

27 Prior to completing the transaction, the Participant understands that it is
28 responsible to inform the party purchasing the vehicle(s) of the Agreement provisions

1 and disclose the remaining Agreement term. The Participant shall be responsible for
2 establishing an agreement between the new owner and District in order to facilitate the
3 transfer of the Agreement provisions and terms. The Participant shall provide the
4 prospective new owner with valid contact information for the District so the new owner
5 can assume legal responsibility under the original Agreement or enter into a new
6 Agreement with the District, for the remainder of the Agreement Period. Participant
7 understands that they shall not be relieved of their legal obligation to fulfill the conditions
8 of this Agreement unless the new owner has assumed responsibility through an
9 executed agreement with the District.

10 **10. INDEMNIFICATION**

11 Participant agrees to indemnify, save, hold harmless, and at District's
12 request, defend the District, its boards, committees, representatives, officers, agents,
13 and employees from and against any and all costs and expenses (including reasonable
14 attorneys' fees and litigation costs), damages, liabilities, claims, and losses (whether in
15 contract, tort, or strict liability, including, but not limited to, personal injury, death, and
16 property damage) which arise or are alleged to arise directly or indirectly from any act
17 or omission of Participant, its officers, agents, sub participants, or employees in their
18 performance of this Agreement, or out of the operations of the Participant.

19 **11. INSURANCE AND VEHICLE WARRANTY**

20 Participant is responsible for securing warranty and maintaining
21 replacement value insurance on the new alternative fuel vehicle(s) for the duration of
22 the Agreement Period specified in subparagraph 2.A. The new alternative fuel
23 vehicle(s) purchased through this Agreement must not be tampered with or modified in
24 any such manner than would void the warranty of the vehicle(s). Insurance coverage
25 must be sufficient to repay the District's investment in case major damage to the new
26 alternative fuel vehicle(s) occurs during the Agreement Period. A copy of the current
27 insurance for each vehicle purchased under this Agreement is required to be submitted
28 annually with the Participant's annual report.

1 In the event that the new alternative fuel vehicle(s) purchased under this
2 Agreement is/are in an accident, stolen, destroyed, or otherwise rendered temporarily
3 or permanently inoperable, the Participant must immediately inform the District of such
4 damage(s) and repair or replace the vehicles(s) within three (3) months from the date
5 of the occurrence at the Participant's expense and to the standards which meet all
6 program requirements for the remainder of the Participant's obligation under this
7 Agreement.

8 If the Participant repairs a vehicle rendered temporarily inoperable, said
9 repairs shall include any and all repairs necessary to restore the vehicle and any
10 optional equipment purchased under this Agreement to a reasonable condition. If the
11 Participant replaces a vehicle rendered permanently inoperable; said replacement shall
12 include an equivalent vehicle(s) that, at a minimum, meets all program eligibility
13 requirements, including emission level, Gross Vehicle Weight Rating (GVWR), etcetera.
14 As the replacement of a vehicle may require an amendment to the existing Agreement,
15 the Participant must receive prior authorization from the District in advance of any
16 purchases, and must provide any and all replacement vehicle information to the District.

17 In the event the Participant does not repair or replace vehicle(s) that
18 become inoperable to fulfill the Agreement Period specified in subparagraph 2.A, the
19 District may undertake actions pursuant to this Agreement, including recouping a
20 portion or all incentive funds provided for the vehicle(s) in question.

21 **12. RECORD KEEPING**

22 Participant shall maintain records sufficient to provide, on an annual basis,
23 information regarding annual mileage, fuel usage, invoices, general maintenance
24 details, correspondence associated with the application, award, agreement, monitoring,
25 enforcement, and reporting requirements and any other available information that may
26 be deemed pertinent to the evaluation of the program for at least two (2) years after the
27 equipment project term or three (3) years after final payment, whichever is later.
28 Records shall be readily available and accessible to the District, or District designated

1 representative, upon request for the purposes of ongoing evaluations or auditing.

2 **13. NOTICES**

3 The persons and their addresses having authority to give and receive
4 notices under this Agreement are as follows:

<p>5 PARTICIPANT 6 Steven Carrigan 7 City Manager 8 City of Merced 9 678 W 18th St 10 Merced, CA 95340</p>	<p>DISTRICT Seyed Sadredin Executive Director/APCO San Joaquin Valley Unified APCD 1990 East Gettysburg Ave. Fresno, CA 93726</p>
--	---

11 Any and all notices between District and Participant provided for or
12 permitted under this Agreement or by law shall be in writing and shall be deemed duly
13 served when personally delivered to one of the parties, or in lieu of such personal
14 service, when deposited in the United States mail, postage prepared, addressed to such
15 party.

16 **14. AUDITS AND INSPECTIONS**

17 In addition to enforcement by the District or designated representative(s)
18 of the District, the District reserves the right to perform audits of vehicle(s) and
19 documentation and enforce the terms of this Agreement at any time during the
20 Agreement term.

21 If, after audit, the District makes a determination that funds provided to the
22 Participant pursuant to this Agreement were not spent in conformance with this
23 Agreement or any other applicable provisions of law, the Participant agrees to
24 immediately reimburse District all funds determined to have been expended not in
25 conformance with said provisions.

26 **15. POLITICAL ACTIVITY PROHIBITED**

27 None of the funds, materials, property, or services provided under this
28 Agreement shall be used for any political activity, or to further the election or defeat of
any candidate for public office contrary to federal or state laws, statutes, regulations,
rules, or guidelines.

1 **16. LOBBYING PROHIBITED**

2 None of the funds provided under this Agreement shall be used for
3 publicity, lobbying, or propaganda purposes designed to support or defeat legislation
4 before the Congress of the United States of America or the Legislature of the State of
5 California.

6 **17. CONFLICT OF INTEREST**

7 No officer, employee, or agent of District who exercises any function or
8 responsibility for planning and carrying out the services provided under this Agreement
9 shall have any direct or indirect personal financial interest in this Agreement. Participant
10 shall comply with all federal and state conflict of interest laws, statutes, and regulations,
11 which shall be applicable to all parties and beneficiaries under this Agreement and any
12 officer, agent, or employee of District.

13 **18. GOVERNING LAW**

14 This Agreement shall be governed in all respects by the laws of the State
15 of California. Venue for any action arising out of this Agreement shall only be in Fresno
16 County, California.

17 **19. COMPLIANCE WITH LAWS**

18 The Participant shall comply will all federal and state laws, statutes,
19 regulations, rules, and guidelines which apply to its performance under this Agreement,
20 including California driving eligibility and financial liability laws.

21 **20. BINDING ON SUCCESSORS**

22 This Agreement, including all covenants and conditions contained herein,
23 shall be binding upon and inure to the benefit of the parties, including their respective
24 successors-in-interest, assigns, and legal representatives.

25 **21. TIME IS OF THE ESSENCE**

26 It is understood that for Participant's performance under this Agreement,
27 time is of the essence. The parties reasonably anticipate that Participant will, to the
28 reasonable satisfaction of District, complete all activities provided herein within the time

1 schedule outlined in this Agreement, provided that Participant is not caused
2 unreasonable delay in such performance.

3 **22. DATA OWNERSHIP**

4 Upon termination or expiration of this Agreement, all data which is
5 received, collected, produced, or developed by Participant under this Agreement shall
6 become the exclusive property of District, provided, however, Participant shall be
7 allowed to retain a copy of any non-confidential data received, collected, produced, or
8 developed by Participant under this Agreement subject to District's exclusive ownership
9 rights stated herein. Accordingly, Participant shall, if requested, surrender to District all
10 such data which is in its possession (including its sub participants or agents), without
11 any reservation of right or title, not otherwise enumerated herein.

12 District shall have the right at reasonable times during the term of this
13 Agreement to inspect and reproduce any data received, collected, produced, or
14 developed by Participant under this Agreement. No reports, professional papers,
15 information, inventions, improvements, discoveries, or data obtained, prepared,
16 assembled, or developed by Participant, pursuant to this Agreement, shall be released
17 or made available (except to District) without prior, express written approval of District
18 while this Agreement is in force, and except as otherwise required under the California
19 Public Records Act.

20 **23. NO THIRD-PARTY BENEFICIARIES**

21 Notwithstanding anything else stated to the contrary herein, it is
22 understood that Participant's services and activities under this Agreement are being
23 rendered only for the benefit of District, and no other person, firm, corporation, or entity
24 shall be deemed an intended third-party beneficiary of this Agreement.

25 **24. SEVERABILITY**

26 In the event that any one or more of the provisions contained in this
27 Agreement shall for any reason be held to be unenforceable in any respect by a court
28 of competent jurisdiction, such holding shall not affect any other provisions of this

1 Agreement, and the Agreement shall then be construed as if such unenforceable
2 provisions are not a part hereof.

3 **25. ENTIRE AGREEMENT**

4 This Agreement constitutes the entire agreement between Participant and
5 District with respect to the subject matter hereof and supersedes all previous
6 negotiations, proposals, commitments, writings, advertisements, publications, and
7 understandings of any nature whatsoever unless expressly included in this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first hereinabove written.

PARTICIPANT

DISTRICT

City of Merced

San Joaquin Valley Air Pollution Control District

Steven Carrigan
City Manager

Seyed Sadredin
Executive Director/APCO

Approved as to legal form:
San Joaquin Valley Unified Air Pollution Control District

APPROVED AS TO FORM:

Jeffrey S. Kantman
Interim City Attorney

Annette Ballatore-Williamson
District Counsel

Approved as to accounting form:
San Joaquin Valley Unified Air Pollution Control District

Mehri Barati, C.P.A.
Director of Administrative Services

For accounting use only:
Program: _____
Account No.: _____

SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT

Public Benefit Grants Program

New Alternative Fuel Vehicle Purchase Component

Unit	New Vehicle Model Year	New Vehicle Make and Model	Vehicle Type	Natural Gas Conversion Test Group (if applicable)	Eligible Amount
1	2017	Cushman Hauler Pro	Battery-Electric	N/A	\$11,268.61
2	2017	Cushman Hauler Pro	Battery-Electric	N/A	\$11,268.61
3	2017	Cushman Hauler Pro	Battery-Electric	N/A	\$11,268.61
4	2017	Cushman Hauler Pro	Battery-Electric	N/A	\$11,268.61
5	2017	Cushman Hauler Pro	Battery-Electric	N/A	\$11,268.61
6	2017	Cushman Hauler Pro	Battery-Electric	N/A	\$11,268.60
7	2017	Zero DS	Battery-Electric	N/A	\$19,138.00

Total Number of Vehicles: 7

Total Eligible Amount: \$86,749.65



ADMINISTRATIVE REPORT

Agenda Item I.14.

Meeting Date: 4/2/2018

Report Prepared by: Lieutenant Alan Ward, Police

SUBJECT: Accept and Appropriate Donated Funds for Police K9 Unit

REPORT IN BRIEF

Accept private person donations from Mary Allison (\$100, unspecified), North Merced Rotary (\$1,000 for Safe Kids ID), John Bankson \$2,000 (for K9), and William/Jung Purcell (\$100, unspecified) and appropriate to specified accounts.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting donations totaling \$3,200 for the Police Department and Police K9 Unit; and,
- B. Increasing Police Revenue Account #001-1001-360.02-01, "Contributions and Donations," in the amount of \$3,200 and appropriating to expense accounts: \$1,000 to 001-1037-522.29-00 (Public Relations), and \$2,200 to 001-1027-522.29-00 (K9).

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to other than recommended by staff; or,
- 3. Deny; or,
- 4. Refer to staff for reconsideration of specific terms; or,
- 5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As it pertains to public safety.

DISCUSSION

The Police Department has received four separate donations in the amount of \$3,200. Three of the donations are from private individuals, totaling \$2,200. Two of the donations (totaling \$2,100) were from community members wishing to donate to the Merced Police K9 Unit; and the third is for \$100 and will also be designated to support the K9 Unit.

The fourth donation, in the amount of \$1,000, is from the North Merced Rotary, specifically for the Safe Kids ID Kits. These kits are given out at community events to families and to individuals who attend the functions.

IMPACT ON CITY RESOURCES

Accept and increase revenue account line 001-1001-360.02-01 by \$3,200, and appropriate \$1,000 to 001-1037-522.29-00 and \$2,200 to 001-1027-522.29-00.

ATTACHMENTS

None.



ADMINISTRATIVE REPORT

Agenda Item I.15.

Meeting Date: 4/2/2018

Report Prepared by: Jacob Struble, Lieutenant, Merced Police Department

SUBJECT: Street Closure for Youth Sports Parade

REPORT IN BRIEF

Street closure request for the Youth Sports Parade on Saturday, April 14, 2018.

RECOMMENDATION

Council - Adopt a motion approving the street closures of W. Main Street, from "G" Street to "O" Street, including side streets, and "O" Street from W. Main Street to W. 21st Street, as requested by Merced Golden Lions for the Youth Sports Parade on Saturday, April 14, 2018. Street closures will be from 8:00 a.m. to 1:00 p.m., subject to the conditions outlined in the administrative report.

ALTERNATIVES

1. Approve, as recommended by Staff; or,
2. Approve, subject to other than recommended by Staff; or,
3. Deny; or
4. Refer to Staff for reconsideration of specific items.

AUTHORITY

City of Merced Charter, Section 200;
City of Merced Municipal Code Section 12.42.010;
State of California Vehicle Code Section 21101(e).

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

DISCUSSION

A request was received from Jim Weaver (Merced Golden Lions Club), on March 9, 2018, to close W. Main Street, and the side streets, for the Youth Sports Parade. The request is for the closure of the following streets:

- W. Main Street from "G" Street to Martin Luther King Jr Way (this portion of W. Main Street will be closed for the parade assembly);
- "H" Street from W. 16th Street to W. 18th Street;
- "I" Street from W. 16th Street to W. 18th Street;
- W. Main Street from Martin Luther King Jr Way to "O" Street (this portion of W. Main Street will be for

the parade route);

“K” Street from W. 16th Street to W. 18th Street;

Canal Street from W. 18th Street to W. Main Street;

“N” Street from W. 16th Street to W. 18th Street;

“O” Street between W. Main Street and W. 21st (“O” Street will be closed for parade termination).

The Youth Sports Parade staging area will be on W. Main Street between “G” Street and Martin Luther King Jr Way. The street closure for W. Main Street from “G” Street to Martin Luther King Jr Way, including side streets, will be from 8:00 A.M. to 12:00 P.M.

This will allow ample time for the parade assembly.

West Main Street from Martin Luther King Jr Way to “O” Street, including side streets, will be closed from 9:30 A.M. to 1:00 P.M. for the Youth Sports Parade.

The Youth Sports Parade will commence at 10:00 A.M. on W. Main Street and Martin Luther King Jr Way, going west-bound on West Main Street to “O” Street.

West Main Street and side streets off of West Main Street will be opened to traffic at the conclusion of the Youth Sports Parade, at approximately 1:00 P.M.

The Merced Police Department will provide traffic control services during this event. The Merced Police Department will station a Police Officer at the intersections of W. Main Street and Martin Luther King Jr. Way, and at W. Main Street and “M” Street, to allow traffic to flow north- and south-bound during the parade. If other City services are needed beyond the assistance of the Merced Police Department, the request will be made separately and to the appropriate departments.

The Merced Golden Lions Club will take full responsibility for notifying the businesses and residences along the parade route, providing ample notification of the event. The posting of No Parking signs, along the parade route and staging area, shall be done no less than twenty-four (24) hours prior to the event. The parade is expected to bring approximately 1,000 spectators.

The Youth Sports Parade would be held subject to the following conditions:

1. Event sponsors shall furnish a certificate of liability insurance with coverage of no less than \$1,000,000.00, and naming the City of Merced as additional insured.
2. Event sponsors shall contact all businesses and residences affected by the street closure, advising them of the hours, conditions, and reason thereof.
3. Event sponsor shall be responsible for placing and removing all traffic barricades and posting of parking restrictions where streets are closed, no less than 24 hours prior to the parade.
4. Event sponsor shall be responsible for disposing of any trash and debris generated from the event.
5. Event sponsor shall provide adequate supervision throughout the parade route as required by the

Police Department.

6. Event sponsors shall agree to indemnify and hold harmless the City, its officers, agents, and employees from any and all liability, costs, damages, or injuries to persons, or damage to property which might arise out of, or in any way be connected with, the use of an encroachment/street closure permit for this event.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

The Merced Police Department will utilize approximately two (2) Police Sergeants, six (6) Police Officers, one (1) Citizen Volunteer, and thirty (30) Police Explorer Scouts to conduct traffic control for this event.

ATTACHMENTS

1. Street closure application
2. Certificate of Insurance
3. Parade route map



STREET CLOSURE APPLICATION REQUIRING CITY COUNCIL APPROVAL (OVER 400 FEET).



\$303.00 FEE (Make check payable to City of Merced)

RECEIPT NO. _____

CHECKLIST:

Prior to submitting your application, please confirm by checking (☑) the boxes below that all the following have been completed.

- X Have you completed the "Description of Event" below and signed the application on page 3? (Incomplete information may delay your application.)
- X Have you allowed at least 8-10 weeks prior to the event for your application to be placed on a City Council agenda?
- X Have you obtained the required insurance and do you have proof of that insurance to submit with your application? (See "Insurance" section on page 3 for details)
- X Has the Indemnification Agreement on page 3 of this application been signed by an authorized representative of the sponsoring organization?

After obtaining approval from the City but prior to the event, please make sure you have done the following:

- X Have you read the conditions of approval and is your event prepared to abide by all conditions?
- X Have you given public notice of the street closure to all the surrounding businesses within 1/2 mile at least 72 hours prior to the event as required in Condition #2 below? A form is provided at page 6 which can be used to inform the public. A copy of the form should be signed and returned to the Planning Division at least 24 hours before your event affirming that notice has been given per the above requirements.
- X Have you posted "No Parking" at least 24 hours prior to the event as required in Condition #1 below and using the standards outlined on page 5?
- X Have you arranged for "Special Event" City Refuse Service by calling 385-6800?
- X Have you made arrangements for any temporary barricades? (The City does NOT provide the barricades for street closures.)
- N/A Have you made arrangements for supplying any necessary electricity to your event? (Plugging outlets into City light poles is NOT allowed unless prior approval is obtained. Please call City Public Works at 385-6800 for additional information.)
- N/A If you are selling alcohol at your event, have you obtained an Alcoholic Beverage Control (ABC) license or permit for this event?

DESCRIPTION OF EVENT:

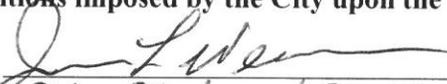
APPLICANT/EVENT SPONSOR MERCED GOLDEN LIONS CLUB
 CONTACT PERSON Jim WRAVEL PHONE [REDACTED]
 ADDRESS [REDACTED]
 DRIVER'S LICENSE NO. [REDACTED] E-MAIL [REDACTED]

INDEMNIFICATION: Event Sponsor shall indemnify, protect, defend, (with counsel selected by the City) save and hold City, its officers, employees, agents, and volunteers harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Event Sponsor or Event Sponsor's officers, employees, agents, volunteers, and participants during performance of the Event, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Event Sponsor or its officers, employees, agents, volunteers, or participants, or resulting from the negligence of the City, its officers, employees, agents, and volunteers, except for loss caused solely by the gross negligence of the City. Acceptance by City of insurance certificates and endorsements required for this Event does not relieve Event Sponsor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply.

INSURANCE: Prior to engaging in the event, Event Sponsor shall complete and file with the City a special events, general liability and automobile policy of at least \$500,000 combined limit for bodily injury and property damage which covers the entire event. Said policy shall stipulate that this insurance will operate as primary insurance and that no other insurance will be called on to cover a loss covered thereunder. Additional insured endorsements evidencing this special events, general liability and automobile coverage, naming the City and its officers, agents, and employees as additional insureds, must be submitted to the City prior to the event. This certificate shall provide that thirty (30) days written notice of cancellation shall be given to the City.

REFUSAL OR REVOCATION OF PERMIT: Failure to comply with any law, rule or regulation applicable to the use of said streets shall be grounds to revoke any such permit and, in such circumstances, the Chief of Police shall immediately revoke said permit. The Event Sponsor or permit holder, in such case, shall have the right to appeal said revocation to the City Council.

The undersigned declares under penalty of perjury that he/she has the authority to sign for and bind the Event Sponsor to the conditions imposed by the City upon the granting of this Application.

Signature: 
Print Name: JAMES L. WEAVER
Date: 3-5-2015

OFFICE USE

APPLICATION APPROVED SUBJECT TO CONDITIONS _____

BY _____
Development Services Department (385-6858)

DATE _____

BY _____
Merced Police Department (385-6912)

DATE _____

BY _____
Merced Fire Department (385-6891)

DATE _____

LIQUOR LIABILITY INSURANCE -POLICY-

YOU HAVE APPLIED FOR STREET CLOSURE/PARKING LOT CLOSURE AND HAVE INDICATED THAT ALCOHOLIC BEVERAGES WILL EITHER BE SERVED OR SOLD AS PART OF THE FUNCTION OR ACTIVITY BEING CONDUCTED AT THIS EVENT.

THE MERCED CITY COUNCIL HAS ADOPTED ORDINANCE #1941 CHAPTER 12.42 TEMPORARY STREET CLOSURES WHEREAS WHEN ALCOHOLIC BEVERAGES ARE TO BE SERVED OR SOLD, THE GROUP OR INDIVIDUAL SHALL BE REQUIRED TO COMPLY WITH ALL OTHER LAWS RELATING TO THE SALE OF ALCOHOLIC BEVERAGES.

FOR GROUPS SELLING ALCOHOLIC BEVERAGES AT A FUNCTION OR ACTIVITY, WE RECOMMEND THAT YOU CONTACT YOUR INSURANCE CARRIER TO OBTAIN SPECIFIC INFORMATION ON COVERAGE OR CONSIDER CONTRACTING WITH A CATERER WHO ALREADY HAS THE NECESSARY PERMITS, LICENSES, AND INSURANCE COVERAGE.

WHETHER YOU SELL OR SERVE ALCOHOLIC BEVERAGES, IT IS YOUR RESPONSIBILITY OR YOUR GROUP'S RESPONSIBILITY TO COMPLY WITH THE RULES AND REGULATIONS OF THE CALIFORNIA STATE DEPARTMENT OF ALCOHOL BEVERAGE CONTROL WITH REGARD TO OBTAINING THE NECESSARY LICENSES OR PERMITS. SHOULD YOU HAVE ANY QUESTIONS REGARDING THE REQUIREMENT FOR A LICENSE OR PERMIT, YOU SHOULD CONTACT THE CALIFORNIA STATE DEPARTMENT OF ALCOHOL BEVERAGE CONTROL, 31 EAST CHANNEL STREET, ROOM 168, P. O. BOX 150, STOCKTON, CALIFORNIA 95201; TELEPHONE (209) 948-7739.

I CERTIFY THAT I HAVE READ AND REVIEWED THE LIQUOR LIABILITY POLICY OF THE CITY OF MERCED AND WILL COMPLY WITH THESE REQUIREMENTS.

SIGNATURE _____ DATE _____

N/A

EVENT DATE _____

LOCATION OF EVENT _____

DESCRIPTION OF EVENT (Continued):

DESCRIPTION OF EVENT (include equipment, obstructions, etc., to be placed in the encroachment area)

YOUTH SPORTS PARADE
STREETS BLOCKED ON MAIN ST FROM G ST TO O ST
AND O ST FROM MAIN TO 21 ST

THIS EVENT WILL SELL OR SERVE ALCOHOL: Yes _____ or No

ESTIMATED NUMBER OF PEOPLE IN ATTENDANCE 1,000

DATE(S) OF EVENT 14 APRIL 2018 HOURS 8 AM TO NOON

LIST ALL STREETS PROPOSED FOR CLOSURE:

AND MAIN ST FROM G ST TO O ST
O ST FROM MAIN TO 21 ST

(PLEASE ATTACH A MAP TO IDENTIFY PARADE ROUTES, STREET CLOSURES, AND ANY OBSTRUCTIONS TO BE PLACED WITHIN THE RIGHT-OF-WAY)

STANDARD CONDITIONS FOR STREET/PARKING LOT CLOSURES/PARADES

1. Event Sponsor shall be responsible for placing and removing traffic barricades and posting of parking restrictions. "No Parking" signs shall be posted at least twenty-four (24) hours prior to towing of vehicle(s) per California Vehicle Code Section 22651(m)—see page 5.
2. Event Sponsor shall contact all businesses affected by the street/parking lot closure or parade advising them of hours, conditions and reason thereof within one-half mile of the encroachment area at least seventy-two (72) hours prior to the event. Event Sponsor shall provide the City confirmation that the proper notification was given. (A form is provided on page 6 to help the applicant with this requirement.)
3. Event Sponsor must remove all equipment, trash and debris, including "no parking" signs, generated by the event prior to the expiration of the encroachment permit.
4. Street closures shall not include major arterial streets.
5. Supervision/security shall be provided by event sponsor to ensure the safety of event participants and the public if required by the Police Department.
6. Event Sponsor shall pay for any City services required for supervision/security.
7. Alcoholic beverages may be served or sold, subject to Alcoholic Beverage Control Licensing Requirements, and subject to the Liquor Liability Insurance Policy of the City (see page 4).
8. Provisions addressed in Ordinance #1941 Chapter 12.42 (Temporary Street Closures) shall apply.
9. Event Sponsor shall be responsible for insuring that all vendors involved with the event obtain a City of Merced business license.
10. The applicant shall arrange and pay for special event City Refuse service by contacting Public Works at (209) 385-6800.
11. The applicant shall comply with the Indemnification and Insurance provisions as outlined on page 3 of this application.
12. Event sponsor shall provide and maintain a minimum 22-foot-wide emergency vehicle access path into and through the closure area at all times via movable barriers. Fire hydrant access shall not be blocked at any time whatsoever.
13. _____
14. _____

(Additional conditions may be imposed as deemed necessary)

NOTIFICATION REQUIREMENTS FOR POSTING “NO PARKING”

NO PARKING

DATE and TIMES

(Example: Wednesday, September 9, 2011,
6:00 am to 5:00 pm)

**VIOLATORS VEHICLE MAY BE TOWED
AT OWNERS EXPENSE**

MERCED POLICE DEPARTMENT

(209) 385-6912

21351 CVC / 22651(n) CVC

SIZE REQUIREMENTS

SIGN MUST BE 17” x 22” LETTERS ARE TO BE AT LEAST 1” IN HEIGHT. SIGNS MUST BE POSTED ALONG ENTIRE PARADE, STREET CLOSURE, AND/OR STAGING ROUTE OR ALONG ANY CONSTRUCTION AREA.

SIGNS MUST BE PLACED LESS THAN 3 PER BLOCK, EVENLY SPACED ON BOTH SIDES OF THE STREET, ALONG THE ENTIRE STREET CLOSURE.

LIQUOR LIABILITY INSURANCE -POLICY-

YOU HAVE APPLIED FOR STREET CLOSURE/PARKING LOT CLOSURE AND HAVE INDICATED THAT ALCOHOLIC BEVERAGES WILL EITHER BE SERVED OR SOLD AS PART OF THE FUNCTION OR ACTIVITY BEING CONDUCTED AT THIS EVENT.

THE MERCED CITY COUNCIL HAS ADOPTED ORDINANCE #1941 CHAPTER 12.42 TEMPORARY STREET CLOSURES WHEREAS WHEN ALCOHOLIC BEVERAGES ARE TO BE SERVED OR SOLD, THE GROUP OR INDIVIDUAL SHALL BE REQUIRED TO COMPLY WITH ALL OTHER LAWS RELATING TO THE SALE OF ALCOHOLIC BEVERAGES.

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I CERTIFY THAT I HAVE READ AND REVIEWED THE LIQUOR LIABILITY POLICY OF THE CITY OF MERCED AND WILL COMPLY WITH THESE REQUIREMENTS.

SIGNATURE _____ DATE _____

K/A

EVENT DATE _____

LOCATION OF EVENT _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

03/05/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER DSP Insurance 1900 E. Golf Road, Suite 650 Schaumburg, IL 60173	CONTACT NAME: John Adams PHONE (A/C, No, Ext): 1-800-316-6705 E-MAIL ADDRESS: lionsclubs@dspins.com	FAX (A/C, No): 1-888-467-2378
	INSURER(S) AFFORDING COVERAGE	
INSURED Merced Golden Lions Club Merced California	INSURER A: ACE American Insurance Company	NAIC # 22667
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Agg. Per Named Insured is \$2,000,000 GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			HDOG27867431	09/01/2017	09/01/2018	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 10,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			ISAH09061046	09/01/2017	09/01/2018	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

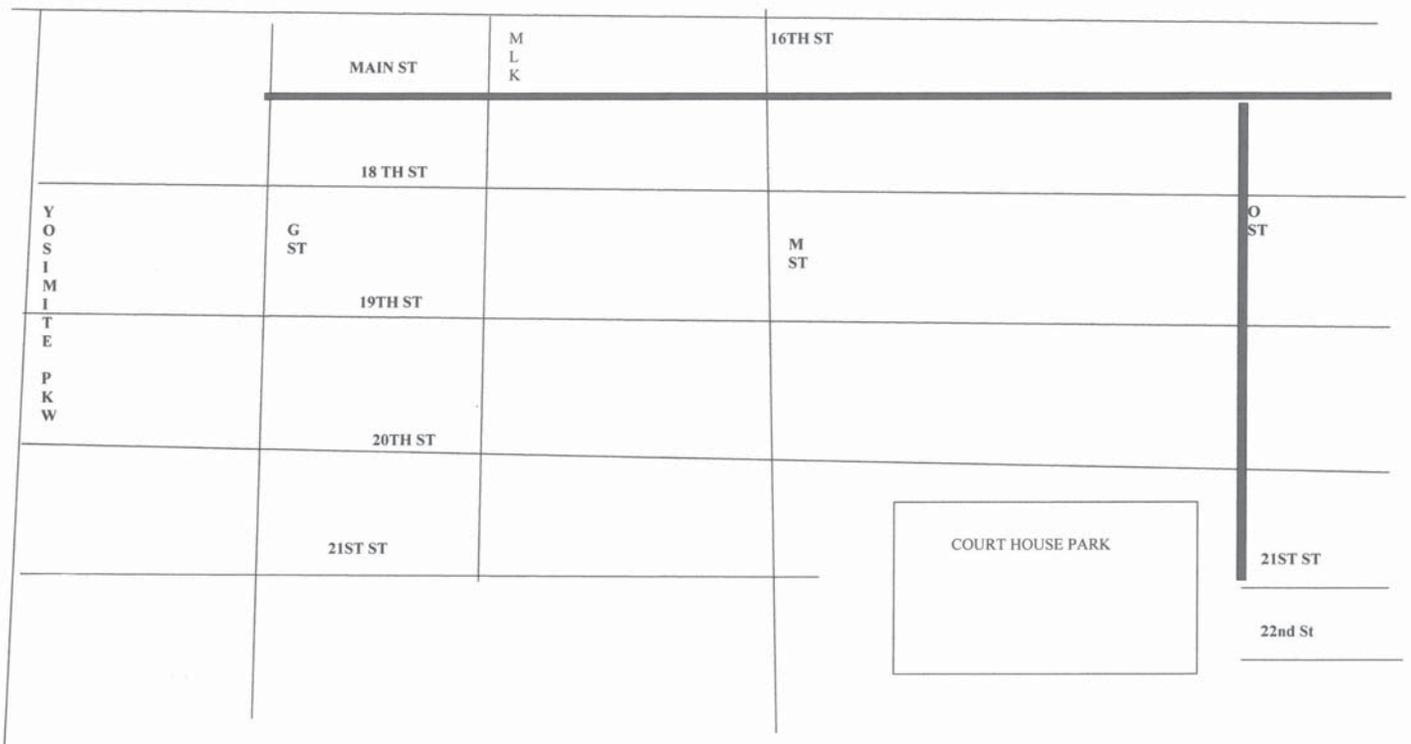
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Provisions of the policy apply to the named insureds participation in the following activity during the policy period shown above: 14 April 2018

The City of Merced and its officers, agents, and employees is included as an Additional Insured(s), but only with respect to General Liability arising out of the issuance of permit(s) to the Insured shown above and not out of the sole negligence of said additional insured.
PROVISIONS OF THE POLICY DO NOT APPLY TO THE SALE OR SERVING OF ALCOHOLIC BEVERAGES

CERTIFICATE HOLDER City of Merced 678 W. 18th st Merced California 95340	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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ADMINISTRATIVE REPORT

Agenda Item I.16.

Meeting Date: 4/2/2018

Report Prepared by: Julie Nelson, Associate Planner, Development Services Department

SUBJECT: Bellevue Ranch West, Village 12, Phase 1 - Final Map 5358

REPORT IN BRIEF

The City Council will consider approval of Final Map #5358, generally located at the southwest corner of M Street and Arrow Wood Drive (extended), and the Subdivision Agreement for Bellevue Ranch West, Village 12, Phase 1, along with a Deferred Improvement Agreement for a traffic signal and bike path.

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving **Resolution 2018-16**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for Bellevue Ranch West, Village 12, Phase 1 Subdivision (#5358); and,
- B. Approving the Subdivision Agreement for Bellevue Ranch West, Village 12, Phase 1; and,
- C. Approving the Deferred Improvement Agreement for the deferral of certain improvements related to Bellevue Ranch West, Village 12, Phase 1, between the City of Merced and Stonefield Home, Inc.; and,
- D. Approving a Reimbursement Agreement between the City of Merced and Stonefield Home, Inc. for the installation of a traffic signal at Cardella Road and M Street as prescribed in Chapter 17.62 of the Merced Municipal Code and related Administrative Policy and Procedure A-32; and,
- E. Authorizing the City Manager or the Assistant City Manager to execute the Subdivision Agreement, the Deferred Improvement Agreement, and the Reimbursement Agreement.

ALTERNATIVES

- 1. Approve the request as recommended by staff; or,
- 2. Deny the request; or,
- 3. Approve, subject to modifications as conditioned by Council; or
- 4. Refer back to staff for reconsideration of specific items (specific items to be addressed in City Council motion); or,
- 5. Continue to a future City Council meeting (date and time to be specified in City Council motion).

AUTHORITY

Chapter 24 of Title 18, Subdivisions, of the Merced Municipal Code (MMC) deals with final maps. Section 18.24.120 gives the City Council authority to approve the final map and agreements as long as it is consistent with the Tentative Map.

DISCUSSION

The proposed subdivision (Bellevue Ranch West, Village 12, Phase 1), is generally located at the southwest corner of M Street and Arrow Wood Drive (extended) (Attachment 1). This is the first phase of Village 12, which would ultimately subdivide approximately 55 acres into 242 single-family lots through 7 phases. Phase 1 includes the subdivision of 44 lots, which vary in size from approximately 4,700 square feet to approximately 12,700 square feet (Attachment 2). The owner/developer, Stonefield Home, Inc., has substantially complied with the previously approved tentative map for this site (Tentative Map #1304), and has complied with the Conditions of Approval listed in Planning Commission Resolution #3065 (Attachment 3), adopted by the Planning Commission on March 23, 2016. The owner/developer has submitted an application for a final map approval in compliance with the Subdivision Map Act and City Subdivision Ordinance. It is now appropriate to approve the Final Map (Attachment 2) and Subdivision Agreement (Attachment 4).

The developer is required to install all public improvements within the subdivision. As a condition of approval, the developer is also required to install the traffic signal at Cardella Road and M Street and extend the existing bike path on the west side of the subdivision to Arrow Wood Drive. The traffic signal is eligible for full reimbursement pursuant to Chapter 17.62 of the Merced Municipal Code and related Administrative Policy and Procedure A-32. A Reimbursement Agreement (Attachment 5) has been signed by Stonefield Home, Inc. agreeing to install the traffic signal, with full reimbursement being paid by the City in the form of a cash reimbursement and/or fee credits in an amount not to exceed the approved Engineer's Estimate. The developer shall be entitled to a cash reimbursement based on a first-in-time basis and based on availability of public facility fee program funds. Fee credits may be given at the time of building permit issuance in an amount not to exceed the approved Engineer's Estimate. Security in the form of bonds or letter of credit are required to cover the cost of the construction of the traffic signal. No reimbursement or credit shall be given until the traffic signal has been approved by the City and a Notice of Completion has been filed with the County Recorder's Office.

A separate agreement has been included for the deferral of the installation of the bike path (Attachment 6). This agreement obligates the developer to complete the extension of the bike path by the end of Phase 7. Security in the form of bonds or letter of credit are required for these improvements.

The subdivision was annexed into the Community Facilities District (CFD) for Services (CFD No. 2003-2) as part of Annexation No. 2 in 2005.

City Council Action

The proposed Final Subdivision Map substantially complies with the approved Tentative Map for this site (TSM #1304). Therefore, the City Council should adopt the Resolution found at Attachment 7 approving Final Map #5358 for Bellevue Ranch West, Village 12, Phase 1, approve the Subdivision Agreement, and Deferred Improvement Agreement for Bellevue Ranch West, Village 12, Phase 1,

and the Reimbursement Agreement with Stonefield Home, Inc.

ATTACHMENTS

1. Location Map
2. Final Subdivision Map #5358
3. Planning Commission Resolution #3065
4. Subdivision Agreement
5. Reimbursement Agreement
6. Deferred Improvement Agreement
7. Draft City Council Resolution approving Final Map #5358



BELLEVUE

VACANT
COMMERCIAL

VACANT
COMMERCIAL

VACANT
MULTI-FAMILY
RESIDENTIAL

COUNTY

NOT PART
OF PROJECT

BELLEVUE RANCH
VILLAGE 12

SINGLE FAMILY
RESIDENTIAL

SINGLE FAMILY
RESIDENTIAL

MERCED
COLLEGE

Legend

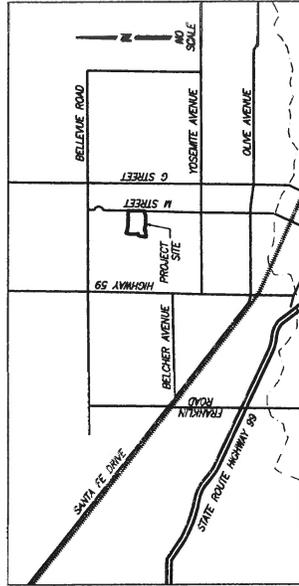
-  Subject Site
-  City Limit



**TRACT NO. 5358
BELLEVUE RANCH WEST
VILLAGE 12 - PHASE 1**

BEING A SUBDIVISION OF A PORTION OF SECTION 6,
TOWNSHIP 7 SOUTH, RANGE 14 EAST,
MOUNT Diablo BLASE AND MERIDIAN,
CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA
MAY 2017

BENCHMARK ENGINEERING, INC.
915 17TH STREET, MODESTO, CALIFORNIA, 95354



TITLE REPORT:

PRELIMINARY TITLE REPORT
PREPARED BY: FIDELITY NATIONAL TITLE COMPANY
FILE NO.: FFM-301502016-0M
DATE: 31 MARCH, 2017
APPLICABLE TO: USED IN PREPARATION OF THIS PLAT AND CONSIDERED A PART HERETO BY REFERENCE.

OMITTED SIGNATURE STATEMENT:

PURSUANT TO SECTION 66439(a)(3)(A)(IV) OF THE SUBDIVISION MAP ACT, THE FOLLOWING SIGNATURES HAVE BEEN OMITTED:
TYPE OF INTEREST: EASEMENT FOR PUBLIC UTILITIES AND OTHER PURPOSES
IN FAVOR OF: GREAT WESTERN POWER COMPANY OF CALIFORNIA
BOOK 215 OF OFFICIAL RECORDS, PAGE 254, M.C.R., RECORDED 9 MAY, 1988
DEED REFERENCE:

RIGHT TO FARM STATEMENT:

PER MERCED COUNTY ORDINANCE NO. 1213:
THE PROPERTY DESCRIBED ON THE HEREIN SHOWN MAP IS IN THE VICINITY OF LAND UTILIZED FOR AGRICULTURAL AND RURAL PURPOSES. THE PROPERTY IS NOT TO BE USED FOR THE USE OF AGRICULTURAL CHEMICALS, INCLUDING, BUT NOT LIMITED TO, PESTICIDES AND FERTILIZERS, AND FROM THE PURSUIT OF AGRICULTURAL OPERATIONS INCLUDING, BUT NOT LIMITED TO, PLANNING, SPRAYING, AND BURNING WHICH OCCASIONALLY MAY GENERATE DUST, SMOKE, NOISE, AND ODOR.
THE COUNTY OF MERCED HAS ESTABLISHED AGRICULTURE AS A PRIORITY USE IN AGRICULTURAL ZONES WHICH ARE OUTSIDE OF AN ESTABLISHED SPECIFIC URBAN DEVELOPMENT (SUDP) BOUNDARY, RURAL RESIDENTIAL CENTER (RRC) BOUNDARY, RURAL INTERMEDIATE CENTER (RIC) BOUNDARY, OR AGRICULTURAL SERVICE CENTER (ASC) BOUNDARY. ANY DEVELOPMENT OR USE OF LAND IN THESE ZONES SHALL BE SUBJECT TO THE REQUIREMENTS OF THE ZONING ORDINANCE AND SHALL BE PREPARED TO ACCEPT ACKNOWLEDGMENT OF DISCOMFORT FROM NORMAL, NECESSARY AGRICULTURAL OPERATIONS.

OWNER'S STATEMENT:

THE UNDERSIGNED OWNS ALL INTERESTS HAVING ANY RECORD TITLE INTEREST IN THE LAND WITHIN THE EXTERIOR BOUNDARY OF THE SUBDIVISION AS SHOWN ON THIS MAP. HEREBY CONSENT TO THE PREPARATION AND RECORDATION OF THIS MAP. RELINQUISH ALL DIRECT RIGHTS OF ACCESS OF LOTS 18, 21, 94, AND 95 TO AND FROM FREEMAN DRIVE, AND HEREBY IRREVOCABLY OFFER FOR ADJUDICATION TO THE PUBLIC FOR PUBLIC USE, AS AN EASEMENT, THE RIGHT OF ACCESS TO AND FROM LOTS 18, 21, 94, AND 95 TO AND FROM FREEMAN DRIVE, AND ALL PUBLIC AREAS, AND HEREBY IRREVOCABLY OFFER FOR ADJUDICATION TO THE CITY OF MERCED, IN FEEL LOT 4 (PART), ALL AS SHOWN ON THIS MAP.

OWNER: STANFIELD HILL, INC., A CALIFORNIA CORPORATION
BY: Greg Hostetler - President DATE: 3-6-18
TRUSTEE: UNIBENCHMARK MORTGAGE CORPORATION, A CALIFORNIA CORPORATION
BY: Scott D. Lisle DATE: 3-8-18
SCOTT D. LISLE, Director

NOTARY STATEMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.
STATE OF CALIFORNIA } S.S.
COUNTY OF Merced }
ON March 6, 2018, BEFORE ME, A. Gonzalez,
A NOTARY PUBLIC, PERSONALLY APPEARED Greg Hostetler

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE IN THE INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.
I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND SEAL
SIGNATURE: A. Gonzalez DATE: 2/3/2018
PRINCIPAL COUNTY OF BUSINESS: Merced MY COMMISSION EXPIRES: 12/6/19

NOTARY STATEMENT:

A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE DOCUMENT TO WHICH THIS CERTIFICATE IS ATTACHED, AND NOT THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.
STATE OF CALIFORNIA } S.S.
COUNTY OF Fresno }
ON March 8, 2018, BEFORE ME, Lisa L. Fialho,
A NOTARY PUBLIC, PERSONALLY APPEARED Scott D. Lisle

WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE IN THE INSTRUMENT, AND ACKNOWLEDGED TO ME THAT HE/SHE/THEY EXECUTED THE SAME IN HIS/HER/THEIR AUTHORIZED CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT, THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.
I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND AND SEAL
SIGNATURE: Lisa L. Fialho DATE: 2/28/2018
PRINCIPAL COUNTY OF BUSINESS: Fresno MY COMMISSION EXPIRES: 2/28/2019
DATE: 2/28/2018 14:31 FILE: M:\129711\Survey_Downings\1712 PH1 FNV12EM PH1 SHEET1.89



SURVEYOR'S STATEMENT:

I HAVE EXAMINED THE INSTRUMENT UNDER MY SUPERVISION AND IS BASED UPON FIELD SURVEY AND CONFORMANCE WITH THE DIRECTIONS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE AT THE REQUEST OF BAXTER RANCHES, LLC. ON NOVEMBER 2016, I HEREBY STATE THAT THIS FINAL MAP SUBSTANTIALLY ACCURATELY REPRESENTS THE FIELD SURVEY AND THAT THE INSTRUMENT IS TRUE AND COMPLETE AS SHOWN THAT ALL MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED, OR THAT THEY WILL BE SET IN THOSE POSITIONS ON OR BEFORE JULY 31, 2019, OR BEFORE THE MONUMENTS ARE, OR WILL BE, SUBMITTED TO ENABLE THE SURVEY TO BE RETRACED.

MICHAEL HULBERT, L.S. 000
DATE: 13 MARCH 2018

CITY SURVEYOR'S STATEMENT:

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP AND IT COMPLES WITH THE SUBDIVISION MAP ACT AND THAT I AM SATISFIED THAT THIS MAP IS TECHNICALLY CORRECT.

AJE M. CARROSSO, P.L.S. 8851
DATE:

CITY ENGINEER'S STATEMENT:

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP AND STATE THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE PREVIOUS EDITIONS OF THE SUBDIVISION MAP. I HAVE REVIEWED THE ALL PROVISIONS OF THE CALIFORNIA SUBDIVISION MAP ACT AND LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.

STEVEN SON, ACTING CITY ENGINEER
LICENSE #C71269
DATE:

CITY CLERK'S CERTIFICATE:

I HEREBY CERTIFY THAT I HAVE REVIEWED THE CITY OF MERCED, STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT THIS MAP WAS APPROVED AT A REGULAR MEETING BY THE CITY COUNCIL OF THE CITY OF MERCED, STATE OF CALIFORNIA HELD ON THE DAY OF _____, 20____, AND THAT COUNCIL DID ACCEPT ON BEHALF OF THE PUBLIC ALL STREETS, AVENUES AND COURTS (SUBJECT TO SUBDIVISION IMPROVEMENTS BEING ACCEPTED BY THE CITY OF MERCED), ALL EASEMENTS AND ACCEPT ON BEHALF OF THE CITY OF MERCED, LOT 4 (PART), ALL HEREON SHOWN WITHIN THE BOUNDARIES OF THIS MAP.

STEVEN S. CARRIGAN, CITY CLERK
DATE:

SOILS REPORT:

IN ACCORDANCE WITH THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE, A PRELIMINARY SOILS REPORT FOR THE PROJECT SITE WAS OBTAINED FROM BENCHMARK ENGINEERS, INC. (TES NO. 160883.001), AND IS ON FILE IN THE OFFICE OF THE CITY ENGINEER OF THE CITY OF MERCED.

SUBDIVISION AGREEMENT:

SUBDIVISION AGREEMENT BETWEEN THE CITY OF MERCED AND BAXTER RANCHES, LLC, FOR BELLEVUE RANCH WEST, VILLAGE 12 - PHASE 1, RECORDED AS DOCUMENT NUMBER _____, DATE _____, M.C.R.

RECORDER'S STATEMENT:

FILED THIS _____ DAY OF _____, 20____, AT _____ O'CLOCK _____ M.
IN VOLUME _____ OF OFFICIAL PLATS, AT PAGES _____, M.C.R.
AT THE REQUEST OF BENCHMARK ENGINEERS, INC.
FEE: _____
BARBARA J. LEVEY, COUNTY RECORDER BY: _____, DEPUTY

TRACT NO. 5358 BELLEVUE RANCH WEST VILLAGE 12 - PHASE 1

BEING A SUBDIVISION OF A PORTION OF SECTION 6,
TOWNSHIP 7 SOUTH, RANGE 14 EAST,
MOUNT Diablo BASE, AND MERIDIAN
CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA
MAY 2017

BENCHMARK ENGINEERING, INC.
915 17TH STREET, MODESTO, CALIFORNIA, 95354

LEGEND:

- NOTE: ALL PIPE SIZES ARE INSIDE DIAMETER
- FOUND MONUMENT AS NOTED
- FOUND MONUMENT IN MONUMENT WELL, AS NOTED
- FOUND GPS MONUMENT, AS SHOWN ON REF. G.
- SET 3/4" x 24" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040
- SET 3/4" x 24" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040 ON MONUMENT WELL
- SET 3/4" x 24" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040 AT ALL REAR LOT CORNERS, AND LOT ANGLE POINTS, UNLESS NOTED AS A WITNESS CORNER
- RESTRICTED ACCESS

- O.R. OFFICIAL RECORDS
- I.A. INSTRUMENT NUMBER
- D.A. DOCUMENT NUMBER
- R.S. RECORD OF SURVEY
- P.A. PARCEL MAP
- O.P. OFFICIAL PLATS
- (M) MEASURED ON THIS SURVEY
- (R) RADIAL BEARING
- SFM SEARCHED, FOUND NOTHING
- P.U.E. PUBLIC UTILITY EASEMENT
- C&E CURVE TABLE REFERENCE
- L&R LINE TABLE REFERENCE
- C&C CALCULATED FROM REFERENCE
- M.C.R. MERCED COUNTY RECORDS

REFERENCES:

- (A) BELLEVUE RANCH WEST, VILLAGE 10, BOOK 70 OF OFFICIAL PLATS, PAGES 47 TO 55, M.C.R.
- (B) BELLEVUE RANCH WEST, VILLAGE 5, BOOK 69 OF OFFICIAL PLATS, PAGES 18 TO 28, M.C.R.
- (C) PARCEL MAP NO. 04-02, BOOK 69 OF PARCEL MAPS, PAGES 50 TO 51, M.C.R.
- (D) BELLEVUE RANCH WEST, VILLAGE 14, BOOK 71 OF OFFICIAL PLATS, PAGES 29, M.C.R.
- (E) BELLEVUE RANCH WEST, VILLAGE 14-PHASE 2, BOOK 73 OF OFFICIAL PLATS, PAGES 32 TO 37, M.C.R.
- (F) BELLEVUE RANCH WEST, VILLAGE 1, BOOK 68 OF OFFICIAL PLATS, PAGES 41 TO 51, M.C.R.
- (G) GPS SURVEY CONTROL NETWORK, BOOK 27 OF SURVEYS, PAGES 43 TO 48, M.C.R.
- (H) DOCUMENT NO. 2018-003876, M.C.R.
- (I) DOCUMENT NO. 2018-032103, M.C.R.

NOTES:

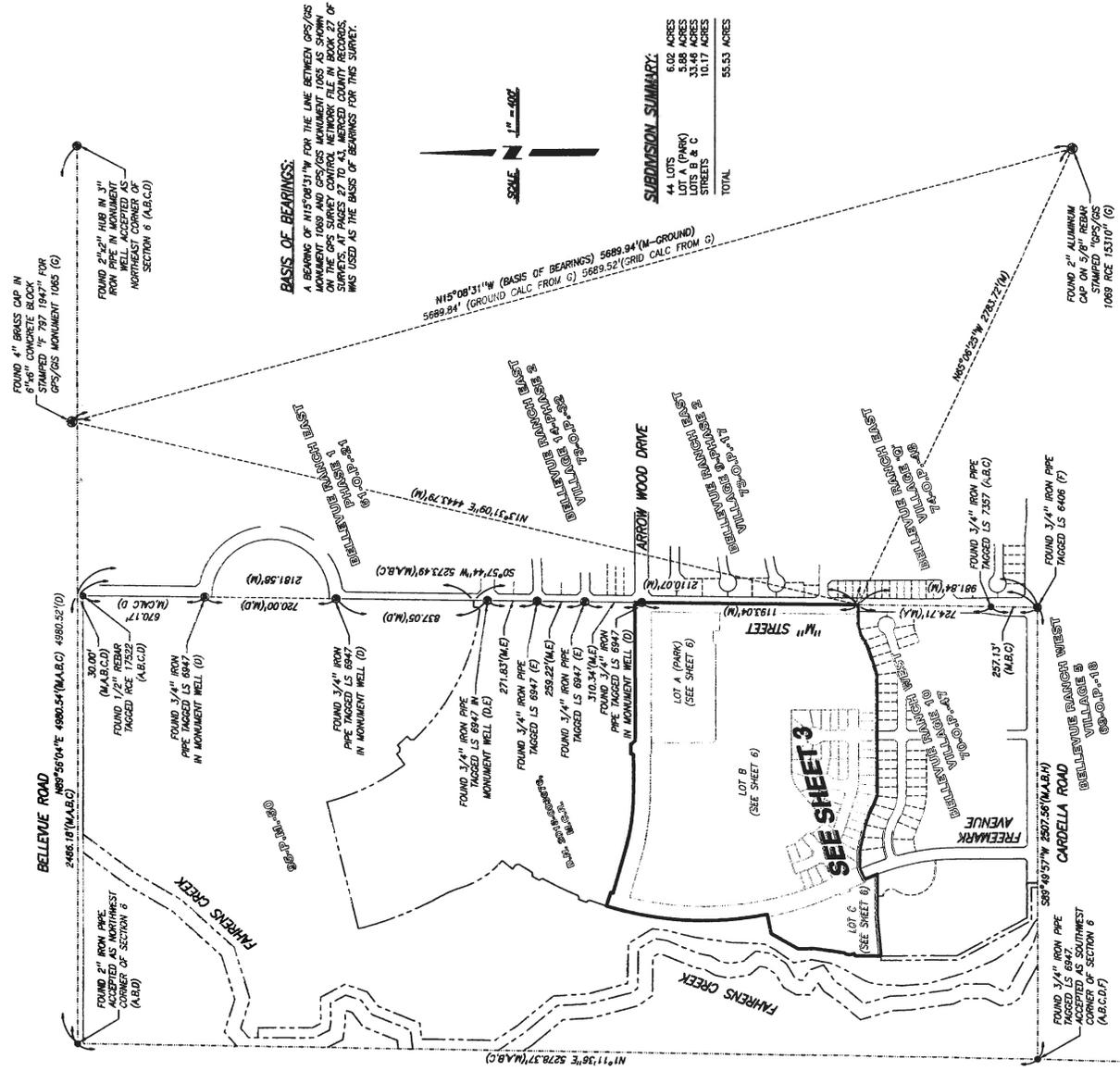
1. ALL BEARINGS AND DISTANCES SHOWN HEREON ARE MEASURED UNLESS OTHERWISE NOTED.
2. ALL DISTANCES AND DIMENSIONS SHOWN ARE IN FEET AND DECIMAL PARTS THEREOF.
3. ALL BEARING INFORMATION SHOWN IS IN MERIDIAN.
4. WITNESS CORNERS ARE SET ON THE LOT LINE, OR EXTENSION THEREOF, AT THE DISTANCE NOTED.

BASIS OF BEARINGS:
A BEARING OF N15°08'31"W FROM THE LINE BETWEEN GPS/OS 188 AND GPS/OS 189, MEASURED AT THE POINT OF BEGINNING, IS SHOWN ON THE GPS SURVEY CONTROL NETWORK FILE IN BOOK 27 OF SURVEYS, AT PAGES 27 TO 43, MERCED COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS SURVEY.



SUBDIVISION SUMMARY:

44 LOTS	6.02 ACRES
LOT A (PARK)	5.88 ACRES
LOTS B & C	33.48 ACRES
STREETS	10.17 ACRES
TOTAL	55.53 ACRES



DATE: 2/20/2018 11:14 FILE: M:\125871\Survey Drawings\12E PH1 PLAN\12PH1 SHEET2.dwg

SEE SHEET 6

REFERENCES:

- (A) BELLEVUE RANCH WEST, VILLAGE 10, BOOK 70 OF OFFICIAL PLATS, PHASES 47 TO 55, M.C.R.
- (B) BELLEVUE RANCH WEST, VILLAGE 5, BOOK 69 OF OFFICIAL PLATS, PHASES 18 TO 26, M.C.R.
- (C) BELLEVUE RANCH WEST, VILLAGE 2, BOOK 68 OF OFFICIAL PLATS, PHASES 30 TO 31, M.C.R.
- (D) BELLEVUE RANCH EAST, VILLAGE 1, BOOK 67 OF OFFICIAL PLATS, PHASES 32 TO 37, M.C.R.
- (E) BELLEVUE RANCH EAST, VILLAGE 14-PHASE 2, BOOK 73 OF OFFICIAL PLATS, PHASES 32 TO 37, M.C.R.
- (F) BELLEVUE RANCH WEST, VILLAGE 1, BOOK 68 OF OFFICIAL PLATS, PHASES 41 TO 51, M.C.R.
- (G) GPS SURVEY CONTROL NETWORK, BOOK 27 OF SURVEYS, PHASES 43 TO 48, M.C.R.
- (H) DOCUMENT NO. 2019-003676, M.C.R.
- (I) DOCUMENT NO. 2012-002103, M.C.R.

LOT AREA TABLE

LOT	SF
19	10642
20	7894
21	8820
22	5008
23	5118
24	5000
25	5088
33	4583
34	5433
35	5425
36	7058
157	7971
158	7179
159	5241

CURVE DATA TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	42°19'21"	1750.00'	1262.67'
C2	2°39'57"	300.00'	81.94'
C3	2°39'54"	193.50'	73.03'
C4	50°39'21"	300.00'	266.98'
C5	20°40'46"	300.00'	168.28'
C6	30°18'33"	300.00'	156.70'
C7	1°58'33"	300.00'	10.35'
C8	2°05'24"	329.50'	12.02'
C9	2°07'06"	270.50'	10.00'
C10	1°19'04"	1797.00'	416.13'
C11	15°11'11"	329.50'	87.53'
C12	5°41'18"	329.50'	32.71'
C13	7°29'12"	329.50'	43.05'
C14	7°22'56"	329.50'	42.45'
C15	2°28'12"	329.50'	14.20'
C16	2°30'13"	329.50'	13.43'
C17	1°42'39"	1703.00'	47.22'
C18	1°42'39"	1703.00'	47.22'
C19	3°02'58"	1703.00'	60.86'
C20	1°42'39"	1703.00'	51.85'
C21	3°02'58"	1703.00'	60.86'
C22	1°42'39"	1703.00'	51.85'
C23	1°42'39"	1703.00'	51.85'
C24	1°42'39"	1703.00'	51.85'
C25	1°42'39"	1703.00'	51.85'
C26	1°42'39"	1703.00'	51.85'
C27	1°42'39"	1703.00'	51.85'
C28	1°42'39"	1703.00'	51.85'
C29	1°42'39"	1703.00'	51.85'
C30	1°42'39"	1703.00'	51.85'
C31	1°42'39"	1703.00'	51.85'
C32	1°42'39"	1703.00'	51.85'
C33	1°42'39"	1703.00'	51.85'
C34	1°42'39"	1703.00'	51.85'
C35	1°42'39"	1703.00'	51.85'
C36	1°42'39"	1703.00'	51.85'
C37	1°42'39"	1703.00'	51.85'
C38	1°42'39"	1703.00'	51.85'
C39	1°42'39"	1703.00'	51.85'
C40	1°42'39"	1703.00'	51.85'
C41	1°42'39"	1703.00'	51.85'
C42	1°42'39"	1703.00'	51.85'
C43	1°42'39"	1703.00'	51.85'
C44	1°42'39"	1703.00'	51.85'
C45	1°42'39"	1703.00'	51.85'
C46	1°42'39"	1703.00'	51.85'
C47	1°42'39"	1703.00'	51.85'
C48	1°42'39"	1703.00'	51.85'
C49	1°42'39"	1703.00'	51.85'
C50	1°42'39"	1703.00'	51.85'
C51	1°42'39"	1703.00'	51.85'
C52	1°42'39"	1703.00'	51.85'
C53	1°42'39"	1703.00'	51.85'
C54	1°42'39"	1703.00'	51.85'
C55	1°42'39"	1703.00'	51.85'
C56	1°42'39"	1703.00'	51.85'
C57	1°42'39"	1703.00'	51.85'
C58	1°42'39"	1703.00'	51.85'
C59	1°42'39"	1703.00'	51.85'
C60	1°42'39"	1703.00'	51.85'
C61	1°42'39"	1703.00'	51.85'
C62	1°42'39"	1703.00'	51.85'
C63	1°42'39"	1703.00'	51.85'
C64	1°42'39"	1703.00'	51.85'
C65	1°42'39"	1703.00'	51.85'

LEGEND:

- NOTE: ALL PIPE SIZES ARE INSIDE DIAMETER
- FOUND MONUMENT AS NOTED
- FOUND MONUMENT IN MONUMENT WELL, AS NOTED
- FOUND GPS MONUMENT, AS SHOWN ON REF. G.
- SET 3/4" x 24" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040
- SET 3/16" x 24" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040 IN MONUMENT WELL
- SET 3/4" x 24" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040 AT ALL REAR LOT CORNERS, AND LOT ANGLE POINTS, UNLESS NOTED AS A WITNESS CORNER
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- O.R. OFFICIAL RECORDS
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- P.M. PARCEL MAP
- O.F. OFFICIAL PLATS
- (M) MEASURED ON THIS SURVEY
- (N) PAVAL BEARING
- SFN SEARCHED, FOUND NOTHING
- PU PUBLIC UTILITY EASEMENT
- CA2 CURVE TABLE REFERENCE
- LS9 LINE TABLE REFERENCE
- CALC CALCULATED FROM RECORD
- M.C.R. MERGED COUNTY RECORDS

NOTES:

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4. WITNESS CORNERS ARE SET ON THE LOT LINE, OR EXTENSION THEREOF, AT THE DISTANCE NOTED.



SEE SHEET 6

REFERENCES:

- (A) BELLEVUE RANCH WEST, VILLAGE 10, BOOK 70 OF OFFICIAL PLATS, PHASES 47 TO 55, M.C.R.
- (B) BELLEVUE RANCH WEST, VILLAGE 5, BOOK 69 OF OFFICIAL PLATS, PHASES 18 TO 26, M.C.R.
- (C) BELLEVUE RANCH WEST, VILLAGE 2, BOOK 68 OF OFFICIAL PLATS, PHASES 30 TO 31, M.C.R.
- (D) BELLEVUE RANCH EAST, VILLAGE 1, BOOK 67 OF OFFICIAL PLATS, PHASES 32 TO 37, M.C.R.
- (E) BELLEVUE RANCH EAST, VILLAGE 14-PHASE 2, BOOK 73 OF OFFICIAL PLATS, PHASES 32 TO 37, M.C.R.
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- (G) GPS SURVEY CONTROL NETWORK, BOOK 27 OF SURVEYS, PHASES 43 TO 48, M.C.R.
- (H) DOCUMENT NO. 2019-003676, M.C.R.
- (I) DOCUMENT NO. 2012-002103, M.C.R.

LOT AREA TABLE

LOT	SF
19	10642
20	7894
21	8820
22	5008
23	5118
24	5000
25	5088
33	4583
34	5433
35	5425
36	7058
157	7971
158	7179
159	5241

CURVE DATA TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	42°19'21"	1750.00'	1262.67'
C2	2°39'57"	300.00'	81.94'
C3	2°39'54"	193.50'	73.03'
C4	50°39'21"	300.00'	266.98'
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C42	1°42'39"	1703.00'	51.85'
C43	1°42'39"	1703.00'	51.85'
C44	1°42'39"	1703.00'	51.85'
C45	1°42'39"	1703.00'	51.85'
C46	1°42'39"	1703.00'	51.85'
C47	1°42'39"	1703.00'	51.85'
C48	1°42'39"	1703.00'	51.85'
C49	1°42'39"	1703.00'	51.85'
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LEGEND:

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- FOUND GPS MONUMENT, AS SHOWN ON REF. G.
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- SET 3/16" x 24" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040 IN MONUMENT WELL
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- ||||| RESTRICTED ACCESS
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SEE SHEET 6

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**TRACT NO. 5358
BELLEVUE RANCH WEST
VILLAGE 12 - PHASE 1**

BEING A SUBDIVISION OF A PORTION OF SECTION 6,
TOWNSHIP 7 SOUTH, RANGE 14 EAST,
MOUNT Diablo BASE AND MERIDIAN
CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA
MAY 2017

BENCHMARK ENGINEERING, INC.
915 17TH STREET, MODESTO, CALIFORNIA, 95354

LEGEND:

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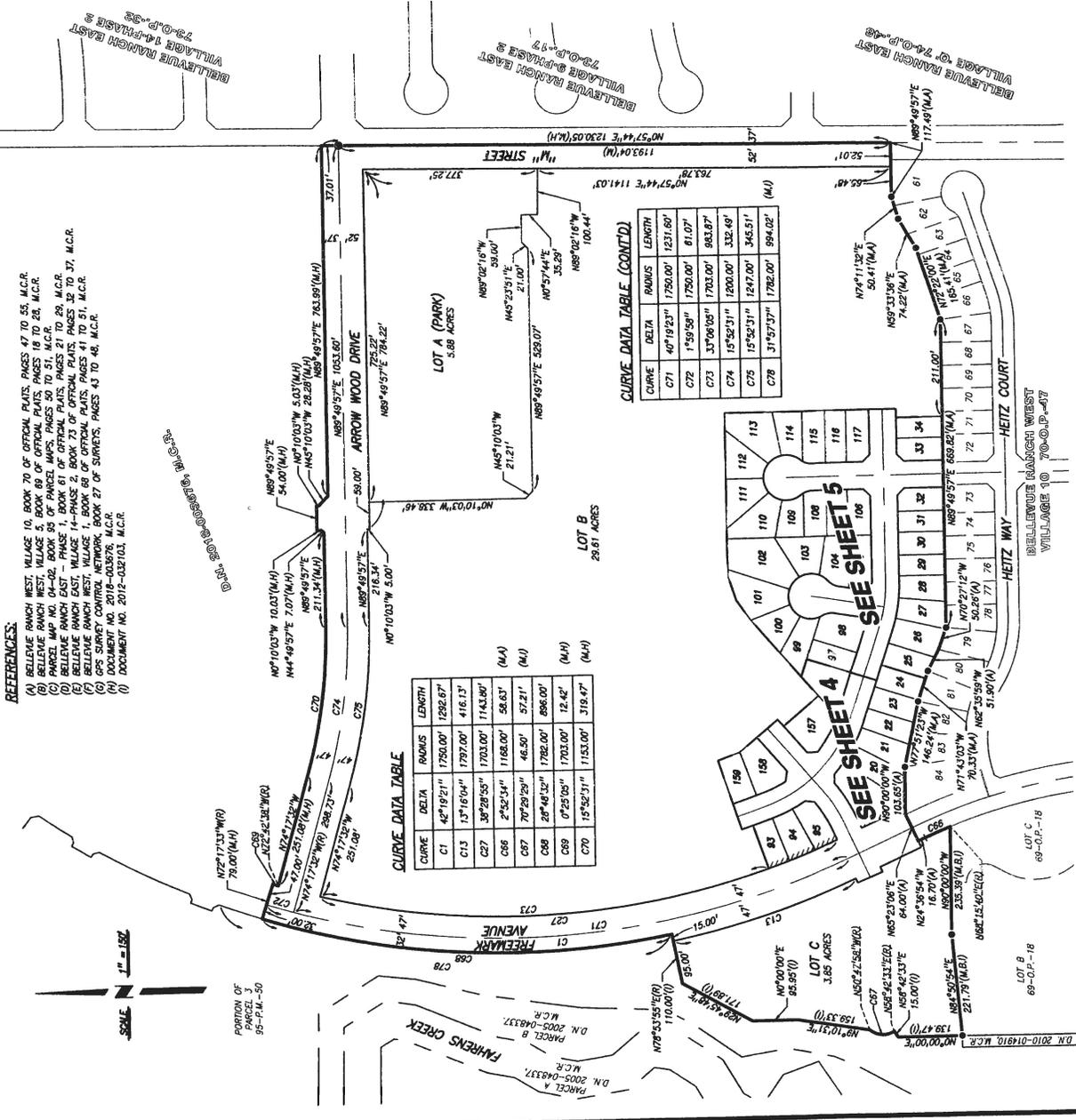
SYMBOLS:

- RESTRICTED ACCESS
- OFFICIAL RECORDS
- INSTRUMENT NUMBER
- DOCUMENT NUMBER
- RECORD OF SURVEY
- PARCEL MAP
- OFFICIAL PLATS
- (M) MEASURED ON THIS SURVEY
- (R) RADIAL BEARING
- SPY SEARCHED, FOUND NOTHING
- PUE PUBLIC UTILITY EASEMENT
- C42 CURVE TABLE REFERENCE
- L89 LINE TABLE REFERENCE
- CALC CALCULATED FROM REFERENCE
- M.C.R. MERCED COUNTY RECORDS

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3. ALL RECORD INFORMATION SHOWN IS THE SAME AS THE RECORD INFORMATION SET ON THE LOT LINE OR EXTENSION THEREOF, AT THE DISTANCE NOTED.
4. REFER TO SHEETS 4 AND 5 FOR COURSES AROUND THE RESIDENTIAL LOTS.

- REFERENCES:**
- (A) BELLEVUE RANCH WEST, VILLAGE 10, BOOK 70 OF OFFICIAL PLATS, PAGES 47 TO 55, M.C.R.
 - (B) BELLEVUE RANCH WEST, VILLAGE 5, BOOK 69 OF OFFICIAL PLATS, PAGES 16 TO 23, M.C.R.
 - (C) PARCEL MAP NO. 04-02, BOOK 59 OF PARCEL MAPS, PAGES 50 TO 51, M.C.R. TO 28, M.C.R.
 - (D) BELLEVUE RANCH EAST - PHASE 1, BOOK 51 OF OFFICIAL PLATS, PAGES 32 TO 37, M.C.R.
 - (E) BELLEVUE RANCH WEST, VILLAGE 1, BOOK 68 OF OFFICIAL PLATS, PAGES 41 TO 51, M.C.R.
 - (F) GPS SURVEY CONTROL NETWORK, BOOK 27 OF SURVEYS, PAGES 43 TO 48, M.C.R.
 - (G) DOCUMENT NO. 2012-032103, M.C.R.
 - (H) DOCUMENT NO. 2012-032103, M.C.R.



CURVE DATA TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	42°19'21"	1750.00'	1292.07'
C13	13°16'04"	1797.00'	416.13'
C22	38°28'55"	1703.00'	1143.80'
C66	2°52'34"	1168.00'	56.63'
C67	70°59'29"	46.50'	57.21'
C68	26°48'32"	1782.00'	866.00'
C69	0°25'05"	1703.00'	12.42'
C70	15°52'31"	1153.00'	319.47'

CURVE DATA TABLE (CONT'D)

CURVE	DELTA	RADIUS	LENGTH
C71	40°19'23"	1750.00'	1231.60'
C72	1°59'58"	1750.00'	61.07'
C73	33°06'08"	1703.00'	893.07'
C74	15°52'31"	1200.00'	332.49'
C75	15°52'31"	1247.00'	345.51'
C78	31°57'37"	1782.00'	894.02'

ATTACHMENT 2

CITY OF MERCED
Planning Commission

Resolution #3065

WHEREAS, the Merced City Planning Commission at its regular meeting of March 23, 2016, held a public hearing and considered **Vesting Tentative Subdivision Map #1304 (“Bellevue Ranch West, Village 12”)**, initiated by Benchmark Engineering, applicant for Baxter Ranches, LLC, property owner. This application involves the subdivision of approximately 55 acres of an 89.6-acre parcel into 242 single-family lots and dedicating approximately 6.4 acres of land for a future park. This property is generally located at the southwest corner of M Street and Arrow Wood Drive (extended), within Planned Development (P-D) #42 and has a General Plan Designation of Low Density Residential (LD); and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through Q of Staff Report #16-06; and,

NOW THEREFORE, after reviewing the City’s Initial Study and Draft Environmental Determination, and fully discussing all the issues, the Merced City Planning Commission does resolve to hereby find that the previous environmental review [Environmental Impact Report (EIR) for the Bellevue Ranch Master Development Plan (SCH#9212055)] remains sufficient and no further documentation is required (subsequent EIR/ND 15162 Findings), and approve Vesting Tentative Subdivision Map #1304, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner Padilla, seconded by Commissioner Dylina, and carried by the following vote:

AYES: Commissioners Dylina, Padilla, Smith and Chairperson Colby

NOES: Commissioners Baker, McLeod and Smoot

ABSENT: None

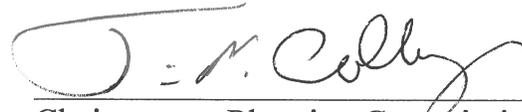
ABSTAIN: None

PLANNING COMMISSION RESOLUTION #3065

Page 2

March 23, 2016

Adopted this 23rd day of March, 2016



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

Attachment:

Exhibit A – Conditions of Approval

Conditions of Approval
Planning Commission Resolution #3065
Vesting Tentative Subdivision Map # 1304

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (Vesting Tentative Subdivision Map for Bellevue Ranch Village 12) and Exhibit 2 (Section 2.8.1 from the Bellevue Ranch Master Development Plan)- - Attachments C and F of Staff Report #16-06, except as modified by the conditions.
2. All conditions contained in Resolution #1175-Amended ("Standard Tentative Subdivision Map Conditions") shall apply.
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply.
5. All previously adopted conditions, mitigation measures, and guiding principles contained in Appendices D, E, and F of the Bellevue Ranch Master Development Plan (BRMDP) adopted by the Merced City Council on May 15, 1995, which are applicable to this project, shall apply to this tentative map and all subsequent final maps, improvement plans, building permits, and discretionary approvals.
6. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend, and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the

City indemnify and defend (with counsel selected by the City) such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

7. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control.
8. Should any conflicts arise between the tentative map conditions contained herein and those conditions, mitigation measures, and guiding principles contained in the BRMDP, Appendices D, E, and F, or any other pertinent Sections/Appendices of the BRMDP, said conditions, mitigation measures, guiding principles, and sections/appendices shall take precedence.
9. Community Facilities District (CFD) formation is required for annual operating costs for police and fire services as well as storm drainage, public landscaping, street trees, street lights, parks and open space. CFD procedures shall be initiated before Final Map approval. Developer/Owner shall submit a request agreeing to such a procedure, waiving right to protest and post deposit as determined by the Development Services Director to be sufficient to cover procedure costs and maintenance costs expected prior to first assessments being received.
10. All public improvements shall be provided along all new roadways and any damaged or missing improvements along M Street within the project area's frontage shall be repaired/replaced.
11. Developer shall construct full public improvements (including, but not limited to, curb and gutter, pavement, sidewalk and one drive approach per lot, street lights, landscaping, and utilities) on all new streets.
12. This development shall be responsible for the installation of the traffic signal at M Street and Cardella Road with the first phase of construction per Table 6.1 of the BRMDP. The developer's portion of the cost of the traffic signal

is equal to \$141 per lot. The developer shall either pay this amount at the time of certificate of occupancy issuance for each lot or the total amount (\$141 x 242 lots = \$34,122) may be deducted from the amount eligible for reimbursement from the Public Facilities Financing Program (PFFP).

13. Prior to certificate of occupancy issuance, a fee of \$861 per dwelling unit shall be collected to fund the future construction of the bridge at Fahrens Creek and Bellevue Road. This fee is in addition to all other permit and impact fees.
14. Fire hydrants shall be installed along street frontages to provide fire protection to the area. The hydrants shall meet all City of Merced standards and shall comply with all requirements of the City of Merced Fire Department. Final location of the fire hydrants shall be determined by the Fire Department.
15. All collector roads shall have a minimum right-of-way width of 74 feet for any portion of street fronting a public use (i.e., school, park, etc.). The minimum right-of-way width may be reduced to 64 feet as allowed by the BRMDP in all other areas.
16. All cul-de-sac bulbs and street knuckles shall be constructed per City Standards and provide sufficient turning radii for fire and refuse trucks.
17. Prior to the recording of a final map, the developer shall conform to the Bellevue Ranch Master Storm Drain Plan and show how storm water will be directed to the City's storm water system. The developer shall provide calculations to confirm there is capacity in the existing storm water system to serve the proposed project and that the basin will drain within 48 hours. If there is not sufficient capacity, the developer shall provide an alternative to using the existing lines and drainage basin. If the basin does not drain within 48 hours, the developer shall provide a plan to address mosquitoes and vector issues.
18. The developer shall pay the reimbursement costs for any improvements installed by prior developments that are eligible for reimbursement by this development per the provisions of the Merced Municipal Code.
19. The project shall comply with all the Post Construction Standards required to comply with state requirements for the City's Phase II MS-4 Permit (Municipal Separate Storm Sewer System).

20. The developer shall construct a Class I Bikeway to City Standards along the western edge of the project site. The bikeway shall connect with the existing bikeway on the southern boundary of the project and extend north to Arrow Wood Drive, connecting with Arrow Wood Drive at street grade (refer to Attachment H of Staff Report #16-06).
21. The Developer has agreed to pay \$100 per lot at the time of issuance of certificates of occupancy for Village 12, as payment towards developer's proportionate share of: 1) the future extension of the Class I Bikeway to the future crossing; and, 2) the cost to design, permit, and construct the bikeway crossing of the Arrow Wood Bridge over Fahrens Creek (refer to Attachment H of Staff Report #16-06). Prior to the submittal of the 121st certificate of occupancy for Village 12, the Developer and the City agree to establish through their best efforts the actual fee (based on the total number of units in the currently undeveloped Bellevue Ranch West and based on an engineer's estimate) and the Developer shall pay that adjusted fee. If the actual fee has not been established by the 121st building permit, the Developer agrees to pay \$200 per lot. The preceding requirements apply unless said bikeway improvements are modified or eliminated through subsequent City approvals. If said improvements are eliminated, any monies paid shall be refunded to the developer.
22. All dwellings shall be designed to include fire sprinklers as required by the California Fire Code.
23. No residential driveways shall front any arterial or collector street.
24. The project shall comply with all requirements of the California Building Code and all flood requirements of the Federal Emergency Management Agency (FEMA). All necessary documentation related to the construction of the residential uses shall be provided at the building permit stage.
25. Per the BRMDP, all exterior building materials shall consist of stucco, masonry, or architectural grade wood siding, and roofing materials shall consist of tile, wood shake (with acceptable fire rating), and architectural composition shingles.
26. All garages shall have a minimum setback of 20 feet measured from the property line or back of sidewalk, whichever is closest to the front of the garage. Per the BRMDP, the setback for the living area portion of the house may be reduced to 15 feet and shall be measured from the property

- line or back of sidewalk, whichever is closest to the living area portion of the house. Lot coverage shall not exceed 55% for all lots.
27. The building facades shall be of high quality design providing varied elevations and color schemes. All designs shall be consistent with the requirements of the BRMDP and Planned Development (P-D) #42.
 28. All mechanical equipment shall be screened from public view
 29. At the building permit stage, the site plans for each lot shall include a minimum 3-foot by 6-foot concrete pad located in the side yard or backyard for the storage of 3 refuse containers.
 30. Lot A (approximately 6.4 acres) as shown on the Vesting Tentative Subdivision Map shall be dedicated for park use with the Final Subdivision Map for the first phase of construction.
 31. A minimum 15-foot-wide public facilities easement shall be dedicated on all collector street frontages. Interior side yard and rear yard easements for sewer, water, or storm water shall have a minimum 15-foot wide easement.
 32. Dedication by Final Map of all interior street rights-of-way and all necessary easements will be made as shown on Vesting Tentative Subdivision Map #1304 and as needed for irrigation, utilities, drainage, landscaping, and open space.
 33. Prior to the approval of engineered improvement plans and/or final map applications(s) for any phase of the Tentative Map that trigger any improvements/alternations to any water way, the applicant shall have completed all Federal and State permitting requirements for such phase. Documentation of such permits shall be provided to the City prior to approval of a final map.
 34. Should the Federal and/or State permitting process relative to wetlands and/or waters of the United States cause the design of the Tentative map to be modified, the applicant shall reconcile the modification(s) with the City of Merced through an amended tentative map process.
 35. The Phase II site reconnaissance and sampling investigations, as required by Project EIR Mitigation Measures 6.01, 6.02, 6.03, and 6.04, shall be submitted to the Merced County Health Department and the State of California Department of Substance Control for review and comment. Consistent with the above EIR requirements, all mitigations as specified in

the reports/investigations shall be the sole responsibility of the applicant, including all costs associated with implementing mitigation. Further, all areas to be dedicated to the City, which may involve or contain environmental contamination, shall be fully mitigated by the applicant prior to recordation of final maps for affected areas and of dedication of such areas to the City. If this requirement has previously been satisfied, proper documentation showing compliance with this condition shall be provided prior to the recording of a Final Map.

36. All landscaping shall comply with State Water Resources Control Board Resolution No. 2015-0032 “To Adopt an Emergency Regulation for Statewide Urban Water Conservation” or the most recent water regulations adopted by the State and City addressing water conservation measures. If turf is proposed to be installed in park strips, high quality artificial turf (approved by the City Engineer and Development Services Director) shall be installed. All irrigation provided to street trees or other landscaping shall be provided with a drip irrigation or micro-spray system.
37. A 6-foot-tall masonry wall and landscaping shall be installed along M Street, Arrow Wood Drive, and Freemark Drive consistent with the requirements of the Bellevue Ranch Master Development Plan.
38. Landscaping and irrigation details shall be provided by the applicant with final maps and are subject to approval by the City.
39. Prior to final inspection of any home, all front yards and side yards exposed to public view shall be provided with landscaping to include, ground cover, trees, shrubs, and irrigation in accordance with Merced Municipal Code Section 20.54.250 (N). Irrigation for all on-site landscaping shall be provided by a drip system or micro-spray system in accordance with the State’s Emergency Regulation for Statewide Urban Water Conservation or any other state or City mandated water regulations dealing with the current drought conditions.
40. All entryway and subdivision signs shall be administratively approved by Planning Staff prior to the issuance of a building permit.
41. The applicant shall provide a footnote on the proposed tentative map indicating consistency between the “Village” numbering system on the map and the “Minor Phasing” numbers contained in the BRMDP. Any

change/amendment to the sequencing of Minor Phases within the MDP shall take precedence over the Village sequencing.

42. Traffic control signs, street markings, and striping shall be as directed by the City Engineer.
43. The developer shall use proper dust control procedures during site development in accordance with San Joaquin Valley Air Pollution Control District rules.
44. Provide all utility services to each lot, including sanitary sewer, water, electric power, gas, telephone, and cable television. All new utilities are to be undergrounded.
45. Install appropriate street name signs and traffic control signs with locations, names, and types approved by the City Engineer.
46. Developer shall provide construction plans and calculations for all landscaping and public maintenance improvements. All such plans shall conform to City standards and meet approval of the City Engineer.
47. If required by state law, prior to the approval of subdivision improvement plans, the developer shall provide documentation that all lots affected by the 200-year floodplain comply with the requirements of the Urban Level of Flood Protection.

n:shared:planning:PC Resolutions: #3065 Exhibit A VTSM#1304

RECORDING REQUESTED BY:

City of Merced, A California
charter municipal corporation

WHEN RECORDED MAIL TO:

City of Merced
City Clerk
678 West 18th Street
Merced, California 95340

**Exempt Recording Per Gov't
Code Section 6103**

(Above for Recorder's Use Only)

DOCUMENT TITLE

**SUBDIVISION AGREEMENT WITH CONTINUING COVENANTS
(CFD CONDITION)**

A SUBDIVISION AGREEMENT BETWEEN THE CITY OF MERCED
AND STONEFIELD HOME, INC., A CALIFORNIA CORPORATION,
FOR BELLEVUE RANCH WEST, VILLAGE 12, PHASE 1
TO BE RECORDED CONCURRENTLY WITH THE FINAL MAP
FILED THIS ____ DAY OF _____ 2018, AT _____ .M.
IN BOOK _____ OF OFFICIAL PLATS, AT PAGES _____,
MERCED COUNTY RECORDS

SUBDIVISION AGREEMENT
(CFD Condition)
(Bonds as Security)

THIS AGREEMENT, made and entered into _____, 2018, between the City of Merced, a California Charter Municipal Corporation, hereinafter called "City," and Stonefield Home, Inc., a California Corporation, hereinafter called "Subdivider," relates to the installation of improvements within Bellevue Ranch West, Village 12, Phase 1, a subdivision of real property within the corporate limits of "City."

RECITALS

A. The Planning Commission of City, on March 23, 2016, adopted Resolution No. 3065 approving the tentative map of the above mentioned subdivision.

B. Subdivider has submitted for approval the final map of said subdivision in full compliance with State Law and City subdivision ordinances. Final Map Application Number 5358 was submitted by the subdivider on June 2, 2017. A complete Final Map Application (including all bonds and insurance) was filed with the City on _____, 201__.

C. Section 18.24.100 of the Merced Municipal Code requires certain improvements within said subdivision.

D. Improvement plans for said subdivision have been approved by the City.

E. The "Subdivision Map Act" and Section 18.24.150 of the Merced Municipal Code require certain security to guarantee the installation of said improvements.

F. Inspection fees required in accordance with Section 18.24.110 of the Merced Municipal Code have been paid.

G. Condition of Approval of the tentative subdivision map No. 9 requires the Subdivider to have established a Community Facilities District

("CFD") for public safety, maintenance, and other services prior to obtaining a Final Map for the property.

Based upon the foregoing recitals, and in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto mutually agree as follows:

AGREEMENT

1. AGREEMENT TO CONDITIONS IMPOSED

Subdivider, for himself and all successors thereto, acknowledges and agrees to all conditions imposed in the Planning Commission Resolution approving the Tentative Map as identified in Recital A above.

2. IMPROVEMENTS

A. Subdivider agrees to cause all improvements to be made and constructed in said subdivision within twelve (12) months of the date of City approval of this Agreement, in full compliance with the requirements of approved Tentative Map, the Conditions of Approval thereto, and the City's "Standard Designs for Common Engineering Structures," and with the improvement plans approved by City and any changes or alterations in such work required by City, and to pay for any materials, provisions, or other supplies used in, upon, for, or about the performance of said work, and for any work or labor done thereon of any kind, and any amounts due under the Unemployment Insurance Act with respect to such work or labor.

B. The Subdivider may request an extension of time to complete the terms hereof. Such request shall be submitted to the City in writing no less than four (4) weeks before the expiration date hereof, and shall contain a statement of circumstances necessitating the extension of time. The City shall have the right to review the provisions of this Agreement, including the construction standards, cost estimate, and improvement security, and to require adjustments therein if any substantial change has occurred during the term hereof.

C. If the Subdivider fails or neglects to comply with the provisions of this Agreement, the City shall have the right at any time to cause said provisions to be met by any lawful means, and thereupon recover from the Subdivider and/or his surety the full cost and expense incurred.

3. SECURITY—FILING OF THE SAME

The Subdivider shall file securities for this Agreement per Sections 66496 and 66499 of the Government Code as follows and as shown on Exhibit “A” attached hereto:

A. To secure faithful performance of this Agreement, security in an amount equal to one hundred (100%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior to the Final Map application being considered complete or action on the same by the City Council.

B. To secure payment to the contractor, his subcontractors, and to persons furnishing labor, materials, or equipment to them, security in an amount equal to fifty (50%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior to the Final Map application being considered complete or action on the same by the City Council.

C. To secure the guarantee and warranty of the work for a period of one (1) year following the completion and acceptance of the work, security in an amount equal to fifteen (15%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior to final acceptance of the work by the City.

D. To secure payment of the cost of setting of monuments, security in an amount equal to one hundred (100%) percent of the estimated cost of setting such monuments as determined by the City shall be filed with the City prior to the Final Map application being considered complete or action on the same by the City Council.

If security is furnished in the form of a bond or bonds, such bonds shall be executed by a corporate surety company authorized to transact surety business in the State of California. Liability for security furnished as

described herein shall be limited as set forth in Government Code Sections 66499.9 and 66499.10.

4. SECURITY—RELEASE OF THE SAME

Release of Securities shall be as follows:

A. Security given for faithful performance may be released thirty-five (35) days after recording Notice of Completion of the work provided that evidence of recording of the Notice of Completion has been furnished to the City, the City has finally accepted the work, and provided the security has been furnished to the City to guarantee and warrant the work for one (1) year following the date of such acceptance of the work.

B. Security securing the payment to the contractor, his subcontractors, and to persons furnishing labor, materials, or equipment may be released six (6) months after recording Notice of Completion provided no claims have been filed with the City in accordance with the Subdivision Map Act.

C. The security guaranteeing that the completed work remains satisfactory during the required one-year warranty period may be released upon correction, by Subdivider, of any defects in the work existing at the end of the warranty period.

D. Monument security may be released in accordance with the provisions of Section 66497 of the Government Code.

In the event that improvements do not conform to the plans and specifications or defects are not corrected within the time limits specified by City, the City shall have the authority to order the necessary work done and to recover the cost of such work, as well as any costs of enforcing such obligation, including attorney fees, from the Subdivider and the Subdivider's surety or the financial institution providing the Instrument of Credit.

5. INSPECTION

City shall inspect all improvements made in connection with said subdivision for compliance with City requirements. Subdivider shall give at

least twenty-four (24) hours' notice to City, including at least one full working day prior to any inspection. Improvements installed without inspection by the City shall be subject to rejection. Subdivider shall pay to City an amount equal to three (3) percent of the total estimated cost of the improvements as determined by City to cover the cost of inspection. Inspection by the City shall in no way relieve the Subdivider or its sureties of full responsibility for defective materials or workmanship. Any costs associated with testing of improvements shall be paid by the Subdivider in advance of the testing.

Neither final inspection nor acceptance of any public improvements for said subdivision will be permitted prior to receipt by City of sufficient monies to cover the cost of testing and inspection exceeding the above deposit.

6. FULFILLMENT OF CONDITIONS OF APPROVAL.

Condition of Approval No. 7 of Subdivider's Tentative Map requires Subdivider to have formed a CFD prior to obtaining approval of a Final Map for Subdivider's project. Bellevue Ranch West, including Village 12 was annexed into Community Facilities District No. 2003-2 (Services) as part of Annexation No. 2 approved by the Merced City Council on November 21, 2005. Therefore, this condition has been satisfied.

7. SAFETY

Subdivider shall perform all work in accordance with the applicable sections of Title 8 of the California Code of Regulations (CAL OSHA), and the "WATCH" (Work Area Traffic Control Handbook) published by Building News, Inc., and available at the City Engineer's office. Provisions shall be made by Subdivider for protection of the traveling public on all public roads affected by the improvements.

Barricades and related facilities shall be placed in such number and in such locations as for public safety, and at night they shall be equipped with flashing yellow lights. City reserves the right to require and Subdivider shall promptly install or place additional barricades or other facilities to assure public safety if City shall deem the same to be necessary or desirable for public safety. Subdivider is responsible for all liability which may arise out of work herein permitted whether or not public property, and

shall indemnify, protect, defend, and hold City harmless from any and all claims, damages (including injury or death to any person or persons) , or causes of action arising therefrom or related thereto.

8. INDEMNITY

The Subdivider shall take and assume all responsibility for the construction of the improvements and the safety of operation in connection therewith. The Subdivider shall bear all losses and damages directly or indirectly resulting to the City, its officers, employees, and agents or others on account of the construction of the improvements, unforeseen difficulties, accidents, or any other causes whatsoever.

The Subdivider shall protect, assume the defense of and indemnify and save harmless the City, its officers, employees, and agents from all claims, loss, damage, injury—including the death of any person or persons, and liability of every kind, nature, and description, directly or indirectly arising from the construction of the improvements.

The Subdivider shall indemnify, protect, defend, and hold harmless the City, and any agency or instrumentality thereof, and officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, Subdivider shall indemnify, protect, defend, and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against another governmental entity in which Subdivider's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the Subdivider of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the Subdivider shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

9. INSURANCE

Subdivider further agrees that before commencing any work pursuant to this Agreement, Subdivider shall obtain, and at all times prior to final acceptance of all improvements hereunder, keep in full force and effect, insurance coverage in such limits and amounts, and covering such risks as shall be acceptable to City.

All policies of insurance must be issued by a company that is either:

- (1) Admitted to transact insurance business in the State of California;
- (2) On the "LESLI List," i.e., the List of Eligible Surplus Line Insurers; or,
- (3) In the form of a risk retention group ("RRG") so long as the RRG contains at least \$750,000 in capital, has been in operation for at least one year, and the reinsurance agreement associated with the RRG contains AM Best A rated insurers with an attachment point of \$250,000 or less.

All insurance companies must have an A.M. Best's rating of at least A- and a financial size of IX or X. All required policies shall contain an endorsement adding the Indemnified Parties under the agreement, specifically including but are not limited to, the City, its officers, employees, and agents, as additional insureds. The required policies shall stipulate that this insurance will operate as primary insurance for work performed by Developer and its sub-contractors, and that no other insurance effected by City or other named insureds will be called on to cover a loss covered thereunder. The General Liability insurance shall be provided by an ISO Commercial General Liability policy, with edition dates of 1985, 1988, or 1990. The additional insured endorsement required hereunder must be issued using ISO form CG 20 10 11 85, or the same form with an edition date no later than 1990. In lieu of CG 20 10 11 85, City will accept alternate additional insured endorsements on ISO forms CG 20 10 10 01 and CG 20 37 10 01, but only if both forms are used together and provided to City. The minimum coverage and limits shall be as follows:

COVERAGE	LIMITS
Workers Compensation	Statutory
Comprehensive General Liability, including or separately insuring liability assumed by contract	
Bodily Injury	\$1,000,000 per person \$1,000,000 per occurrence
Property Damage	\$ 500,000 per occurrence

Subdivider shall, prior to commencement of construction work, furnish to City a certificate of insurance, which shall provide that the above insurance shall not be cancelled without thirty (30) days prior written notice to City. Prior to acceptance of the improvements, the Subdivider shall provide the City with a copy of the endorsements required herein.

10. AS-BUILTS

Subdivider shall submit one (1) reproducible print (mylar) of the improvements "as-built" to City prior to release of securities.

11. NOTICE OF COMPLETION

City shall record a Notice of Completion with the Merced County Recorder immediately following City's acceptance of the improvements.

12. APPROVALS

This Agreement is subject to approval by the City Manager of City as to substance, and by the City Attorney as to form. Any improvement securities tendered hereunder shall be subject to approval by the City Manager as to amount, and by the City Attorney as to form and legal sufficiency.

13. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.

14. WAIVER

In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

16. AMENDMENT

This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

17. INTEGRATION

This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

18. AUTHORITY TO EXECUTE

The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

19. COUNTERPARTS

This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the

DEVELOPER:
STONEFIELD HOME, INC.,
A California Corporation

By:  _____

Greg Hostetler

Its: President

Address: 923 E. Pacheco Blvd.
Suite C
Los Banos, CA 93665

Telephone: (209) 826-6200

32-0439641

Taxpayer I.D. Number

ACKNOWLEDGMENT

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

State of California
County of Merced)

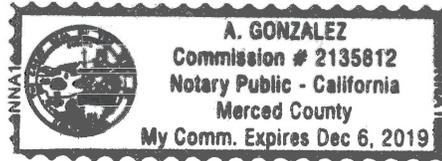
On March 9, 2018 before me, A. Gonzalez, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature  (Seal)



ACKNOWLEDGMENT

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

State of California

County of _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

The securities on this subdivision shall be according to, or equivalent to, either Method 1 or Method 2.

	Method 1		Method 2
	<u>Performance Bond</u>	<u>Labor/Material Bond</u>	<u>Letter of Credit</u>
Subdivision Improvements, Including monuments	\$1,387,075.00	\$693,538.00	\$1,664,490.00
One-Year Warranty	\$208,062.00		\$208,062.00
Traffic Signal (M & Cardella)	\$422,509.00	\$211,255.00	\$507,011.00
One-Year Warranty	\$63,377.00		\$45,042.00
TOTAL	\$1,809,584.00	\$904,793.00	\$2,171,501.00
TOTAL – One-Year Warranty	\$271,439.00		\$271,439.00

**PUBLIC FACILITIES IMPACT FEE
CREDIT/REIMBURSEMENT AGREEMENT**

THIS PUBLIC FACILITIES IMPACT FEE CREDIT/REIMBURSEMENT AGREEMENT (“Agreement”), made and entered into _____, 2018, between the City of Merced, a California Charter Municipal Corporation, hereinafter called “City,” and Stonefield Home, Inc., a California Corporation, hereinafter called “Developer,” relating to the installation of a traffic signal at M Street and Cardella Road

RECITALS

- A. Developer has an approved Tentative Subdivision Map for Bellevue Ranch West, Village 12 (TSM #1304) (the “Development”) which requires the installation of the traffic signal at M Street and Cardella Road with the first phase of construction.
- B. Developer has filed a Final Map for Bellevue Ranch West, Village 12, Phase 1 (Final Map #5358).
- C. The construction of the traffic signal at M Street and Cardella Road will, in part, benefit other properties due to the regional use of the roadway and traffic signal.
- D. Prior to the construction of the traffic signal, the City Engineer shall approve all plans for the signal and an encroachment permit shall be issued.
- E. The intersection of Cardella Road and M Street constitutes the intersection of two arterials as identified on the Circulation Map of the *Merced Vision 2030 General Plan*.
- F. Developer is qualified to receive either a fee credit, a reimbursement, or a combination of fee credit and reimbursement from the City for the Improvements in an amount not to exceed the cost estimate approved by the City Engineer (Exhibit A) as provided in Chapter 17.62 of the Merced Municipal Code and as provided for under the Policy A-32 of the City’s Administrative Policy and Procedure.
- G. Security for the traffic signal shall be provided as part of the Subdivision Agreement for Bellevue Ranch West, Village 12, Phase 1.

Based on the foregoing recitals, and in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto mutually agree as follows:

1. INCORPORATION OF RECITALS

The RECITALS above are true and correct and constitute an enforceable provision of this Agreement.

2. POLICIES, ORDINANCES, AND RESOLUTIONS

Fee credit or reimbursement for the Improvements shall be made only in accordance with policies, ordinances, and resolutions in effect at the time of execution of this Agreement. Such fee credit or reimbursement shall be limited to the items and quantities actually installed or constructed. Estimated items and quantities shall be listed in a schedule to be submitted and approved at the time of execution of this Agreement, and attached hereto as "Exhibit A". The burden of clearly establishing the actual costs of items and quantities installed rests on the Developer.

3. RESERVED

4. REIMBURSEMENT

If the actual cost of the Improvements is greater than the total amount of fees to be paid for the Development, a reimbursement shall be established hereunder:

- A. Developer shall be reimbursed on a first in time basis and based on the availability of public facility fee program funds. First in time shall be determined by when the public Improvement is completed and accepted by City.
- B. Reimbursement, if funds are available, shall be paid as prescribed in Chapter 17.62 of the Merced Municipal Code and related Administrative Policy and Procedure A-32 following the recording of Notice of Completion by the City, and after correction of any and all deficiencies, assuming no labor and material claims are filed, and after Developer has filed a claim therefore, supported by itemized paid invoices for such work or materials.

- C. Reimbursements shall not bear interest but shall be owed indefinitely until paid in full.

The Developer is entitled to either fee credit or reimbursement, or a combination of both, in an amount not exceed the Engineer's Estimate approved by the City Engineer. No reimbursement shall be given until and unless the Improvements are constructed and accepted by City.

5. REIMBURSEMENT AMOUNT

The Developer is, therefore, entitled to a reimbursement in an amount not to exceed Four Hundred Twenty-Two Thousand Five Hundred and Nine Dollars (\$422,509.00) for the installation of the traffic signal at M Street and Cardella Road (see Exhibit A).

If the Developer elects to obtain the reimbursement through fee credits, the credit given shall be for a portion of the PFFP fee collected as part of the building permit process. The remaining portion of the PFFP fee would remain the Developer's responsibility. If the reimbursement amount exceeds the PFFP fees for which credits are provided, Developer shall remain entitled to a reimbursement for such difference in accordance with the terms of Section 4.

All of the Improvements shall be subject to the City's final inspection and approval, and in no event shall the reimbursement given hereunder be construed as acceptance of the Improvements, or any portion thereof, by the City.

6. NOTICE OF COMPLETION

Where applicable, City shall record a Notice of Completion with the Merced County Recorder following City's acceptance of the Improvements.

7. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.

8. WAIVER

In the event that either City or Developer shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

9. VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

10. AMENDMENT

This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

11. INTEGRATION

This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

12. AUTHORITY TO EXECUTE

The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

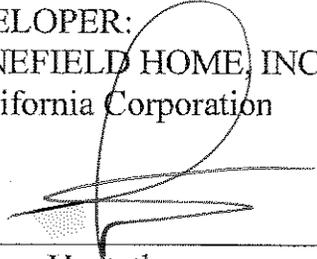
13. COUNTERPARTS

This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

ACCOUNT DATA:

BY: _____
Verified by Finance Officer

DEVELOPER:
STONEFIELD HOME, INC.,
A California Corporation

By: 

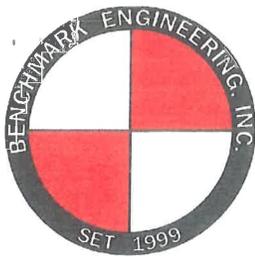
Greg Hostetler

Its: President

Tax ID No. 32-0439641

Address: 923 E. Pacheco Blvd.
Suite C
Los Banos, CA 93665

Telephone: (209) 826-6200



BENCHMARK ENGINEERING INC.

CIVIL ENGINEERING & LAND SURVEYING

JOB #125971
March 8, 2018

**ENGINEER'S ESTIMATE
FOR
TRAFFIC SIGNALIZATION AT
M' STREET AND CARDELLA ROAD
MERCED, CA**

ITEM	DESCRIPTION	UNIT	QUAN.	UNIT PRICE	AMOUNT
A. TRAFFIC SIGNALS AT 'M' STREET AND CARDELLA ROAD					
1.	TRAFFIC SIGNAL INSTALLATION (COMPLETE)	LS	1	\$272,976.00	\$272,976.00
2.	INSPECTION (3%)	LS	1	\$8,189.28	\$8,189.28
3.	ENCROACHMENT PERMIT (3%)	LS	1	\$8,189.28	\$8,189.28
4.	TOPOGRAPHY SURVEY AND PLAN	LS	1	\$5,000.00	\$5,000.00
5.	TRAFFIC SIGNAL PLANS	LS	1	\$14,500.00	\$14,500.00
6.	CONSTRUCTION STAKING	LS	1	\$2,500.00	\$2,500.00
7.	CONSTRUCTION ADMINISTRATION	LS	1	\$13,648.80	\$13,648.80
8.	AS-BUILTS	LS	1	\$4,500.00	\$4,500.00
SUB-TOTAL					\$329,503.36
20% PREVAILING WAGE ON ITEM A.1.=====>					\$54,595.20
CONSTRUCTION SUB-TOTAL=====>					\$384,098.56
10% CONTINGENCY=====>					\$38,409.86
CONSTRUCTION TOTAL=====>					\$422,508.42

NOTE:

- THE ABOVE DEVELOPMENT COST ESTIMATE DOES **NOT** INCLUDE LAND, ADJACENT RIGHT-OF-WAY, INTEREST, TAXES, COMMISSIONS, LEGAL FEES, ENGINEERING FEES, GEOTECHNICAL FEES, CITY FEES. FEES CHARGED IN CONNECTION WITH A BUILDING PERMIT. PRICES REFLECT CURRENT NORMAL CONSTRUCTION COSTS AND ARE SUBJECT TO CHANGE ONCE IMPROVEMENT PLANS HAVE BEEN APPROVED.

K:125971/Estimates/Traffic Signal.xls

MODESTO: 915 17th Street • Modesto, CA 95354 • 209.548.9300

LOS BANOS: 507 J Street • Los Banos, CA 93635 • 209.737.0900

EXHIBIT A

RECORDING REQUESTED BY:

City of Merced, A California charter
municipal corporation

WHEN RECORDED MAIL TO:

City of Merced
City Clerk
678 West 18th Street
Merced, California 95340

**Exempt Recording Per Gov't Code
Section 6103**

(Above for Recorder's Use Only)

DEFERRED IMPROVEMENT AGREEMENT

For the Deferral of Certain Improvements Related to
Bellevue Ranch West, Village 12, Phase 1
Between the City of Merced
And
Stonefield Home, Inc.,
A California Corporation

DEFERRED IMPROVEMENT AGREEMENT

THIS AGREEMENT, made and entered into _____, 2018, between the City of Merced, a California Charter Municipal Corporation, hereinafter called "City," and Stonefield Home, Inc., a California Corporation, hereinafter called "Owner" mutually agree and promise and follows:

1. PURPOSE

Owner desires to construct a subdivision (Bellevue Ranch West, Village 12, Phase 1) on property it owns which is described in Exhibit "A" attached hereto and wishes to defer construction of permanent public improvements, and City agrees to such deferment if Owner constructs improvements as herein promised.

2. AGREEMENT BINDING ON SUCCESSORS IN INTEREST

This Agreement is an instrument affecting the title or possession of the real property described in Exhibit "A". All the terms, covenants and conditions herein imposed are for the benefit of City and the real property or interest therein which constitutes the City bike path and shall be binding upon and inure to the benefit of the land described in Exhibit "A" and the successor in interest of Owner. Upon sale or transfer of the property described in Exhibit "A," the terms on this Agreement shall apply to any purchaser or successor in interest to Owner who shall succeed to the obligations imposed on Owner by this Agreement.

3. DEFERRED IMPROVEMENTS

A. The improvements set forth in this section may be deferred by Owner as set forth in this Agreement, subject to acceptable security for such improvements being provided to the City.

B. The required bike path as approved with Tentative Subdivision Map #1304 shall be constructed prior to a Notice of Completion being recorded for Bellevue Ranch West, Village 12, Phase 7.

4. SECURITY—FILING OF THE SAME

The Owner shall file securities for these deferred improvements as follows and in the amounts shown on Exhibit “B” attached hereto:

A. To secure faithful performance of this Agreement, security in an amount equal to one hundred (100%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior to the City Council taking action on this Agreement.

B. To secure payment to the contractor, his subcontractors, and to persons furnishing labor, materials, or equipment to them, security in an amount equal to fifty (50%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior the City Council taking action on this Agreement.

C. To secure the guarantee and warranty of the work for a period of one (1) year following the completion and acceptance of the work, security in an amount equal to fifteen (15%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior to final acceptance of the work by the City.

If security is furnished in the form of a bond or bonds, such bonds shall be executed by a corporate surety company authorized to transact surety business in the State of California. Liability for security furnished as described herein shall be limited as set forth in Government Code Sections 66499.9 and 66499.10.

5. SECURITY— RELEASE OF THE SAME

Release of Securities shall be as follows:

A. Security given for faithful performance may be released thirty-five (35) days after recording Notice of Completion of the work provided that evidence of recording of the Notice of Completion has been furnished to the City, the City has finally accepted the work, and provided the security has been furnished to the City to guarantee and warrant the work for one (1) year following the date of such acceptance of the work.

B. Security securing the payment to the contractor, his subcontractors, and to persons furnishing labor, materials, or equipment may be released six (6) months after recording Notice of Completion provided no claims have been filed with the City in accordance with the Subdivision Map Act.

C. The security guaranteeing that the completed work remains satisfactory during the required one-year warranty period may be released upon correction, by Owner, of any defects in the work existing at the end of the warranty period.

In the event that improvements do not conform to the plans and specifications or defects are not corrected within the time limits specified by City, the City shall have the authority to order the necessary work done and to recover the cost of such work, as well as any costs of enforcing such obligation, including attorney fees, from the Owner and the Owner's surety or the financial institution providing the Instrument of Credit.

6. INSURANCE

Owner further agrees that before commencing any work pursuant to this Agreement, Owner shall obtain, and at all times prior to final acceptance of all improvements hereunder, keep in full force and effect, insurance coverage in such limits and amounts, and covering such risks as shall be acceptable to City.

All policies of insurance must be issued by a company that is either:

- (1) Admitted to transact insurance business in the State of California;
- (2) On the "LESLI List," i.e., the List of Eligible Surplus Line Insurers; or,
- (3) In the form of a risk retention group ("RRG") so long as the RRG contains at least \$750,000 in capital, has been in operation for at least one year, and the reinsurance agreement associated with

the RRG contains AM Best A rated insurers with an attachment point of \$250,000 or less.

All insurance companies must have an A.M. Best's rating of at least A- and a financial size of IX or X. All required policies shall contain an endorsement adding the Indemnified Parties under the agreement, specifically including but are not limited to, the City, its officers, employees, and agents, as additional insureds. The required policies shall stipulate that this insurance will operate as primary insurance for work performed by Developer and its sub-contractors, and that no other insurance effected by City or other named insureds will be called on to cover a loss covered thereunder. The General Liability insurance shall be provided by an ISO Commercial General Liability policy, with edition dates of 1985, 1988, or 1990. The additional insured endorsement required hereunder must be issued using ISO form CG 20 10 11 85, or the same form with an edition date no later than 1990. In lieu of CG 20 10 11 85, City will accept alternate additional insured endorsements on ISO forms CG 20 10 10 01 and CG 20 37 10 01, but only if both forms are used together and provided to City. The minimum coverage and limits shall be as follows:

COVERAGE	LIMITS
Workers Compensation	Statutory
Comprehensive General Liability, including or separately insuring liability assumed by contract	
Bodily Injury	\$1,000,000 per person \$1,000,000 per occurrence
Property Damage	\$ 500,000 per occurrence

Owner shall, prior to commencement of construction work, furnish to City a certificate of insurance, which shall provide that the above insurance shall not be cancelled without thirty (30) days prior written notice to City. Prior to acceptance of the improvements, the Owner shall provide the City with a copy of the endorsements required herein.

7. AS-BUILTS

Owner shall submit one (1) reproducible print (mylar) of the improvements "as-built" to City prior to release of securities.

8. NOTICE OF COMPLETION

City shall record a Notice of Completion with the Merced County Recorder immediately following City's acceptance of the improvements.

9. APPROVALS

This Agreement is subject to approval by the City Manager of City as to substance, and by the City Attorney as to form. Any improvement securities tendered hereunder shall be subject to approval by the City Manager as to amount, and by the City Attorney as to form and legal sufficiency.

10. WAIVER

In the event that either City or Owner shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

11. VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

12. AMENDMENT

This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

13. INTEGRATION

This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

14. AUTHORITY TO EXECUTE

The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

15. COUNTERPARTS

This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, three (3) identical counterparts of this Agreement, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the day and year first herein written.

CITY OF MERCED
A California Charter Municipal
Corporation

By: _____
City Manager

ACKNOWLEDGMENT

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

State of California
County of Merced

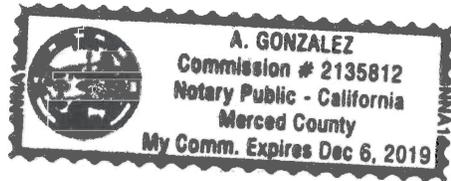
On March 9, 2018 before me, A. Gonzalez, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature  (Seal)



ACKNOWLEDGMENT

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

State of California

County of _____

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

A portion of Lot 2, Parcel 3, and the designated remainder as shown on the map entitled "Parcel Map, City of Merced Subdivision No. 04-02," recorded in Volume 95, Page 50 of Merced County Records; also known as Assessor's Parcel Number (APN) 224-030-018.

Reference Tentative Subdivision Map #1304 for Bellevue Ranch West, Village 12

EXHIBIT B

The securities on this subdivision shall be according to, or equivalent to, either Method 1 or Method 2.

	Method 1		Method 2
	<u>Performance Bond</u>	<u>Labor/Material Bond</u>	<u>Letter of Credit</u>
Bike Path	\$141,478	\$70,739	\$169,774
One-Year Warranty	\$21,222		

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING THE FINAL SUBDIVISION MAP
FOR THE BELLEVUE RANCH WEST, VILLAGE
12, PHASE 1 SUBDIVISION (#5358)**

WHEREAS, a Tentative Subdivision Map for the Bellevue Ranch West, Village 12, Phase 1 Subdivision was approved on March 23, 2016, by the Planning Commission; and,

WHEREAS, a Final Map conforming to the approved Tentative Map has been filed with the City of Merced; and,

WHEREAS, the City Engineer has reviewed the Final Map and certified that the Final Map substantially conforms to the conditionally approved Vesting Tentative Subdivision Map; and,

WHEREAS, all required certificates on said Final Map have been signed and, where necessary, acknowledged.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES RESOLVE AS FOLLOWS:

SECTION 1. FINDINGS. The City Council finds and declares that:

1. The Final Map is in substantial compliance with the Tentative Map.
2. The discharge of waste from the proposed subdivision into the sewer system will not result in violation of existing requirements of the Water Quality Control Board.
3. The Final Map is consistent with applicable general and specific plans.
4. The design or improvement of the proposed subdivision is consistent with applicable general and specific plans.

5. The site is physically suitable for the proposed type of development.
6. The site is physically suitable for the proposed density of development.
7. The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife of their habitat.
8. The design of the subdivision or the type of improvements are not likely to cause serious public health problems.
9. The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.
10. An agreement has been entered into with the developer satisfactory to guarantee completion of public improvements within the subdivision.

SECTION 2. APPROVAL OF MAP. The City Council hereby approves the Final Map for the Bellevue Ranch West, Village 12, Phase 1 Subdivision.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2018 by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:

Mayor

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

BY:  _____ 11-8-2017
City Attorney Date



ADMINISTRATIVE REPORT

Agenda Item I.17.

Meeting Date: 4/2/2018

Report Prepared by: Julie Nelson, Associate Planner, Development Services Department

SUBJECT: Bellevue Ranch West, Village 12, Phase 2 - Final Map 5359

REPORT IN BRIEF

The City Council will consider approval of Final Map #5359 for Bellevue Ranch West, Village 12, Phase 2, generally located at the southwest corner of M Street and Arrow Wood Drive (extended).

RECOMMENDATION

City Council - Adopt a motion:

- A. Approving **Resolution 2018-17**, a Resolution of the City Council of the City of Merced, California, approving the Final Subdivision Map for the Bellevue Ranch West, Village 12, Phase 2 Subdivision (#5359); and,
- B. Approving the Subdivision Agreement for "Bellevue Ranch West, Village 12, Phase 2," between the City of Merced and Stonefield Home, Inc., (property owner); and,
- C. Authorizing the City Manager or the Assistant City Manager to execute the Subdivision Agreement.

ALTERNATIVES

1. Approve the request as recommended by staff; or,
2. Deny the request; or,
3. Approve, subject to modifications as conditioned by Council; or
4. Refer back to staff for reconsideration of specific items (specific items to be addressed in City Council motion); or,
5. Continue to a future City Council meeting (date and time to be specified in City Council motion).

AUTHORITY

Chapter 24 of Title 18, Subdivisions, of the Merced Municipal Code (MMC) deals with final maps. Section 18.24.120 gives the City Council authority to approve the final map and agreements as long as it is consistent with the Tentative Map.

DISCUSSION

The proposed subdivision (Bellevue Ranch West, Village 12, Phase 2), is generally located at the southwest corner of M Street and Arrow Wood Drive (extended) (Attachment 1). This is the second

phase of Village 12, which would ultimately subdivide approximately 55 acres into 242 single-family lots through 7 phases. Phase 2 includes the subdivision of 27 lots, which vary in size from approximately 4,700 square feet to approximately 8,000 square feet (Attachment 2). The owner/developer, Stonefield Home, Inc., has substantially complied with the previously approved tentative map for this site (Tentative Map #1304), and has complied with the Conditions of Approval listed in Planning Commission Resolution #3065 (Attachment 3), adopted by the Planning Commission on March 23, 2016. The developer has submitted an application for a final map approval in compliance with the Subdivision Map Act and City Subdivision Ordinance. It is now appropriate to approve the Final Map (Attachment 2) and Subdivision Agreement (Attachment 4).

The subdivision was annexed into the Community Facilities District (CFD) for Services (CFD No. 2003-2) as part of Annexation No. 2 in 2005.

City Council Action

The proposed Final Subdivision Map substantially complies with the approved Tentative Map for this site (TSM #1304). Therefore, the City Council should adopt the Resolution found at Attachment 5, approving Final Map #5359 for Bellevue Ranch West, Village 12, Phase 2, and approve the subdivision agreement between the City of Merced and Stonefield Home, Inc.

ATTACHMENTS

1. Location Map
2. Final Subdivision Map #5359
3. Planning Commission Resolution #3065
4. Subdivision Agreement for Bellevue Ranch West, Village 12, Phase 2
5. Draft City Council Resolution



BELLEVUE

VACANT
COMMERCIAL

VACANT
COMMERCIAL

VACANT
MULTI-FAMILY
RESIDENTIAL

COUNTY

NOT PART
OF PROJECT

BELLEVUE RANCH
VILLAGE 12

SINGLE FAMILY
RESIDENTIAL

SINGLE FAMILY
RESIDENTIAL

MERCED
COLLEGE

Legend

-  Subject Site
-  City Limit



TRACT NO. 5359
BELLEVEUE RANCH WEST
VILLAGE 12 - PHASE 2

BEING A SUBDIVISION OF LOT B AS SHOWN ON BELLEVEUE RANCH WEST, VILLAGE 12 - PHASE 1, FILED IN VOLUME OF OFFICIAL PLATS, AT PAGES TO MERCED COUNTY RECORDS, LYING IN SECTION 6, TOWNSHIP 7 SOUTH, RANGE 14 EAST, MOUNT Diablo BASE AND MERIDIAN CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA MAY 2017

BENCHMARK ENGINEERING, INC.
 915 17TH STREET, MODESTO, CALIFORNIA, 95354

LEGEND:

- FOUND MONUMENT AS NOTED
- FOUND MONUMENT IN MONUMENT WELL, AS NOTED
- FOUND GPS MONUMENT, AS SHOWN ON REF. G.
- SET 3/4" x 2 1/2" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040
- SET 3/4" x 2 1/2" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040 IN MONUMENT WELL
- SET 3/4" x 2 1/2" IRON PIPE WITH PLASTIC PLUG STAMPED LS 8040 AT ALL REAR LOT CORNERS, AND LOT ANGLE POINTS, UNLESS NOTED AS A WITNESS CORNER

- 3"WC ○ RESTRICTED ACCESS
- O.R. OFFICIAL RECORDS
- I.N. INSTRUMENT NUMBER
- D.N. DOCUMENT NUMBER
- R.S. RECORD OF SURVEY
- P.M. PARCEL MAP
- O.P. OFFICIAL PLATS
- (M) MEASURED ON THIS SURVEY
- (R) ROUND BEARING
- SPN SEARCHED, FOUND NOTHING
- PUE PUBLIC UTILITY EASEMENT
- LE LANDSCAPE EASEMENT
- C&G CURVE TABLE REFERENCE
- L99 LINE TABLE REFERENCE

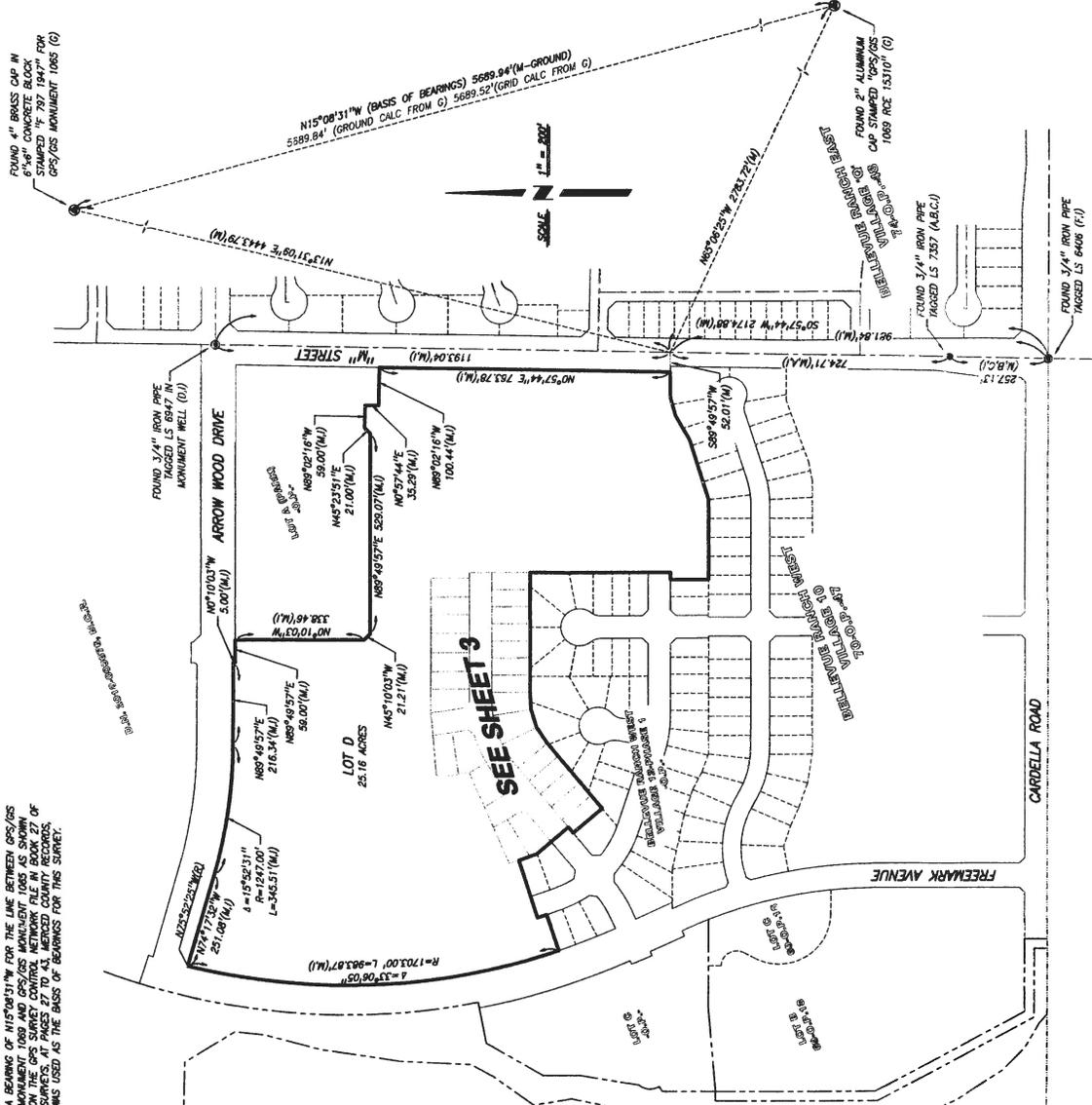
REFERENCES:

- (A) BELLEVEUE RANCH WEST, VILLAGE 10, BOOK 70 OF OFFICIAL PLATS, PAGES 47 TO 55, M.C.R.
- (B) BELLEVEUE RANCH WEST, VILLAGE 11, BOOK 71 OF OFFICIAL PLATS, PAGES 18 TO 28, M.C.R.
- (C) PARCEL MAP NO. M-102, BOOK 85 OF PARCEL MAPS, PAGES 18 TO 28, M.C.R.
- (D) BELLEVEUE RANCH EAST - PHASE 1, BOOK 81 OF OFFICIAL PLATS, PAGES 21 TO 29, M.C.R.
- (E) BELLEVEUE RANCH EAST, VILLAGE 14-PHASE 2, BOOK 73 OF OFFICIAL PLATS, PAGES 32 TO 37, M.C.R.
- (F) BELLEVEUE RANCH WEST, VILLAGE 1, BOOK 68 OF OFFICIAL PLATS, PAGES 41 TO 51, M.C.R.
- (G) GPS SURVEY CONTROL NETWORK, BOOK 27 OF SURVEYS, PAGES 43 TO 48, M.C.R.
- (H) 2011 COLORADO M.C.R.
- (I) BELLEVEUE RANCH WEST, VILLAGE 12-PHASE 1, VOLUME OF OFFICIAL PLATS, PAGES TO M.C.R.

NOTES:

1. ALL BEARINGS AND DISTANCES SHOWN HEREON ARE MEASURED UNLESS OTHERWISE NOTED.
2. ALL DISTANCES AND DIMENSIONS SHOWN ARE IN FEET AND DECIMAL PARTS THEREOF.
3. ALL DISTANCES AND DIMENSIONS SHOWN ARE MEASURED FROM THE POINTS SHOWN THEREON.
4. WITNESS CORNERS ARE SET ON THE LOT LINE OR EXTENSION THEREOF AT THE DISTANCE NOTED.
5. SEE SHEET 3 FOR COURSES ALONG SOUTHERLY BOUNDARY OF SUBDIVISION.

BASES OF BEARINGS:
 A BEARING OF N15°08'31"W FOR THE LINE BETWEEN GPS/CS MONUMENT 1089 AND GPS/CS MONUMENT 1085 AS SHOWN ON THE GPS SURVEY CONTROL NETWORK FILE IN BOOK 27 OF MERCED COUNTY RECORDS, WAS USED AS THE BASIS OF BEARINGS FOR THIS SURVEY.



TRACT NO. 5359 BELLEVUE RANCH WEST VILLAGE 12 - PHASE 2

BEING A SUBDIVISION OF LOT B AS SHOWN ON BELLEVUE RANCH WEST, VILLAGE 12 - PHASE 1, FILED IN VOLUME OF OFFICIAL PLATS, AT PAGES TO MERCED COUNTY RECORDS, LYING IN SECTION 6, TOWNSHIP 7 SOUTH, RANGE 14 EAST, MOUNT Diablo BASE AND MERIDIAN CITY OF MERCED, COUNTY OF MERCED, STATE OF CALIFORNIA MAY 2017

BENCHMARK ENGINEERING, INC.
915 17TH STREET, MODESTO, CALIFORNIA, 95354

LEGEND:

- NOTE: ALL PIPE SIZES ARE INSIDE DIAMETER
- FOUND MONUMENT AS NOTED
- FOUND MONUMENT IN MONUMENT WELL AS NOTED
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- SET 3/4" x 24" IRON PIPE, WITH PLASTIC PLUG STAMPED LS 8040 IN MONUMENT WELL
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RESTRICTED ACCESS

- O.R. OFFICIAL RECORDS
- I.N. INSTRUMENT NUMBER
- D.N. DOCUMENT NUMBER
- R.S. RECORD OF SURVEY
- P.M. PARCEL MAP
- O.P. OFFICIAL PLATS
- (M) MEASURED ON THIS SURVEY
- (R) RADIAL BEARING
- SPN SEARCHED, FOUND NOTHING
- PAE PUBLIC UTILITY EASEMENT
- LE LANDSCAPE EASEMENT
- C&Z CURVE TABLE REFERENCE
- LSB LINE TABLE REFERENCE

CURVE TABLE DATA

CURVE	DELTA	RADIUS	LENGTH
C2	31°23'51"	300.00'	164.40'
C3	40°05'49"	300.00'	208.95'
C4	4°01'40"	500.00'	35.15'
C5	16°18'25"	300.00'	85.30'
C7	16°51'47"	270.50'	79.61'
C8	14°02'02"	270.50'	108.30'
C9	40°05'49"	270.50'	168.30'
C10	7°22'06"	320.50'	42.45'
C11	6°11'20"	320.50'	35.50'
C12	13°34'16"	320.50'	78.05'
C13	12°27'50"	270.50'	58.84'
C14	9°39'29"	320.50'	55.54'
C15	14°19'04"	320.50'	82.34'
C16	23°59'33"	320.50'	137.28'
C17	3°59'48"	520.50'	35.94'

LOT AREA TABLE

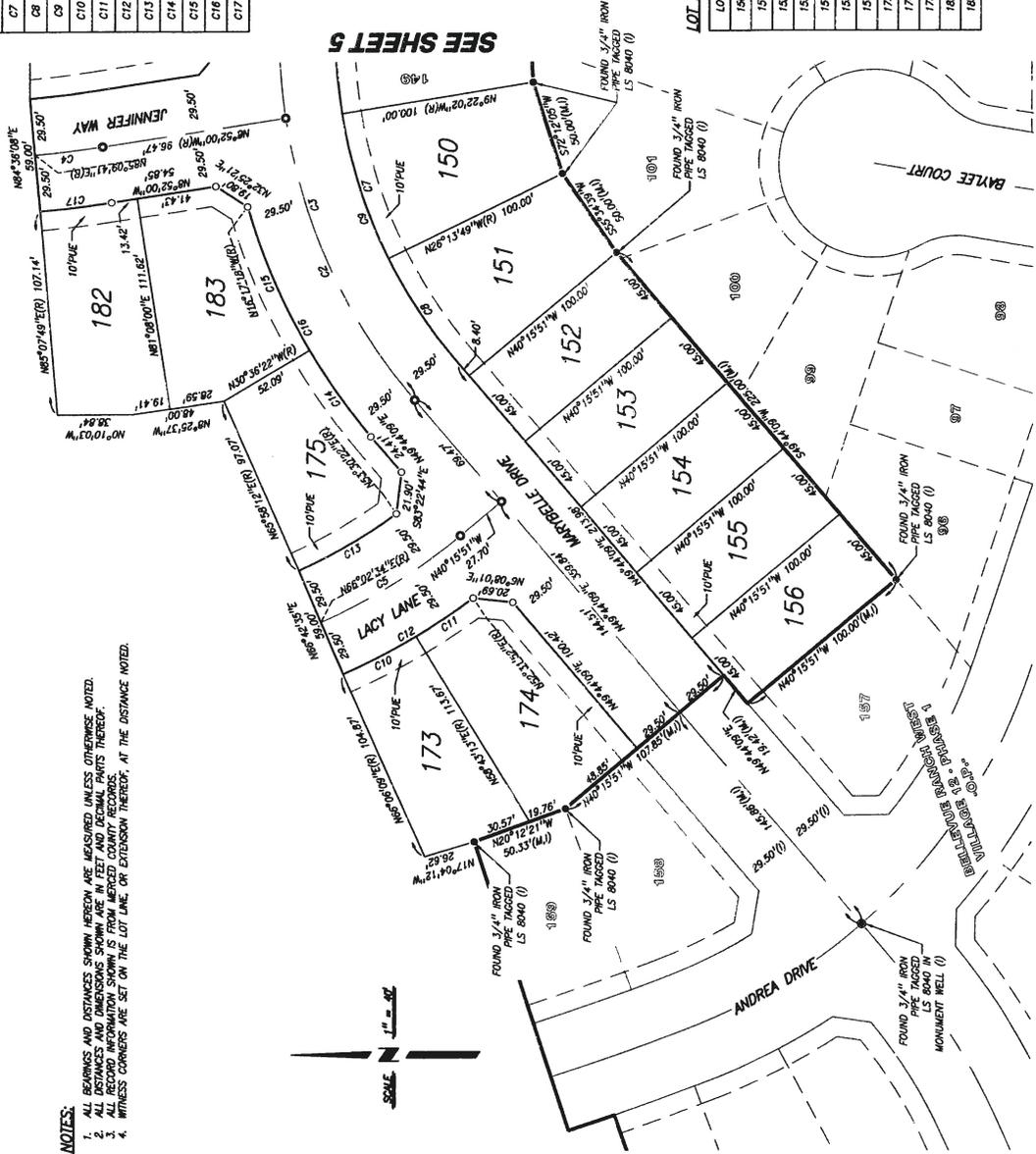
LOT	SF
150	6551
151	6297
152	4500
153	4500
154	4500
155	4500
156	4500
173	5395
174	6731
175	5819
182	5809
183	6509

LOT D
(SEE SHEET 2)

- ### REFERENCES:
- (A) BELLEVUE RANCH WEST, VILLAGE 10, BOOK 70 OF OFFICIAL PLATS, PAGES 47 TO 55, M.C.R.
 - (B) BELLEVUE RANCH WEST, VILLAGE 5, BOOK 69 OF OFFICIAL PLATS, PAGES 18 TO 28, M.C.R.
 - (C) BELLEVUE RANCH WEST, VILLAGE 11, BOOK 68 OF OFFICIAL PLATS, PAGES 30 TO 31, M.C.R.
 - (D) BELLEVUE RANCH WEST, VILLAGE 12, BOOK 67 OF OFFICIAL PLATS, PAGES 28 TO 29, M.C.R.
 - (E) BELLEVUE RANCH WEST, VILLAGE 14-PHASE 2, BOOK 71 OF OFFICIAL PLATS, PAGES 32 TO 37, M.C.R.
 - (F) BELLEVUE RANCH WEST, VILLAGE 14-PHASE 1, BOOK 66 OF OFFICIAL PLATS, PAGES 41 TO 51, M.C.R.
 - (G) GPS SURVEY CONTROL NETWORK, BOOK 27 OF SURVEYS, PAGES 43 TO 48, M.C.R.
 - (H) DOCUMENT NO. 2018-000276, M.C.R.
 - (I) BELLEVUE RANCH WEST, VILLAGE 12-PHASE 1, VOLUME OF OFFICIAL PLATS, PAGES TO , M.C.R.

NOTES:

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2. ALL DISTANCES AND DIMENSIONS SHOWN ARE IN FEET AND DECIMAL PARTS THEREOF.
3. ALL RECORD INFORMATION SHOWN IS FROM MERCED COUNTY RECORDS.
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TRACT NO. 5359 BELLEVUE RANCH WEST VILLAGE 12 - PHASE 2

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BENCHMARK ENGINEERING, INC.

915 17TH STREET, MODESTO, CALIFORNIA 95354

LEGEND:

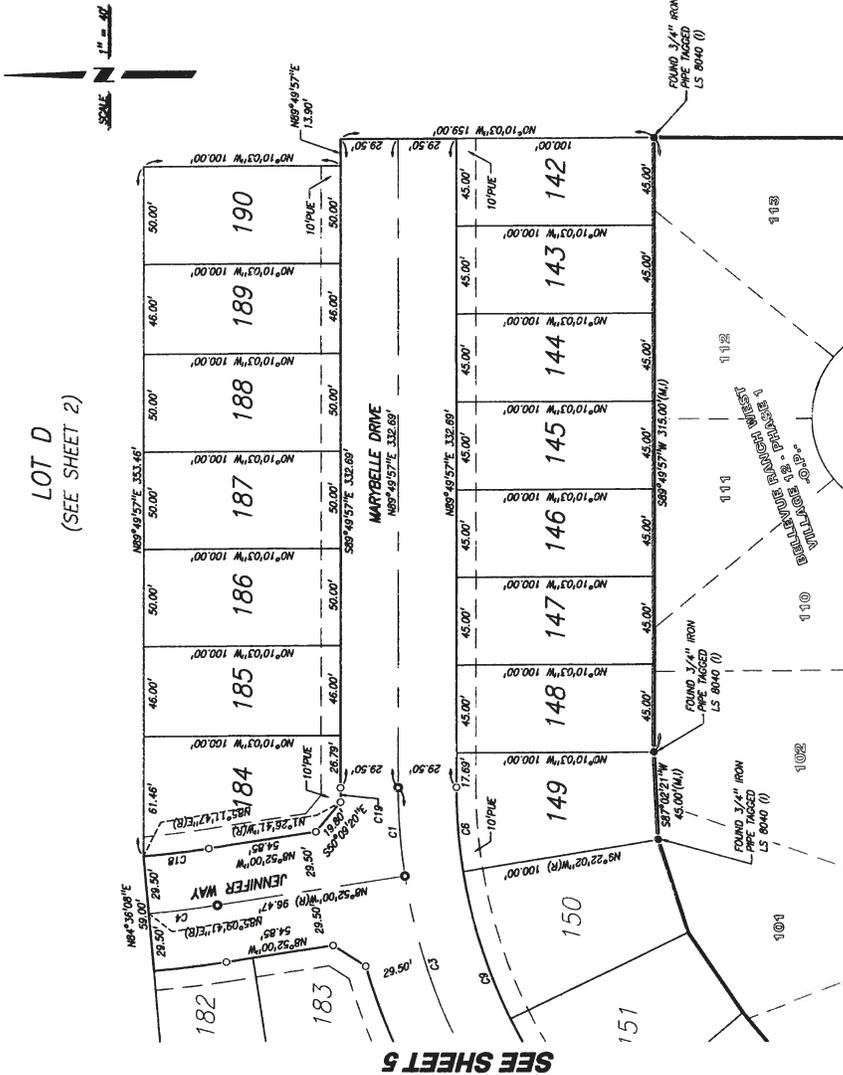
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- ||||| RESTRICTED ACCESS
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- SFN SEARCHED, FOUND NOTHING
- PUE PUBLIC UTILITY EASEMENT
- LE LANDSCAPE EASEMENT
- C&Z CURVE TABLE REFERENCE
- L&R LINE TABLE REFERENCE

CURVE DATA TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	8°41'57"	300.00'	45.55'
C2	40°05'49"	300.00'	209.95'
C3	4°01'14"	300.00'	35.15'
C4	8°11'59"	270.50'	43.43'
C5	40°05'49"	270.50'	169.30'
C18	4°03'46"	470.50'	33.36'
C19	1°16'59"	326.50'	7.35'

LOT AREA TABLE

LOT	SF
142	4500
143	4500
144	4500
145	4500
146	4500
147	4500
148	4500
149	5339
149	5465
185	4600
186	5000
187	5000
188	5000
189	4600
190	5000



REFERENCES:

- (A) BELLEVUE RANCH WEST, VILLAGE 10, BOOK 70 OF OFFICIAL PLATS, PAGES 47 TO 55, M.C.R.
- (B) BELLEVUE RANCH WEST, VILLAGE 3, BOOK 69 OF OFFICIAL PLATS, PAGES 18 TO 28, M.C.R.
- (C) PARCEL MAP NO. 04-02, BOOK 95 OF PARCEL MAPS, PAGES 50 TO 51, M.C.R.
- (D) BELLEVUE RANCH EAST - PHASE 1, BOOK 61 OF OFFICIAL PLATS, PAGES 21 TO 29, M.C.R.
- (E) BELLEVUE RANCH EAST - PHASE 2, BOOK 73 OF OFFICIAL PLATS, PAGES 32 TO 37, M.C.R.
- (F) BELLEVUE RANCH WEST, VILLAGE 13, BOOK 68 OF OFFICIAL PLATS, PAGES 41 TO 51, M.C.R.
- (G) G.E.S. SURVEY CONTROL NETWORK, M.C.R.
- (H) DOCUMENT NO. 2018-00376, M.C.R.
- (I) BELLEVUE RANCH WEST, VILLAGE 12-PHASE 1, VOLUME OF OFFICIAL PLATS, PAGES TO , M.C.R.

NOTES:

1. ALL BEARINGS AND DISTANCES SHOWN HEREON ARE MEASURED UNLESS OTHERWISE NOTED.
2. ALL DISTANCES AND DIMENSIONS SHOWN ARE IN FEET AND DECIMAL PARTS THEREOF.
3. ALL RECORD INFORMATION SHOWN IS FROM MERCED COUNTY RECORDS.
4. WITNESS CORNERS ARE SET ON THE LOT LINE, OR EXTENSION THEREOF, AT THE DISTANCE NOTED.

CITY OF MERCED
Planning Commission

Resolution #3065

WHEREAS, the Merced City Planning Commission at its regular meeting of March 23, 2016, held a public hearing and considered **Vesting Tentative Subdivision Map #1304 (“Bellevue Ranch West, Village 12”)**, initiated by Benchmark Engineering, applicant for Baxter Ranches, LLC, property owner. This application involves the subdivision of approximately 55 acres of an 89.6-acre parcel into 242 single-family lots and dedicating approximately 6.4 acres of land for a future park. This property is generally located at the southwest corner of M Street and Arrow Wood Drive (extended), within Planned Development (P-D) #42 and has a General Plan Designation of Low Density Residential (LD); and,

WHEREAS, the Merced City Planning Commission concurs with Findings A through Q of Staff Report #16-06; and,

NOW THEREFORE, after reviewing the City’s Initial Study and Draft Environmental Determination, and fully discussing all the issues, the Merced City Planning Commission does resolve to hereby find that the previous environmental review [Environmental Impact Report (EIR) for the Bellevue Ranch Master Development Plan (SCH#9212055)] remains sufficient and no further documentation is required (subsequent EIR/ND 15162 Findings), and approve Vesting Tentative Subdivision Map #1304, subject to the Conditions set forth in Exhibit A attached hereto and incorporated herein by this reference.

Upon motion by Commissioner Padilla, seconded by Commissioner Dylina, and carried by the following vote:

AYES: Commissioners Dylina, Padilla, Smith and Chairperson Colby

NOES: Commissioners Baker, McLeod and Smoot

ABSENT: None

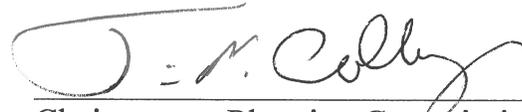
ABSTAIN: None

PLANNING COMMISSION RESOLUTION #3065

Page 2

March 23, 2016

Adopted this 23rd day of March, 2016



Chairperson, Planning Commission of
the City of Merced, California

ATTEST:



Secretary

Attachment:

Exhibit A – Conditions of Approval

Conditions of Approval
Planning Commission Resolution #3065
Vesting Tentative Subdivision Map # 1304

1. The proposed project shall be constructed/designed as shown on Exhibit 1 (Vesting Tentative Subdivision Map for Bellevue Ranch Village 12) and Exhibit 2 (Section 2.8.1 from the Bellevue Ranch Master Development Plan)- - Attachments C and F of Staff Report #16-06, except as modified by the conditions.
2. All conditions contained in Resolution #1175-Amended ("Standard Tentative Subdivision Map Conditions") shall apply.
3. The proposed project shall comply with all standard Municipal Code and Subdivision Map Act requirements as applied by the City Engineering Department.
4. All other applicable codes, ordinances, policies, etc., adopted by the City of Merced shall apply.
5. All previously adopted conditions, mitigation measures, and guiding principles contained in Appendices D, E, and F of the Bellevue Ranch Master Development Plan (BRMDP) adopted by the Merced City Council on May 15, 1995, which are applicable to this project, shall apply to this tentative map and all subsequent final maps, improvement plans, building permits, and discretionary approvals.
6. The developer/applicant shall indemnify, protect, defend (with counsel selected by the City), and hold harmless the City, and any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, developer/applicant shall indemnify, protect, defend, and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against any governmental entity in which developer/applicant's project is subject to that other governmental entity's approval and a condition of such approval is that the

City indemnify and defend (with counsel selected by the City) such governmental entity. City shall promptly notify the developer/applicant of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the developer/applicant shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

7. The developer/applicant shall construct and operate the project in strict compliance with the approvals granted herein, City standards, laws, and ordinances, and in compliance with all State and Federal laws, regulations, and standards. In the event of a conflict between City laws and standards and a State or Federal law, regulation, or standard, the stricter or higher standard shall control.
8. Should any conflicts arise between the tentative map conditions contained herein and those conditions, mitigation measures, and guiding principles contained in the BRMDP, Appendices D, E, and F, or any other pertinent Sections/Appendices of the BRMDP, said conditions, mitigation measures, guiding principles, and sections/appendices shall take precedence.
9. Community Facilities District (CFD) formation is required for annual operating costs for police and fire services as well as storm drainage, public landscaping, street trees, street lights, parks and open space. CFD procedures shall be initiated before Final Map approval. Developer/Owner shall submit a request agreeing to such a procedure, waiving right to protest and post deposit as determined by the Development Services Director to be sufficient to cover procedure costs and maintenance costs expected prior to first assessments being received.
10. All public improvements shall be provided along all new roadways and any damaged or missing improvements along M Street within the project area's frontage shall be repaired/replaced.
11. Developer shall construct full public improvements (including, but not limited to, curb and gutter, pavement, sidewalk and one drive approach per lot, street lights, landscaping, and utilities) on all new streets.
12. This development shall be responsible for the installation of the traffic signal at M Street and Cardella Road with the first phase of construction per Table 6.1 of the BRMDP. The developer's portion of the cost of the traffic signal

is equal to \$141 per lot. The developer shall either pay this amount at the time of certificate of occupancy issuance for each lot or the total amount (\$141 x 242 lots = \$34,122) may be deducted from the amount eligible for reimbursement from the Public Facilities Financing Program (PFFP).

13. Prior to certificate of occupancy issuance, a fee of \$861 per dwelling unit shall be collected to fund the future construction of the bridge at Fahrens Creek and Bellevue Road. This fee is in addition to all other permit and impact fees.
14. Fire hydrants shall be installed along street frontages to provide fire protection to the area. The hydrants shall meet all City of Merced standards and shall comply with all requirements of the City of Merced Fire Department. Final location of the fire hydrants shall be determined by the Fire Department.
15. All collector roads shall have a minimum right-of-way width of 74 feet for any portion of street fronting a public use (i.e., school, park, etc.). The minimum right-of-way width may be reduced to 64 feet as allowed by the BRMDP in all other areas.
16. All cul-de-sac bulbs and street knuckles shall be constructed per City Standards and provide sufficient turning radii for fire and refuse trucks.
17. Prior to the recording of a final map, the developer shall conform to the Bellevue Ranch Master Storm Drain Plan and show how storm water will be directed to the City's storm water system. The developer shall provide calculations to confirm there is capacity in the existing storm water system to serve the proposed project and that the basin will drain within 48 hours. If there is not sufficient capacity, the developer shall provide an alternative to using the existing lines and drainage basin. If the basin does not drain within 48 hours, the developer shall provide a plan to address mosquitoes and vector issues.
18. The developer shall pay the reimbursement costs for any improvements installed by prior developments that are eligible for reimbursement by this development per the provisions of the Merced Municipal Code.
19. The project shall comply with all the Post Construction Standards required to comply with state requirements for the City's Phase II MS-4 Permit (Municipal Separate Storm Sewer System).

20. The developer shall construct a Class I Bikeway to City Standards along the western edge of the project site. The bikeway shall connect with the existing bikeway on the southern boundary of the project and extend north to Arrow Wood Drive, connecting with Arrow Wood Drive at street grade (refer to Attachment H of Staff Report #16-06).
21. The Developer has agreed to pay \$100 per lot at the time of issuance of certificates of occupancy for Village 12, as payment towards developer's proportionate share of: 1) the future extension of the Class I Bikeway to the future crossing; and, 2) the cost to design, permit, and construct the bikeway crossing of the Arrow Wood Bridge over Fahrens Creek (refer to Attachment H of Staff Report #16-06). Prior to the submittal of the 121st certificate of occupancy for Village 12, the Developer and the City agree to establish through their best efforts the actual fee (based on the total number of units in the currently undeveloped Bellevue Ranch West and based on an engineer's estimate) and the Developer shall pay that adjusted fee. If the actual fee has not been established by the 121st building permit, the Developer agrees to pay \$200 per lot. The preceding requirements apply unless said bikeway improvements are modified or eliminated through subsequent City approvals. If said improvements are eliminated, any monies paid shall be refunded to the developer.
22. All dwellings shall be designed to include fire sprinklers as required by the California Fire Code.
23. No residential driveways shall front any arterial or collector street.
24. The project shall comply with all requirements of the California Building Code and all flood requirements of the Federal Emergency Management Agency (FEMA). All necessary documentation related to the construction of the residential uses shall be provided at the building permit stage.
25. Per the BRMDP, all exterior building materials shall consist of stucco, masonry, or architectural grade wood siding, and roofing materials shall consist of tile, wood shake (with acceptable fire rating), and architectural composition shingles.
26. All garages shall have a minimum setback of 20 feet measured from the property line or back of sidewalk, whichever is closest to the front of the garage. Per the BRMDP, the setback for the living area portion of the house may be reduced to 15 feet and shall be measured from the property

- line or back of sidewalk, whichever is closest to the living area portion of the house. Lot coverage shall not exceed 55% for all lots.
27. The building facades shall be of high quality design providing varied elevations and color schemes. All designs shall be consistent with the requirements of the BRMDP and Planned Development (P-D) #42.
 28. All mechanical equipment shall be screened from public view
 29. At the building permit stage, the site plans for each lot shall include a minimum 3-foot by 6-foot concrete pad located in the side yard or backyard for the storage of 3 refuse containers.
 30. Lot A (approximately 6.4 acres) as shown on the Vesting Tentative Subdivision Map shall be dedicated for park use with the Final Subdivision Map for the first phase of construction.
 31. A minimum 15-foot-wide public facilities easement shall be dedicated on all collector street frontages. Interior side yard and rear yard easements for sewer, water, or storm water shall have a minimum 15-foot wide easement.
 32. Dedication by Final Map of all interior street rights-of-way and all necessary easements will be made as shown on Vesting Tentative Subdivision Map #1304 and as needed for irrigation, utilities, drainage, landscaping, and open space.
 33. Prior to the approval of engineered improvement plans and/or final map applications(s) for any phase of the Tentative Map that trigger any improvements/alternations to any water way, the applicant shall have completed all Federal and State permitting requirements for such phase. Documentation of such permits shall be provided to the City prior to approval of a final map.
 34. Should the Federal and/or State permitting process relative to wetlands and/or waters of the United States cause the design of the Tentative map to be modified, the applicant shall reconcile the modification(s) with the City of Merced through an amended tentative map process.
 35. The Phase II site reconnaissance and sampling investigations, as required by Project EIR Mitigation Measures 6.01, 6.02, 6.03, and 6.04, shall be submitted to the Merced County Health Department and the State of California Department of Substance Control for review and comment. Consistent with the above EIR requirements, all mitigations as specified in

the reports/investigations shall be the sole responsibility of the applicant, including all costs associated with implementing mitigation. Further, all areas to be dedicated to the City, which may involve or contain environmental contamination, shall be fully mitigated by the applicant prior to recordation of final maps for affected areas and of dedication of such areas to the City. If this requirement has previously been satisfied, proper documentation showing compliance with this condition shall be provided prior to the recording of a Final Map.

36. All landscaping shall comply with State Water Resources Control Board Resolution No. 2015-0032 “To Adopt an Emergency Regulation for Statewide Urban Water Conservation” or the most recent water regulations adopted by the State and City addressing water conservation measures. If turf is proposed to be installed in park strips, high quality artificial turf (approved by the City Engineer and Development Services Director) shall be installed. All irrigation provided to street trees or other landscaping shall be provided with a drip irrigation or micro-spray system.
37. A 6-foot-tall masonry wall and landscaping shall be installed along M Street, Arrow Wood Drive, and Freemark Drive consistent with the requirements of the Bellevue Ranch Master Development Plan.
38. Landscaping and irrigation details shall be provided by the applicant with final maps and are subject to approval by the City.
39. Prior to final inspection of any home, all front yards and side yards exposed to public view shall be provided with landscaping to include, ground cover, trees, shrubs, and irrigation in accordance with Merced Municipal Code Section 20.54.250 (N). Irrigation for all on-site landscaping shall be provided by a drip system or micro-spray system in accordance with the State’s Emergency Regulation for Statewide Urban Water Conservation or any other state or City mandated water regulations dealing with the current drought conditions.
40. All entryway and subdivision signs shall be administratively approved by Planning Staff prior to the issuance of a building permit.
41. The applicant shall provide a footnote on the proposed tentative map indicating consistency between the “Village” numbering system on the map and the “Minor Phasing” numbers contained in the BRMDP. Any

change/amendment to the sequencing of Minor Phases within the MDP shall take precedence over the Village sequencing.

42. Traffic control signs, street markings, and striping shall be as directed by the City Engineer.
43. The developer shall use proper dust control procedures during site development in accordance with San Joaquin Valley Air Pollution Control District rules.
44. Provide all utility services to each lot, including sanitary sewer, water, electric power, gas, telephone, and cable television. All new utilities are to be undergrounded.
45. Install appropriate street name signs and traffic control signs with locations, names, and types approved by the City Engineer.
46. Developer shall provide construction plans and calculations for all landscaping and public maintenance improvements. All such plans shall conform to City standards and meet approval of the City Engineer.
47. If required by state law, prior to the approval of subdivision improvement plans, the developer shall provide documentation that all lots affected by the 200-year floodplain comply with the requirements of the Urban Level of Flood Protection.

n:shared:planning:PC Resolutions: #3065 Exhibit A VTSM#1304

RECORDING REQUESTED BY:

City of Merced, A California
charter municipal corporation

WHEN RECORDED MAIL TO:

City of Merced
City Clerk
678 West 18th Street
Merced, California 95340

**Exempt Recording Per Gov't
Code Section 6103**

(Above for Recorder's Use Only)

DOCUMENT TITLE

**SUBDIVISION AGREEMENT WITH CONTINUING COVENANTS
(CFD CONDITION)**

A SUBDIVISION AGREEMENT BETWEEN THE CITY OF MERCED
AND STONEFIELD HOME, INC., A CALIFORNIA CORPORATION,
FOR BELLEVUE RANCH WEST, VILLAGE 12, PHASE 2
TO BE RECORDED CONCURRENTLY WITH THE FINAL MAP
FILED THIS ____ DAY OF _____ 2018, AT _____ .M.
IN BOOK _____ OF OFFICIAL PLATS, AT PAGES _____,
MERCED COUNTY RECORDS

SUBDIVISION AGREEMENT
(CFD Condition)
(Bonds as Security)

THIS AGREEMENT, made and entered into _____, 2018, between the City of Merced, a California Charter Municipal Corporation, hereinafter called "City," and Stonefield Home, Inc., a California Corporation, hereinafter called "Subdivider," relates to the installation of improvements within Bellevue Ranch West, Village 12, Phase 2, a subdivision of real property within the corporate limits of "City."

RECITALS

A. The Planning Commission of City, on March 23, 2016, adopted Resolution No. 3065 approving the tentative map of the above mentioned subdivision.

B. Subdivider has submitted for approval the final map of said subdivision in full compliance with State Law and City subdivision ordinances. Final Map Application Number 5359 was submitted by the subdivider on June 2, 2017. A complete Final Map Application (including all bonds and insurance) was filed with the City on _____, 201__.

C. Section 18.24.100 of the Merced Municipal Code requires certain improvements within said subdivision.

D. Improvement plans for said subdivision have been approved by the City.

E. The "Subdivision Map Act" and Section 18.24.150 of the Merced Municipal Code require certain security to guarantee the installation of said improvements.

F. Inspection fees required in accordance with Section 18.24.110 of the Merced Municipal Code have been paid.

G. Condition of Approval of the tentative subdivision map No. 9 requires the Subdivider to have established a Community Facilities District

("CFD") for public safety, maintenance, and other services prior to obtaining a Final Map for the property.

Based upon the foregoing recitals, and in consideration of the mutual covenants, promises, and agreements herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereto mutually agree as follows:

AGREEMENT

1. AGREEMENT TO CONDITIONS IMPOSED

Subdivider, for himself and all successors thereto, acknowledges and agrees to all conditions imposed in the Planning Commission Resolution approving the Tentative Map as identified in Recital A above.

2. IMPROVEMENTS

A. Subdivider agrees to cause all improvements to be made and constructed in said subdivision within twelve (12) months of the date of City approval of this Agreement, in full compliance with the requirements of approved Tentative Map, the Conditions of Approval thereto, and the City's "Standard Designs for Common Engineering Structures," and with the improvement plans approved by City and any changes or alterations in such work required by City, and to pay for any materials, provisions, or other supplies used in, upon, for, or about the performance of said work, and for any work or labor done thereon of any kind, and any amounts due under the Unemployment Insurance Act with respect to such work or labor.

B. The Subdivider may request an extension of time to complete the terms hereof. Such request shall be submitted to the City in writing no less than four (4) weeks before the expiration date hereof, and shall contain a statement of circumstances necessitating the extension of time. The City shall have the right to review the provisions of this Agreement, including the construction standards, cost estimate, and improvement security, and to require adjustments therein if any substantial change has occurred during the term hereof.

C. If the Subdivider fails or neglects to comply with the provisions of this Agreement, the City shall have the right at any time to cause said provisions to be met by any lawful means, and thereupon recover from the Subdivider and/or his surety the full cost and expense incurred.

3. SECURITY—FILING OF THE SAME

The Subdivider shall file securities for this Agreement per Sections 66496 and 66499 of the Government Code as follows and as shown on Exhibit "A" attached hereto:

A. To secure faithful performance of this Agreement, security in an amount equal to one hundred (100%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior to the Final Map application being considered complete or action on the same by the City Council.

B. To secure payment to the contractor, his subcontractors, and to persons furnishing labor, materials, or equipment to them, security in an amount equal to fifty (50%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior to the Final Map application being considered complete or action on the same by the City Council.

C. To secure the guarantee and warranty of the work for a period of one (1) year following the completion and acceptance of the work, security in an amount equal to fifteen (15%) percent of the estimated cost of the work as determined by the City shall be filed with the City prior to final acceptance of the work by the City.

D. To secure payment of the cost of setting of monuments, security in an amount equal to one hundred (100%) percent of the estimated cost of setting such monuments as determined by the City shall be filed with the City prior to the Final Map application being considered complete or action on the same by the City Council.

If security is furnished in the form of a bond or bonds, such bonds shall be executed by a corporate surety company authorized to transact surety business in the State of California. Liability for security furnished as

described herein shall be limited as set forth in Government Code Sections 66499.9 and 66499.10.

4. SECURITY—RELEASE OF THE SAME

Release of Securities shall be as follows:

A. Security given for faithful performance may be released thirty-five (35) days after recording Notice of Completion of the work provided that evidence of recording of the Notice of Completion has been furnished to the City, the City has finally accepted the work, and provided the security has been furnished to the City to guarantee and warrant the work for one (1) year following the date of such acceptance of the work.

B. Security securing the payment to the contractor, his subcontractors, and to persons furnishing labor, materials, or equipment may be released six (6) months after recording Notice of Completion provided no claims have been filed with the City in accordance with the Subdivision Map Act.

C. The security guaranteeing that the completed work remains satisfactory during the required one-year warranty period may be released upon correction, by Subdivider, of any defects in the work existing at the end of the warranty period.

D. Monument security may be released in accordance with the provisions of Section 66497 of the Government Code.

In the event that improvements do not conform to the plans and specifications or defects are not corrected within the time limits specified by City, the City shall have the authority to order the necessary work done and to recover the cost of such work, as well as any costs of enforcing such obligation, including attorney fees, from the Subdivider and the Subdivider's surety or the financial institution providing the Instrument of Credit.

5. INSPECTION

City shall inspect all improvements made in connection with said subdivision for compliance with City requirements. Subdivider shall give at

least twenty-four (24) hours' notice to City, including at least one full working day prior to any inspection. Improvements installed without inspection by the City shall be subject to rejection. Subdivider shall pay to City an amount equal to three (3) percent of the total estimated cost of the improvements as determined by City to cover the cost of inspection. Inspection by the City shall in no way relieve the Subdivider or its sureties of full responsibility for defective materials or workmanship. Any costs associated with testing of improvements shall be paid by the Subdivider in advance of the testing.

Neither final inspection nor acceptance of any public improvements for said subdivision will be permitted prior to receipt by City of sufficient monies to cover the cost of testing and inspection exceeding the above deposit.

6. FULFILLMENT OF CONDITIONS OF APPROVAL.

Condition of Approval No. 7 of Subdivider's Tentative Map requires Subdivider to have formed a CFD prior to obtaining approval of a Final Map for Subdivider's project. Bellevue Ranch West, including Village 12 was annexed into Community Facilities District No. 2003-2 (Services) as part of Annexation No. 2 approved by the Merced City Council on November 21, 2005. Therefore, this condition has been satisfied.

7. SAFETY

Subdivider shall perform all work in accordance with the applicable sections of Title 8 of the California Code of Regulations (CAL OSHA), and the "WATCH" (Work Area Traffic Control Handbook) published by Building News, Inc., and available at the City Engineer's office. Provisions shall be made by Subdivider for protection of the traveling public on all public roads affected by the improvements.

Barricades and related facilities shall be placed in such number and in such locations as for public safety, and at night they shall be equipped with flashing yellow lights. City reserves the right to require and Subdivider shall promptly install or place additional barricades or other facilities to assure public safety if City shall deem the same to be necessary or desirable for public safety. Subdivider is responsible for all liability which may arise out of work herein permitted whether or not public property, and

shall indemnify, protect, defend, and hold City harmless from any and all claims, damages (including injury or death to any person or persons) , or causes of action arising therefrom or related thereto.

8. INDEMNITY

The Subdivider shall take and assume all responsibility for the construction of the improvements and the safety of operation in connection therewith. The Subdivider shall bear all losses and damages directly or indirectly resulting to the City, its officers, employees, and agents or others on account of the construction of the improvements, unforeseen difficulties, accidents, or any other causes whatsoever.

The Subdivider shall protect, assume the defense of and indemnify and save harmless the City, its officers, employees, and agents from all claims, loss, damage, injury—including the death of any person or persons, and liability of every kind, nature, and description, directly or indirectly arising from the construction of the improvements.

The Subdivider shall indemnify, protect, defend, and hold harmless the City, and any agency or instrumentality thereof, and officers, officials, employees, or agents thereof, from any and all claims, actions, suits, proceedings, or judgments against the City, or any agency or instrumentality thereof, and any officers, officials, employees, or agents thereof to attack, set aside, void, or annul, an approval of the City, or any agency or instrumentality thereof, advisory agency, appeal board, or legislative body, including actions approved by the voters of the City, concerning the project and the approvals granted herein. Furthermore, Subdivider shall indemnify, protect, defend, and hold harmless the City, or any agency or instrumentality thereof, against any and all claims, actions, suits, proceedings, or judgments against another governmental entity in which Subdivider's project is subject to that other governmental entity's approval and a condition of such approval is that the City indemnify and defend such governmental entity. City shall promptly notify the Subdivider of any claim, action, or proceeding. City shall further cooperate fully in the defense of the action. Should the City fail to either promptly notify or cooperate fully, the Subdivider shall not thereafter be responsible to indemnify, defend, protect, or hold harmless the City, any agency or instrumentality thereof, or any of its officers, officials, employees, or agents.

9. INSURANCE

Subdivider further agrees that before commencing any work pursuant to this Agreement, Subdivider shall obtain, and at all times prior to final acceptance of all improvements hereunder, keep in full force and effect, insurance coverage in such limits and amounts, and covering such risks as shall be acceptable to City.

All policies of insurance must be issued by a company that is either:

- (1) Admitted to transact insurance business in the State of California;
- (2) On the "LESLI List," i.e., the List of Eligible Surplus Line Insurers; or,
- (3) In the form of a risk retention group ("RRG") so long as the RRG contains at least \$750,000 in capital, has been in operation for at least one year, and the reinsurance agreement associated with the RRG contains AM Best A rated insurers with an attachment point of \$250,000 or less.

All insurance companies must have an A.M. Best's rating of at least A- and a financial size of IX or X. All required policies shall contain an endorsement adding the Indemnified Parties under the agreement, specifically including but are not limited to, the City, its officers, employees, and agents, as additional insureds. The required policies shall stipulate that this insurance will operate as primary insurance for work performed by Developer and its sub-contractors, and that no other insurance effected by City or other named insureds will be called on to cover a loss covered thereunder. The General Liability insurance shall be provided by an ISO Commercial General Liability policy, with edition dates of 1985, 1988, or 1990. The additional insured endorsement required hereunder must be issued using ISO form CG 20 10 11 85, or the same form with an edition date no later than 1990. In lieu of CG 20 10 11 85, City will accept alternate additional insured endorsements on ISO forms CG 20 10 10 01 and CG 20 37 10 01, but only if both forms are used together and provided to City. The minimum coverage and limits shall be as follows:

COVERAGE	LIMITS
Workers Compensation	Statutory
Comprehensive General Liability, including or separately insuring liability assumed by contract	
Bodily Injury	\$1,000,000 per person \$1,000,000 per occurrence
Property Damage	\$ 500,000 per occurrence

Subdivider shall, prior to commencement of construction work, furnish to City a certificate of insurance, which shall provide that the above insurance shall not be cancelled without thirty (30) days prior written notice to City. Prior to acceptance of the improvements, the Subdivider shall provide the City with a copy of the endorsements required herein.

10. AS-BUILTS

Subdivider shall submit one (1) reproducible print (mylar) of the improvements "as-built" to City prior to release of securities.

11. NOTICE OF COMPLETION

City shall record a Notice of Completion with the Merced County Recorder immediately following City's acceptance of the improvements.

12. APPROVALS

This Agreement is subject to approval by the City Manager of City as to substance, and by the City Attorney as to form. Any improvement securities tendered hereunder shall be subject to approval by the City Manager as to amount, and by the City Attorney as to form and legal sufficiency.

13. SUCCESSORS AND ASSIGNS

This Agreement shall inure to the benefit of and be binding upon the successors and assigns of the respective parties hereto.

14. WAIVER

In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

15. VENUE

This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this Agreement shall be held exclusively in a state court in the County of Merced.

16. AMENDMENT

This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

17. INTEGRATION

This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understandings or agreements between the parties with respect to all or any part of the subject matter hereof.

18. AUTHORITY TO EXECUTE

The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

19. COUNTERPARTS

This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the

counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

IN WITNESS WHEREOF, three (3) identical counterparts of this Agreement, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the day and year first herein written.

CITY OF MERCED
A California Charter Municipal Corporation

By: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

By: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

By: *K. Flores* *2-6-2018*
City Attorney Date

FUNDS/ACCOUNTS VERIFIED BY:

Finance Officer Date

DEVELOPER:
STONEFIELD HOME, INC.,
A California Corporation

By: 

Greg Hostetler

Its: President

Address: 923 E. Pacheco Blvd.
Suite C
Los Banos, CA 93665

Telephone: (209) 826-6200

32-0439641

Taxpayer I.D. Number

ACKNOWLEDGMENT

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

State of California
County of Merced

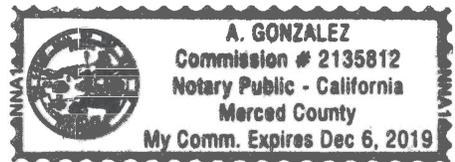
On March 9, 2018 before me, A. Gonzalez, Notary Public
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature  (Seal)



ACKNOWLEDGMENT

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

State of California
County of _____)

On _____ before me, _____
(insert name and title of the officer)

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A

The securities on this subdivision shall be according to, or equivalent to, either Method 1 or Method 2.

	Method 1		Method 2
	<u>Performance Bond</u>	<u>Labor/Material Bond</u>	<u>Letter of Credit</u>
Subdivision Improvements, Including monuments	\$614,564.00	\$307,282.00	\$737,477.00
One-Year Warranty	\$92,185.00		\$92,185.00

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
APPROVING THE FINAL SUBDIVISION MAP
FOR THE BELLEVUE RANCH WEST, VILLAGE
12, PHASE 2 SUBDIVISION (#5359)**

WHEREAS, a Tentative Subdivision Map for the Bellevue Ranch West, Village 12, Phase 2 Subdivision was approved on March 23, 2016, by the Planning Commission; and,

WHEREAS, a Final Map conforming to the approved Tentative Map has been filed with the City of Merced; and,

WHEREAS, the City Engineer has reviewed the Final Map and certified that the Final Map substantially conforms to the conditionally approved Vesting Tentative Subdivision Map; and,

WHEREAS, all required certificates on said Final Map have been signed and, where necessary, acknowledged.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES RESOLVE AS FOLLOWS:

SECTION 1. FINDINGS. The City Council finds and declares that:

1. The Final Map is in substantial compliance with the Tentative Map.
2. The discharge of waste from the proposed subdivision into the sewer system will not result in violation of existing requirements of the Water Quality Control Board.
3. The Final Map is consistent with applicable general and specific plans.
4. The design or improvement of the proposed subdivision is consistent with applicable general and specific plans.

5. The site is physically suitable for the proposed type of development.
6. The site is physically suitable for the proposed density of development.
7. The design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife of their habitat.
8. The design of the subdivision or the type of improvements are not likely to cause serious public health problems.
9. The design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision.
10. An agreement has been entered into with the developer satisfactory to guarantee completion of public improvements within the subdivision.

SECTION 2. APPROVAL OF MAP. The City Council hereby approves the Final Map for the Bellevue Ranch West, Village 12, Phase 2 Subdivision.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the ____ day of _____ 2018 by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:



ADMINISTRATIVE REPORT

Agenda Item I.18.

Meeting Date: 4/2/2018

Report Prepared by: Francisco Mendoza-Gonzalez, Planner, Development Services

SUBJECT: Street Closure Request #18-05 for the Merced County Hispanic Chamber of Commerce to Host the Second Annual Merced Cowboy/Vaquero 5-Kilometer and Kids' Half-Mile Runs

REPORT IN BRIEF

Consider a request for the use of City streets and Bob Hart Square on Saturday, May 19, 2018, for a 5K and Half-Mile runs.

RECOMMENDATION

City Council - Adopt a motion approving the street closures of W. Main Street (between H and Q Streets), Q Street (between W. Main and W. 19th Streets), W. 19th Street (between Q and O Streets) O Street (between W. 19th and W. 21st Streets), W. 21st Street (between O and Q Streets) Q Street (between W. 21st and W. 23rd Streets), W. 23rd Street (between Q and H Streets), H Street (between W. 23rd and W. 21st Streets), W. 21st Street (between H and I Streets), I Street (between W. 21st and W. 19th Streets), W. 19th Street (between I and H Streets), H Street (between W. 19th and W. Main Streets), and the use of Bob Hart Square, as detailed in the staff report. The event will be held on Saturday, May 19, 2018, from 5:00 a.m. to 12:00 p.m. (event time from 7:30 a.m. to 12:00 p.m.), for the Merced Cowboy/Vaquero 5K and Kids' Half-Mile Runs, subject to the details and conditions outlined in the administrative staff report.

ALTERNATIVES

1. Approve, as recommended by staff; or
2. Approve, subject to modifications as conditioned by Council; or,
3. Deny the request completely; or,
4. Refer back to staff for reconsideration of specific items as requested by Council; or,
5. Continue item to a future Council meeting (date and time to be specified in City Council motion).

AUTHORITY

City of Merced Charter Section 200; California Vehicle Code (CVC) Section 21101(e), as follows:

“21101. Local authorities, for those highways under their jurisdiction, may adopt rules and regulations by ordinance or resolution on the following matters:

(e) Temporarily closing a portion of any street for celebrations, parades, local special events, and other purposes when, in the opinion of local authorities having jurisdiction or a public officer or

employee that the local authority designates by resolution, the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.”

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

Requested Streets

The Merced County Hispanic Chamber of Commerce is requesting the use of specific sections of City streets as listed below, on Saturday, May 19, 2018, from 5:00 a.m. to 12:00 p.m., for the Merced Cowboy/Vaquero 5K and Kids’ Half-Mile Runs (Attachment 2):

- W. Main Street, between H and Q Streets, which includes the start/finish area
- Q Street, between W. Main and W. 19th Streets
- W. 19th Street, between Q and O Streets
- O Street, between W. 19th and W. 21st Streets
- W. 21st Street, between O and Q Streets
- Q Street, between W. 21st and W. 23rd Streets
- W. 23rd Street, between Q and H Streets
- H Street, between W. 23rd and W. 21st Streets
- W. 21st Street, between H and I Streets
- I Street, between W. 21st and W. 19th Streets
- W. 19th Street, between I and H Streets
- H Street, between W. 19th and W. Main Streets

In addition, the applicant is requesting the use of Bob Hart Square for race registration purposes. The applicant will be providing 5 portable restrooms near Bob Hart Square, and 3 water stations throughout the course. The applicant will need special event City refuse services, and City electricity at Bob Hart Square for their sound system. Riggs Ambulance will be on-call in case of emergencies.

Event Description

The Merced Cowboy/Vaquero 5K and Kids’ Half-Mile Runs are sponsored by the Merced County Hispanic Chamber of Commerce. Mr. Alfonso Garcia, a cross country and track coach at Buhach Colony High School in Atwater, will be the event’s technical advisor. Mr. Garcia has also contributed to other running events within the City of Merced, including the “Honey Bun Run” and the “Jingle Bell Run.”

This event will be held the morning of Saturday, May 19, 2018, with initial closure of the above-mentioned roads scheduled for 5:00 a.m. Following the last runner’s exit from the course, all barricades and traffic cones will be removed, and all streets will be reopened by 12:00 p.m., with each intersection opening after the last runner on the course passes through.

The Kids’ Half-Mile Run will be contained to a four-block area within Downtown by using Main Street

to go back and forth between Canal Street and H Street. The 5K run encompasses a much larger area within the downtown and Central Merced area, remaining south of Bear Creek (Attachment 3).

While mostly utilizing local streets, the 5K run does cross M Street, a divided arterial road, in two places: 1) at the intersection of W. Main, and 2) at the intersection of W. 23rd Street. The heavier volume of traffic at these two intersections will require the assistance of the Merced Police Department.

At the local street intersections on the course, volunteer traffic monitors will be provided by both the Buhach Colony High School's cross country team and the Merced County Hispanic Chamber of Commerce. There will be at least two volunteer traffic monitors at the blocked intersections to advise drivers of the race. There also will be additional volunteers along the race routes to safely stop any residential traffic in order to allow the runners to cross to the next road section uninterrupted. All volunteers will wear bright orange shirts or vests to easily be seen and most will be equipped with cell phones to communicate with the event coordinator.

At least seventy-two hours (three days) prior to the street closures, the event organizers are required to notify nearby businesses and residences within one half-mile of the affected streets (Condition #5). To ensure this is done, event organizers are required to provide staff with confirmation that this notification was given. To accomplish this, staff has prepared a standard form that the event sponsor shall complete, photocopy, and distribute to businesses and residences within the stated area (Attachment 4). A copy of this form shall also be signed and submitted to Planning Department staff, confirming that the required businesses and residences were notified.

Conditions of Approval

1. By applying for the street closure request, the Permittee shall agree to indemnify, protect, defend (with counsel selected by the City), save, and hold City, its officers, employees, agents, and volunteers harmless from any and all claims or causes of action for death or injury to persons, or damage to property resulting from intentional or negligent acts, errors, or omissions of Event Sponsor or Event Sponsor's officers, employees, agents, volunteers, and participants during performance of the Event, or from any violation of any federal, state, or municipal law or ordinance, to the extent caused, in whole or in part, by the willful misconduct, negligent acts, or omissions of Event Sponsor or its officers, employees, agents, volunteers, or participants, or resulting from the negligence of the City, its officers, employees, agents, and volunteers, except for loss caused solely by the gross negligence of the City. Acceptance by City of insurance certificates and endorsements required for this Event does not relieve Event Sponsor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply.

2. Prior to engaging in the event, Event Sponsor shall provide the City with a Certificate of Liability Insurance evidencing coverage in an amount of no less than \$500,000 for property damage and \$500,000 for personal injury or a minimum combined single limit coverage of \$500,000. Said policy shall stipulate that this insurance will operate as primary insurance and that no other insurance will be called on to cover a loss covered thereunder. Additional insured endorsements evidencing this coverage, naming the City of Merced, its Officers, Employees, and Agents as additional insureds, must be submitted to the City prior to the event. This certificate shall provide that thirty (30) days

written notice of cancellation shall be given to the City. Certificates of Insurance shall also be provided for Automobile Insurances of all automobiles used for the event. If the Event Sponsor has any employee(s), full workers' compensation insurance shall be provided with a limit of at least \$100,000 for any one person as required by law.

3. Failure to comply with any law, rule, or regulation applicable to the use of said streets shall be grounds to revoke any such permit and, in such circumstances, the Chief of Police shall immediately revoke said permit. The Event Sponsor or permit holder, in such case, shall have the right to appeal said revocation to the City Council.
4. Event sponsor shall be responsible for placing and removing all traffic barricades and posting of parking restrictions where street is closed. "No Parking" signs shall be posted at least twenty-four (24) hours prior to towing of vehicle(s), per California Vehicle Code Section 22651(m).
5. Event sponsor shall contact all businesses and residences affected by the street closure(s) and the event, advising them of the hours, conditions, and reason thereof, within one half-mile of the encroachment area at least seventy-two (72) hours prior to the event. Event Sponsor shall provide the City confirmation that the proper notification was given (Attachment 4).
6. The Event Sponsor shall provide traffic monitors/volunteers at an acceptable frequency at each City block and intersection throughout the closure area. The applicant shall consult with the Police Department regarding these matters in order to ensure a safe and successful event for both participants and motorists in the closure vicinity.
7. Event sponsor shall provide and maintain a minimum 22-foot-wide emergency vehicle access path into and through the closure area at all times via movable barriers. Fire hydrant access shall not be blocked at any time whatsoever.
8. The Merced City Police Department or their designee has the authority to immediately cancel and/or re-route all activities requested with this street closure if there is a police or other emergency incident in the area. Application fees are non-refundable.
9. Event sponsor shall be responsible for removing all equipment, trash and debris that is generated from the event, including removal of "no parking" signs, within and around the closure area prior to the expiration of the closure permit.
10. Alcoholic beverages may not be served or sold at this event.
11. The applicant/event sponsor shall arrange and pay for special event City Refuse service by contacting Public Works at (209) 385-6800.
12. All other provisions addressed in Ordinance #1941, Chapter 12.42 (Temporary Street Closures) shall apply.
13. The event sponsor shall provide traffic control plans to the Engineering Department. These plans shall be reviewed and approved by the City Engineer.

IMPACT ON CITY RESOURCES

The applicant has requested assistance by Merced Police Department traffic control personnel to help maintain safety at the intersections of W. Main and M Streets, and W. 23rd and M Streets. As volunteers will be provided at every other intersection on the course, this is the only expected impact to City resources for this event. The estimated cost of providing police officers at the two requested intersections is \$1,100.

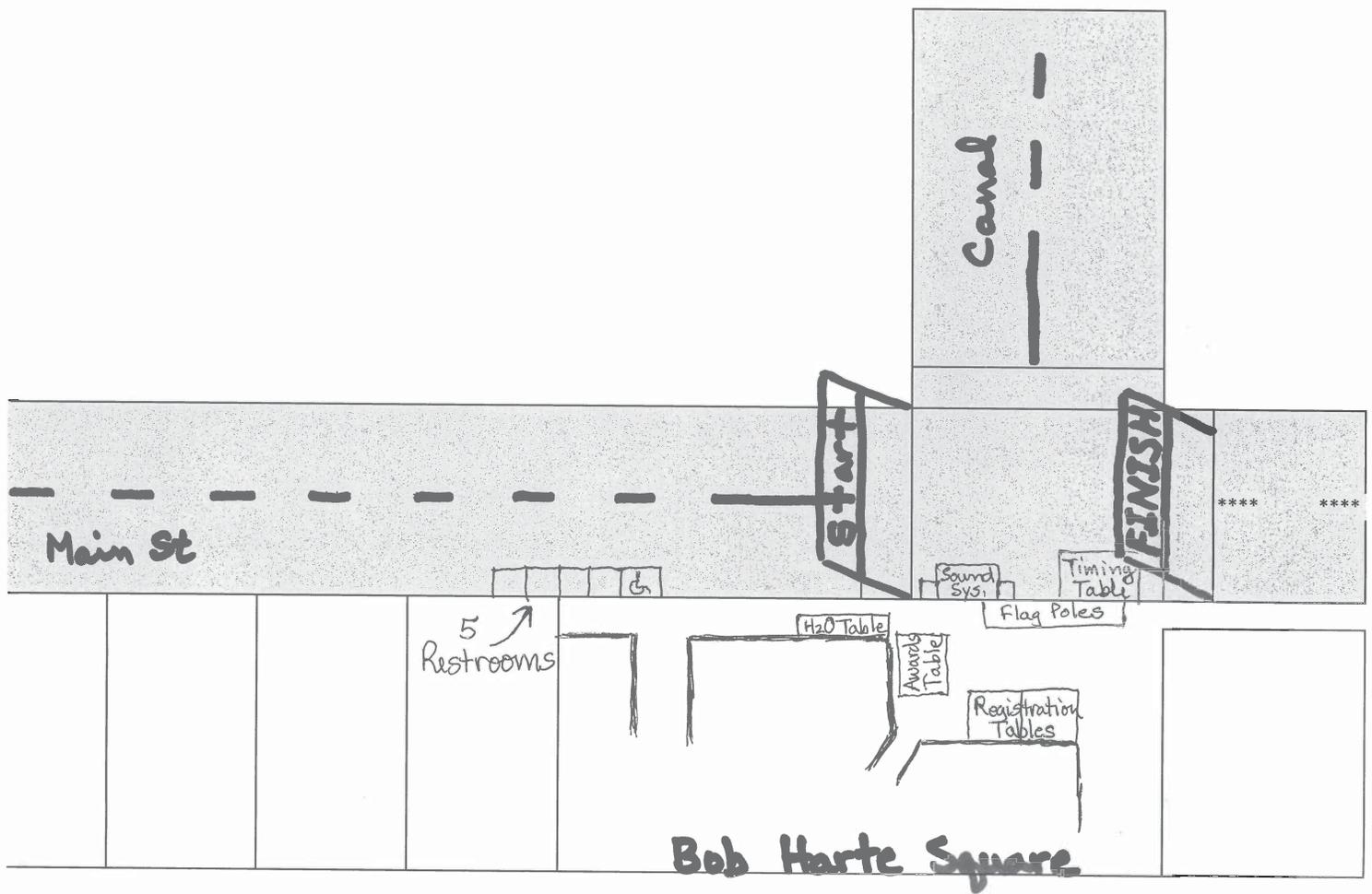
ATTACHMENTS

1. Location Map
2. Course Map
3. Bob Hart Square Site Plan
4. Notification of Pending Street Closure



Aerial Image of General Course Vicinity

(see Attachment 2 for Course Details)



NOTIFICATION OF PENDING STREET CLOSURE

This is to notify you of an event that will require the closure of street(s) in your area. Please note the details below, including the date and time of the closure(s), and plan to park your vehicle(s) off the affected street(s) on the day of the event. Your cooperation is greatly appreciated. If you have any concerns, please notify the contact person listed.

Name of Event: _____ Type of event (parade, etc.): _____

Contact Person: _____ Phone Number: _____

Date(s) of closure: _____	Time: between _____ am/pm and _____ am/pm
Streets to be closed: _____	

Other streets with restricted access: _____	

Please Note: Event Sponsor is responsible for posting of parking restrictions where street is closed. "No Parking" signs shall be posted at least twenty-four (24) hours prior to any necessary towing of vehicle(s), per California Vehicle Code Section 22651(m).

To avoid having your vehicle towed, please keep this notice as a reminder and comply with the posted parking restrictions. If you are a business with employees, please notify your employees as soon as possible and post this notice in a conspicuous location. Thank you.

NOTIFICATION OF PENDING STREET CLOSURE

This is to notify you of an event that will require the closure of street(s) in your area. Please note the details below, including the date and time of the closure(s), and plan to park your vehicle(s) off the affected street(s) on the day of the event. Your cooperation is greatly appreciated. If you have any concerns, please notify the contact person listed.

Name of Event: _____ Type of event (parade, etc.): _____

Contact Person: _____ Phone Number: _____

Date(s) of closure: _____	Time: between _____ am/pm and _____ am/pm
Streets to be closed: _____	

Other streets with restricted access: _____	

Please Note: Event Sponsor is responsible for posting of parking restrictions where street is closed. "No Parking" signs shall be posted at least twenty-four (24) hours prior to any necessary towing of vehicle(s), per California Vehicle Code Section 22651(m).

To avoid having your vehicle towed, please keep this notice as a reminder and comply with the posted parking restrictions. If you are a business with employees, please notify your employees as soon as possible and post this notice in a conspicuous location. Thank you.

To be signed by Event Sponsor Representative after completion of required 72-hour notification and submitted to the City of Merced Planning Dept, City Hall (2nd Floor), 678 W. 18th Street, Merced.

I have notified the required parties of the dates, times, and affected streets, as required.

Signed _____ Title: _____ Date: _____



ADMINISTRATIVE REPORT

Agenda Item I.19.

Meeting Date: 4/2/2018

Report Prepared by: Steven Son, Acting City Engineer, Engineering Department

SUBJECT: Improvement Maintenance Agreement within State Highway Right of Way on Route 59 within the City of Merced for State Highway 59 Multi-Use Path Crossing Project 115047

REPORT IN BRIEF

Approves an agreement with the State of California, acting by and through the Department of Transportation, to establish terms and conditions for the City responsibility for the improvements placed within the State Highway right of way on State Route 59, constructed by the ATPL (045) State Highway 59 Multi-use Path Crossing Project 115047.

RECOMMENDATION

City Council - Adopt a motion approving the Improvement Maintenance Agreement, and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200 et seq.

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

The project - ATPL (045) State Highway 59 Multi-use Path Crossing Project 115047- will aid in vehicular travel and public safety by installing railroad crossing signals, activation equipment, and crossing surface for pedestrian use.

This project will result in improvements within the State Highway right of way including, concrete sidewalk/bike path, stamped concrete, and concrete median. The Improvement Maintenance Agreement establishes the terms and conditions under which the improvements, locations noted in

Exhibit A of the attachments, shall be maintained.

HISTORY

On February 1, 2016, City Council approved Program Supplement No. 028-N, accepting \$5,000 for the Environmental phase of the project.

On September 19, 2016, City Council accepted \$106,000 for the Preliminary Engineering phase of the project.

On October 17, 2016, Council approved Resolution 2016-54 approving Federal-Aid Projects Program Supplement Agreement No. 028-N1 for the project.

IMPACT ON CITY RESOURCES

The City of Merced is responsible for all costs and the construction project will be funded by a Federal Grant that will be administered by the State of California.

ATTACHMENTS

1. Improvement Maintenance Agreement
2. Exhibit A

**IMPROVEMENT MAINTENANCE AGREEMENT
WITHIN STATE HIGHWAY RIGHT OF WAY
ON ROUTE 59 WITHIN THE CITY OF MERCED**

THIS AGREEMENT is made effective this _____ day of _____, 20__, by and between the State of California, acting by and through the Department of Transportation, hereinafter referred to as "STATE" and the CITY of Merced; hereinafter referred to as "CITY" and collectively referred to as "PARTIES".

SECTION I

RECITALS

1. PARTIES desire to work together to allocate their respective obligations relative to newly constructed or revised improvements within STATE's right of way by Permit Number 1015-NMC-0752.
2. This Agreement addresses CITY responsibility for the concrete sidewalk/bike path, stamped concrete, concrete median (collectively the "IMPROVEMENTS") placed within State Highway right of way on State Route 59, as shown on Exhibit A, attached to and made a part of this Agreement.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

SECTION II

AGREEMENT

1. In consideration of the mutual covenants and promises herein contained, CITY and STATE agree as follows:
 - 1.1. PARTIES have agreed to an allocation of maintenance responsibilities that includes, but is not limited to, inspection, providing emergency repair, replacement, and maintenance, (collectively hereinafter "MAINTAIN/MAINTENANCE") of IMPROVEMENTS as shown on said Exhibit "A."
 - 1.2. When a planned future improvement is constructed and/or a minor revision has been effected with STATE's consent or initiation within the limits of the STATE's right of way herein described which affects PARTIES' division of maintenance responsibility as described herein, PARTIES will agree upon and execute a new dated and revised Exhibit "A" which will be made a part hereof and will thereafter supersede the attached original Exhibit "A" to thereafter become a part of this Agreement. The new exhibit can be executed only upon written consent of the PARTIES hereto acting by and through their authorized representatives. No formal amendment to this Agreement will be required.
2. CITY agrees, at CITY expense, to do the following:

- 2.1. CITY may install, or contract, authorizing a licensed contractor with appropriate class of license in the State of California, to install and thereafter will MAINTAIN IMPROVEMENTS conforming to those plans and specifications (PS&E) pre-approved by STATE.
- 2.2. The degree or extent of maintenance work to be performed, and the standards therefore, shall be in accordance with the provisions of Section 27 of the Streets and Highways Code and the then current edition of the State Maintenance Manual.
- 2.3. CITY will submit the final form of the PS&E, prepared, stamped and signed by a licensed civil engineer, for IMPROVEMENTS to STATE's District Permit Engineer for review and approval and will obtain and have in place a valid necessary encroachment permit prior to the start of any work within STATE'S right of way. All proposed IMPROVEMENTS must meet STATE's applicable standards.
- 2.4. CITY shall ensure that IMPROVED areas designated on Exhibit "A" are provided with adequate scheduled routine MAINTENANCE necessary to MAINTAIN a neat and attractive appearance.
- 2.5. An Encroachment Permit rider may be required for any changes to the scope of work allowed by this Agreement prior to the start of any work within STATE's right of way.
- 2.6. CITY contractors will be required to obtain an Encroachment Permit prior to the start of any work within STATE's right of way.
- 2.7. To remove IMPROVEMENTS and appurtenances and restore STATE owned areas to a safe and attractive condition acceptable to STATE in the event this Agreement is terminated as set forth herein.
- 2.8. To inspect IMPROVEMENTS on a regular monthly or weekly basis to ensure the safe operation and condition of the IMPROVEMENTS.
- 2.9. To expeditiously MAINTAIN, replace, repair or remove from service any IMPROVEMENTS system component that has become unsafe or unsightly.
- 2.10. To MAINTAIN all concrete sidewalks/bike paths, stamped concrete, concrete median within the Agreement limits of the STATE highway right of way, as shown on Exhibit A, at CITY expense. MAINTENANCE includes, but is not limited to, concrete repair, replacement and to grind or patch vertical variations in elevation of concrete sidewalks/bike paths, stamped concrete, concrete median for an acceptable walking and riding surface, and the removal of dirt, debris, graffiti, weeds, and any deleterious item or material on or about concrete sidewalks/bike paths, stamped concrete, concrete median or the IMPROVEMENTS in an expeditious manner.
- 2.11. To MAINTAIN all parking or use restrictions signs encompassed within the area of the IMPROVEMENTS.

- 2.12. To allow random inspection of IMPROVEMENTS, concrete sidewalks/bike paths, stamped concrete, concrete median and signs by a STATE representative.
 - 2.13. To keep the entire improved area policed and free of litter and deleterious material.
 - 2.14. All work by or on behalf of CITY will be done at no cost to STATE.
3. STATE agrees to do the following:
 - 3.1. May provide CITY with timely written notice of unsatisfactory conditions that require correction by the CITY. However, the non-receipt of notice does not excuse CITY from maintenance responsibilities assumed under this Agreement.
 - 3.2. Issue encroachment permits to CITY and CITY contractors at no cost to them.
4. LEGAL RELATIONS AND RESPONSIBILITIES:
 - 4.1. Nothing within the provisions of this Agreement is intended to create duties or obligations to or rights in third parties not party to this Agreement, or affect the legal liability of either PARTY to this Agreement by imposing any standard of care respecting the design, construction and maintenance of these STATE highway improvements or CITY facilities different from the standard of care imposed by law.
 - 4.2. If during the term of this Agreement, CITY should cease to MAINTAIN the IMPROVEMENTS to the satisfaction of STATE as provided by this Agreement, STATE may either undertake to perform that MAINTENANCE on behalf of CITY at CITY's expense or direct CITY to remove or itself remove IMPROVEMENTS at CITY's sole expense and restore STATE's right of way to its prior or a safe operable condition. CITY hereby agrees to pay said STATE expenses, within thirty (30) days of receipt of billing by STATE. However, prior to STATE performing any MAINTENANCE or removing IMPROVEMENTS, STATE will provide written notice to CITY to cure the default and CITY will have thirty (30) days within which to affect that cure.
 - 4.3. Neither CITY nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by STATE under or in connection with any work, authority or jurisdiction arising under this Agreement. It is understood and agreed that STATE shall fully defend, indemnify and save harmless CITY and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation and other theories or assertions of liability occurring by reason of anything done or omitted to be done by STATE under this Agreement with the exception of those actions of STATE necessary to cure a noticed default on the part of CITY.
 - 4.4. Neither STATE nor any officer or employee thereof is responsible for any injury, damage or liability occurring by reason of anything done or omitted to be done by

CITY under or in connection with any work, authority or jurisdiction arising under this Agreement. It is understood and agreed that CITY shall fully defend, indemnify and save harmless STATE and all of its officers and employees from all claims, suits or actions of every name, kind and description brought forth under, including, but not limited to, tortious, contractual, inverse condemnation or other theories or assertions of liability occurring by reason of anything done or omitted to be done by CITY under this Agreement.

5. PREVAILING WAGES:

5.1. Labor Code Compliance- If the work performed on this Project is done under contract and falls within the Labor Code section 1720(a)(1) definition of a "public work" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code section 1771. CITY must conform to the provisions of Labor Code sections 1720 through 1815, and all applicable provisions of California Code of Regulations found in Title 8, Chapter 8, Subchapter 3, Articles 1-7. CITY agrees to include prevailing wage requirements in its contracts for public work. Work performed by CITY'S own forces is exempt from the Labor Code's Prevailing Wage requirements.

5.2. Requirements in Subcontracts - CITY shall require its contractors to include prevailing wage requirements in all subcontracts funded by this Agreement when the work to be performed by the subcontractor is a "public work" as defined in Labor Code Section 1720(a)(1) and Labor Code Section 1771. Subcontracts shall include all prevailing wage requirements set forth in CITY's contracts

6. INSURANCE - CITY and its contractors shall maintain in force, during the term of this agreement, a policy of general liability insurance, including coverage of bodily injury liability and property damage liability, naming the STATE, its officers, agents and employees as the additional insured in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement.

6.1. SELF-INSURED - CITY is self-insured. CITY agrees to deliver evidence of self-insured coverage providing general liability insurance, coverage of bodily injury liability and property damage liability, naming the STATE, its officers, agents and employees as the additional insured in an amount of \$1 million per occurrence and \$2 million in aggregate and \$5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement in a form satisfactory to STATE, along with a signed copy of the Agreement.

6.2. SELF-INSURED using Contractor - If the work performed on this Project is done under contract CITY shall require its contractors to maintain in force, during the term of this agreement, a policy of general liability insurance, including coverage of bodily injury liability and property damage liability, naming the STATE, its officers, agents and employees as the additional insured in an amount of \$1 million per occurrence and

\$2 million in aggregate and \$5 million in excess. Coverage shall be evidenced by a certificate of insurance in a form satisfactory to the STATE that shall be delivered to the STATE with a signed copy of this Agreement.

- 7. TERMINATION - This Agreement may be terminated by timely mutual written consent by PARTIES, and CITY's failure to comply with the provisions of this Agreement may be grounds for a Notice of Termination by STATE.
- 8. TERM OF AGREEMENT -This Agreement shall become effective on the date first shown on its face sheet and shall remain in full force and effect until amended or terminated at any time upon mutual consent of the PARTIES or until terminated by STATE for cause.

PARTIES are empowered by Streets and Highways Code Section 114 & 130 to enter into this Agreement and have delegated to the undersigned the authority to execute this Agreement on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this Agreement.

IN WITNESS WHEREOF, the PARTIES hereto have set their hands and seals the day and year first above written.

THE CITY OF MERCED

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

By: _____
MIKE MURPHY
Mayor

MALCOLM DOUGHERTY
Director of Transportation

Initiated and Approved

By: _____
STEVEN S. CARRIGAN
City Manager

By: _____
SAMUEL JORDAN
Acting Deputy District Director
Maintenance and Operations
District 10

ATTEST:

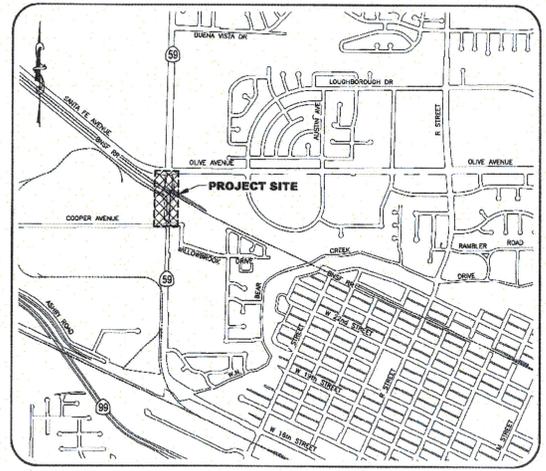
By: _____
STEVEN S. CARRIGAN
City Clerk

As to Form and Procedure:

By:  _____
JOLIE HOUSTON

By: _____
Attorney

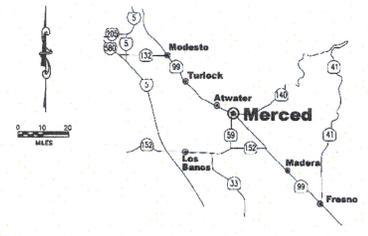
District	County	Route	Post Mile	Sheet No.	Total Sheets
10	MER	59	16.04/16.10	1	12



LOCATION MAP
SCALE: 1"=1,000'

CITY OF MERCED PROJECT NO. 115047 ATPL (045) STATE HIGHWAY 59 MULTI-USE PATH CROSSING

THESE PLANS TO BE SUPPLEMENTED BY CALTRANS STANDARD PLANS AND SPECIFICATIONS DATED MAY 2015



VICINITY MAP

EXHIBIT A

LEGEND	
EXISTING (SEE TOPOGRAPHICAL SURVEY - SHEET 3)	
PROPOSED	
	CONSTRUCT ROADWAY (PER TYPICAL CROSS SECTIONS - SHEET 3)
	COLD PLANE AND OVERLAY EXISTING PAVEMENT
	CONCRETE CURB AND GUTTER, INVERT OR VALLEY GUTTER FOR PLAN
	STAMPED CONCRETE
	EMBANKMENT FILL
	30" STORM DRAIN PIPE
	CONSTRUCT CURB & GUTTER PER CITY STANDARD 300-1 & 300-4
	EXPANSION OR GRADE
	STATIONING IN FEET AND DISTANCE TO LEFT OR RIGHT
	STREET SIGN
	DETAIL NO.
	SHEET NO.
	SECTION NO.
	SHEET NO.

SHEET INDEX	
SHEET NUMBER	DESCRIPTION
1	COVER SHEET
2	GENERAL NOTES, ABBREVIATIONS, AND STANDARD PLANS
3	TYPICAL CROSS SECTIONS
4	TOPOGRAPHICAL SURVEY AND DEMOLITION PLAN
5	CONSTRUCTION PLAN
6	GRADING PLAN AND PROFILE
7A	STRIPING AND SIGNAGE PLAN
7B	CPUC PLAN
8-9	DETAILS AND SECTIONS
10	TRAFFIC CONTROL PLAN
11	TRAFFIC CONTROL DETAILS
12	CITY OF MERCED STANDARD PLANS

UTILITY COMPANY CONTACTS	
PACIFIC GAS AND ELECTRIC:	
STEVE MURPHY	(209) 726-6336
ARMT (TELEPHONE):	
TROY SHAW	(209) 726-7137
CONCAST (CABLE):	
FRANK OSTRO	(559) 456-1202
MERCED IRRIGATION DISTRICT:	
RON PRICE (PR)	(209) 354-2845
JASON BRUCE (JFPC)	(209) 354-2814
CITY OF MERCED:	
JONNIE BRITTON (WATER)	(209) 384-1183
RICHARD CAMPBELL (GENERAL)	(209) 385-4715
MICHAEL MILLER (STREETS)	(209) 385-6856

BENCHMARK
NDS HS1899 AT HIGHWAY 59 AND BLACK RASCAL CREEK
ELEVATION 166.76 (NAVD 88)



APPROVALS

CITY OF MERCED
DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
978 W. 18th St., Merced, CA 95342 (209) 382-0246

SHARON J. BUSCH, R.C.S. 45417
 CITY ENGINEER

4/16/17
 DATE

MICHAEL MILLER
 PROJECT CHAMPION

DATE

NO.	DATE	BY	REVISION MADE
1	4/10/17	KGE	CALTRANS COMMENTS
2	4/18/17	KGE	CALTRANS COMMENTS
3	4/28/17	KGE	CALTRANS COMMENTS
4	7/21/17	AMT	CPUC COMMENTS

Underground Service Alert

TWO DAYS BEFORE YOU DIG

CALL TOLL FREE 1 (800) 227-2600

NOTE: ALL REFERENCES AND WRITTEN DIMENSIONS SHALL TAKE PRECEDENCE OVER SYMBOLS (DIMENSIONS AND SHALL BE WRITTEN ON THE SET. ANY DISCREPANCY SHALL BE BRINGING TO ATTENTION OF THE ENGINEER PRIOR TO THE COMMENCEMENT OF ANY WORK.

City of Merced
"Gateway to Yosemite!"

PUBLIC WORKS DEPARTMENT
ENGINEERING PROJECTS AND STANDARDS
672 W. 18th Street (209) 385-6846

COVER SHEET

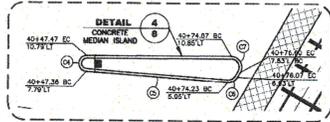
**PROJECT NO. 115047
ATPL (045) STATE HIGHWAY 59
MULTI-USE PATH CROSSING**

DR. BY: KGE	File No. 0507
DATE: 4/6/17	Sheet
CH. BY: AMT	1
DATE: 4/6/17	of 12
SCALE: AS SHOWN	

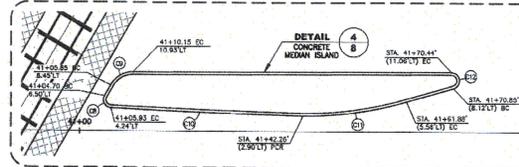
PROJECT NO. 115047 - ATPL (045) STATE HIGHWAY 59 - MULTI-USE PATH CROSSING

District	County	Route	Post Mile	Sheet No.	Total Sheets
10	MER	59	16.04/16.10	5	12

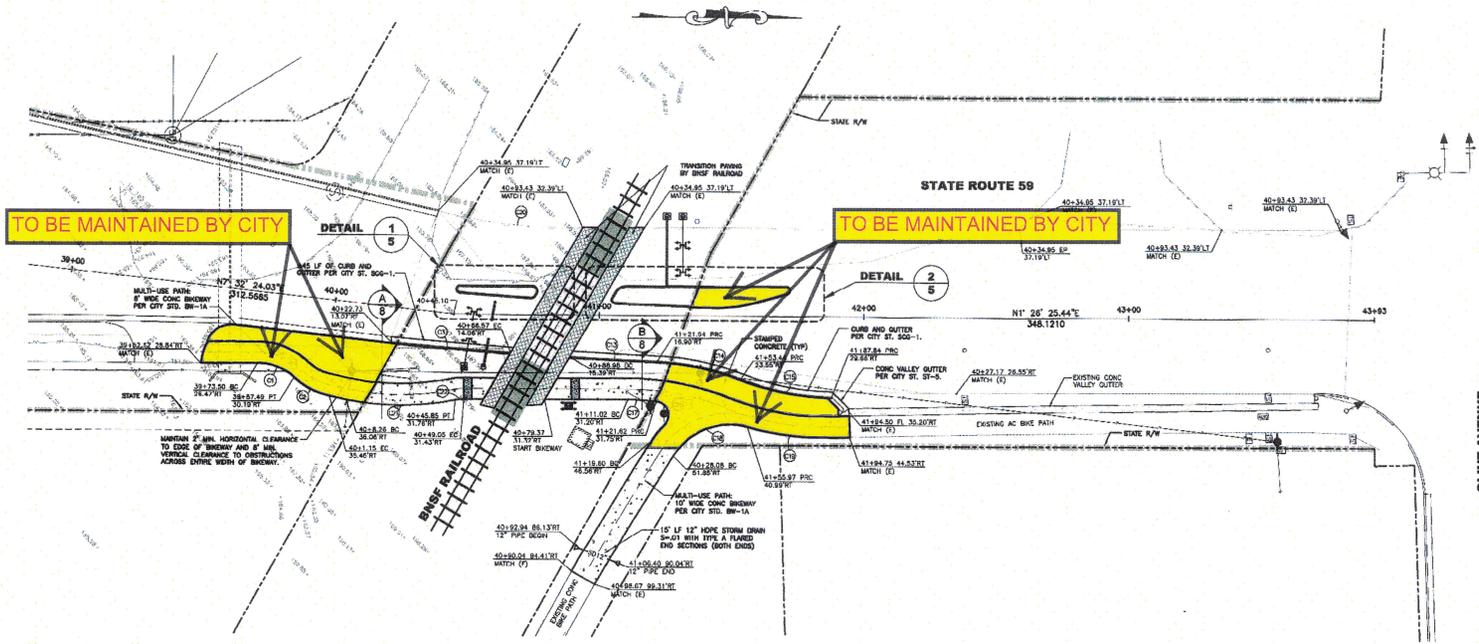
CURVE DATA				CURVE DATA			
CURVE	RADIUS	LENGTH	TANGENT	CURVE	RADIUS	LENGTH	TANGENT
C1	20.00'	14.81'	7.76'	C12	1.50'	4.30'	10.81'
C2	28.00'	15.17'	7.77'	C13	2,018.96'	32.99'	16.50'
C3	2,018.96'	45.23'	27.62'	C14	100.00'	33.27'	16.28'
C4	1.50'	4.30'	39.81'	C15	100.00'	35.18'	17.77'
C5	1,623.82'	26.93'	14.96'	C16	5.00'	11.87'	10.96'
C6	1.50'	3.91'	1.33'	C17	98.00'	11.06'	5.54'
C7	1.50'	4.21'	3.50'	C18	25.00'	32.06'	18.68'
C8	1.50'	3.08'	3.48'	C19	105.38'	32.70'	16.48'
C9	5.50'	5.192'	2.86'	C20	200.00'	44.25'	22.21'
C10	1,868.50'	38.18'	19.59'	C21	104.00'	41.48'	21.02'
C11	89.38'	19.27'	10.00'	C22	16.00'	3.20'	1.61'



DETAIL 1
SCALE 1"=10'



DETAIL 2
SCALE 1"=10'



CONSTRUCTION PLAN
SCALE 1"=20'

EXHIBIT A

NO.	DATE	BY	REVISION MADE
1	4/10/17	KGE	CALTRANS COMMENTS
2	4/18/17	KGE	CALTRANS COMMENTS
3	4/28/17	KGE	CALTRANS COMMENTS
4	7/21/17	AMT	CPUC COMMENTS

Underground Service Alert

TWO DAYS BEFORE YOU DIG

CALL TOLL FREE 1 (800) 227-2600

NOTE:
ALL SURVEYS AND WRITTEN DIMENSIONS SHALL TAKE PRECEDENCE OVER SCALE DIMENSIONS AND SHALL IN ALL RESPECTS BE BROUGHT TO THE ATTENTION OF THE ENGINEER PRIOR TO THE COMMENCEMENT OF ANY WORK.

City of Merced
"Gateway to Yosemite"

DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
676 W. 16th Street (209) 955-6940

CONSTRUCTION PLAN

PROJECT NO. 115047
ATPL (045) STATE HIGHWAY 59
MULTI-USE PATH CROSSING

DR. BY: KGE
DATE: 4/8/17
CON. BY: AMT
DATE: 4/9/17
SCALE: AS SHOWN

File No. 0807
Sheet
5
of 12



ADMINISTRATIVE REPORT

Agenda Item I.20.

Meeting Date: 4/2/2018

Report Prepared by: John Ainsworth, Temporary Senior Engineer, Engineering Dept.

SUBJECT: Amendment Modification Summary (E-76) for Active Transportation Program (ATP) Cycle 1 Grant for the Construction Phase of the Highway 59 Multi-Use Pathway Crossing Project 115047

REPORT IN BRIEF

Consideration of acceptance and appropriation of \$834,000.00 in ATP Grant funding for the construction costs associated with the pedestrian crossing project on Highway 59 at the BNSF RR crossing.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting grant revenue from ATP (Caltrans) for construction cost associated with the pedestrian crossing project on Highway 59 at the BNSF RR crossing; increasing revenue account 450-1104-321-17-00, Proj 115047 in the amount of \$834,000; and,
- B. Appropriating the same to account 450-1104-637-65-00- Project 115047 Highway 59 Multi Use Pathway Crossing; and,
- C. Approving the use of pooled cash until reimbursement from the grant is received; and,
- D. Authorizing the City Manager or Assistant City Manager to execute the necessary documents.

ALTERNATIVES

- 1. Approve, as recommended by staff; or,
- 2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
- 3. Deny; or,
- 4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
- 5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 200 et seq.

Caltrans Procedures for Administering Local Grant Projects in the State Transportation Improvement Program (STIP) are used to comply with the changes to the programming and funding statutes

brought about by Chapter 622 of the Statutes of 1997 (SB 45, Kopp). The procedures have been modified to remain consistent with and complimentary to the various guidelines and policies adopted by the California Transportation Commission (CTC), including the current 2010 STIP Guidelines (adopted on October 14, 2009).

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

The City of Merced applied for an Active Transportation Program (ATP) Grant and was awarded funds for the design and construction of a pedestrian crossing on Highway 59 over the BNSF Railroad Crossing. The awarded grant was for \$945,000, of which \$834,000 was for construction, \$106,000 was for design, and \$5,000 was for environmental and Right-of-Way.

The project is located along Highway 59 at the Burlington Northern Santa Fe (BNSF) Railroad crossing and consists of the construction of a multi-use crossing at the BSNF railroad, widening of Highway 59 to accommodate the pathway, installation of crossing arms, signs, and striping.

Caltrans has sent an Amendment Modification Summary (E-76) for construction costs associated with the project. The E-76 allows for the use of \$834,000 in grant funding for construction and construction engineering costs. This project is 100% grant funded and no General Funds will be used.

HISTORY

On February 1, 2016, City Council approved Program Supplement No. 028-N, accepting \$5,000 for the Environmental phase of the project.

On September 19, 2016, City Council accepted \$106,000 for the Preliminary Engineering phase of the project.

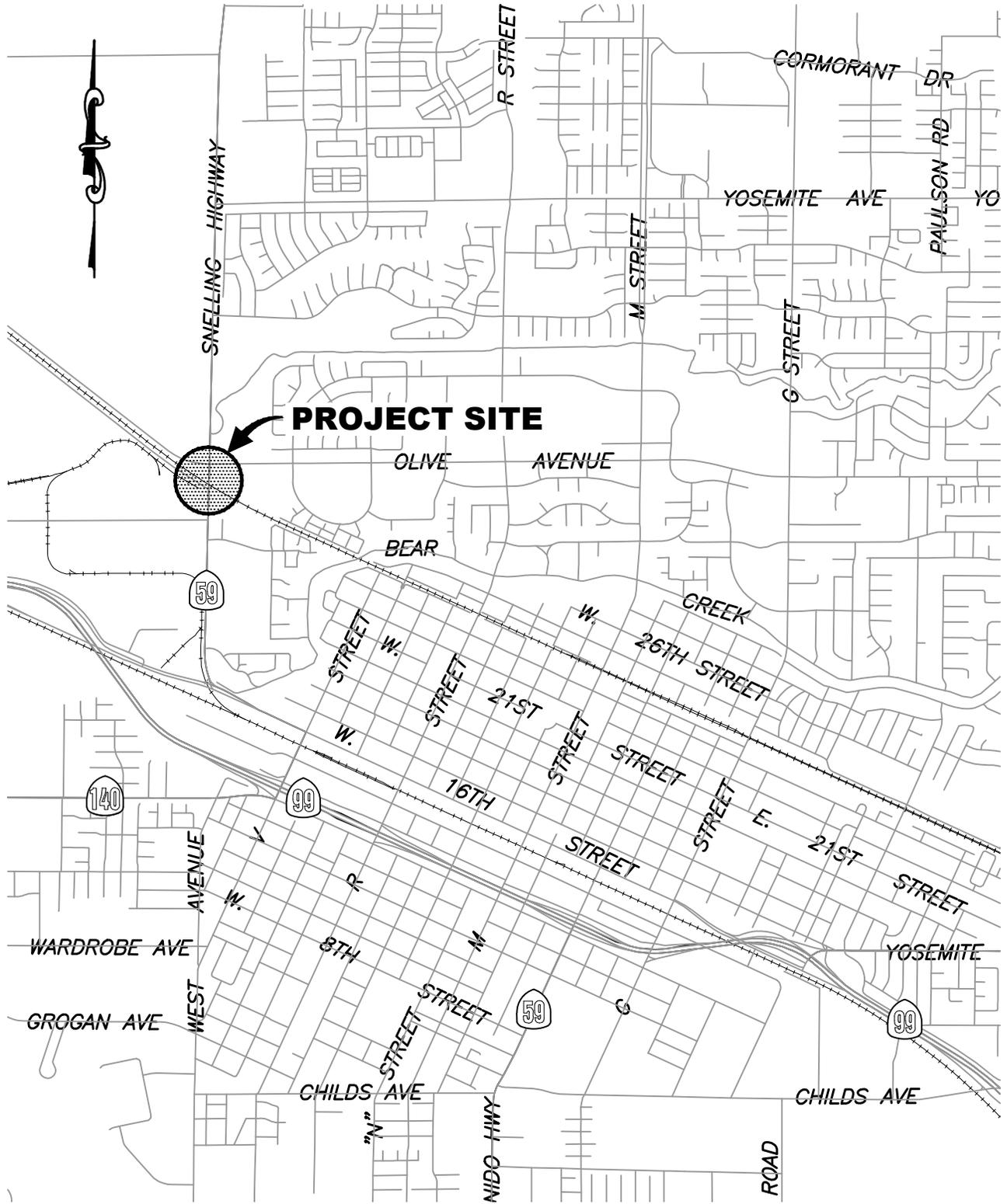
On October 17, 2016, City Council adopted Resolution 2016-54 approving a Program Supplement Revision as required by Caltrans in order to claim reimbursement of the \$106,000 in preliminary engineering funding.

IMPACT ON CITY RESOURCES

Staff recommends accepting grant revenue from a Federal Grant, through Caltrans, increasing revenue account 450-1104-321.17-00 in the amount of \$834,000, and appropriating the same to account 450-1104-637.65-00-115047 HWY 59 Multi-Use Pathway for construction and construction engineering costs associated with the project.

ATTACHMENTS

1. Location Map
2. E-76 CML-5085(045)



LOCATION MAP
NOT TO SCALE



City of Merced
"Gateway to Yosemite"
DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
678 W. 18th Street (209) 385-6846

PROJECT NO. 115047
ATPL (045) STATE HIGHWAY 59
MULTI-USE PATH CROSSING

DR. BY: KGE
DATE: 12/2/16
CH. BY: JS
DATE: 12/2/16
File No. 0907
SCALE: NONE

AMENDMENT MODIFICATION SUMMARY - (E-76)

CALIFORNIA DEPARTMENT OF TRANSPORTATION

FEDERAL AID PROGRAM

DLA LOCATOR: 10-MER-59-MER
 PREFIX: ATPL
 PROJECT NO: 5085(045)
 SEQ NO: 3
 STATE PROJ NO: 1015000175L-N
 AGENCY: MERCED
 ROUTE: 59
 DISASTER NO:
TIP DATA
 MPO: MCAG
 FSTIP YR: 17/18
 STIP REF: ATP14-02
 FSTIP ID NO: 205-0000-0247

PROJECT LOCATION:
 IN MERCED ON STATE ROUTE 59 BETWEEN COOPER AVENUE AND OLIVE AVENUE
 TYPE OF WORK:
 CONSTRUCT MULTI-USE PATH CROSSING AT BNSF RR (TC)
 FED RR NO'S:
 PUC CODES:
 PROJ OVERSIGHT: ASSUMED/LOCAL ADMIN
 ENV STATUS / DT: DELEG TO STATE USC 326/SEC 6004 05/24/2016
 RW STATUS / DT: 1 05/25/2017
 INV RTE:
 BEG MP:
 END MP:

PREV AUTH / AGREE DATES:
 PE: 2015-12-01 00:00:00.0
 R/W:
 CON:
 SPR:
 MCS:
 OTH:

BRIDGE NO:

PROG CODE	LINE NO	IMPV TYPE	FUNC SYS	URBAN AREA	URB/RURAL	DEMO ID
M300	10	15				
M300	11	15				
M30E	30	28				
M30E	31	17				

FUNDING SUMMARY

PHASE		PROJECT COST	FEDERAL COST	AC COST
PE	PREV. OBLIGATION	\$111,000.00	\$111,000.00	\$0.00
	THIS REQUEST	\$0.00	\$0.00	\$0.00
	SUBTOTAL	\$111,000.00	\$111,000.00	\$0.00
R/W	PREV. OBLIGATION	\$0.00	\$0.00	\$0.00
	THIS REQUEST	\$0.00	\$0.00	\$0.00
	SUBTOTAL	\$0.00	\$0.00	\$0.00
CON	PREV. OBLIGATION	\$0.00	\$0.00	\$0.00
	THIS REQUEST	\$834,000.00	\$834,000.00	\$0.00
	SUBTOTAL	\$834,000.00	\$834,000.00	\$0.00
OTH	PREV. OBLIGATION	\$0.00	\$0.00	\$0.00
	THIS REQUEST	\$0.00	\$0.00	\$0.00
	SUBTOTAL	\$0.00	\$0.00	\$0.00
TOTAL:		\$945,000.00	\$945,000.00	\$0.00

STATE REMARKS

10/20/2015 The CTC voted \$5,000 federal funds for Environmental Studies & Permits (PA&ED) for this ATP project at the August 2015 CTC meeting. Toll credit used in-lieu of local match.
 08/22/2016 SEQ 2 - 08/22/16: Obligating funds for PS&E component of PE. Funds are being obligated as pro rata appropriation.

Changed location detail information in Line 10 (GIS data) to match Line 11.

08/31/2017 SEQ 3: Authorizing CON/CE as lump sum appropriation and is 100% federally funded utilizing toll credits in lieu of non-federal match. CON/CE is being advanced from 17/18 to 16/17 via EPSP.

FEDERAL REMARKS

AUTHORIZATION

AUTHORIZATION TO PROCEED WITH REQUEST: CON
FOR: CON & CE
DOCUMENT TYPE: AMOD

PREPARED IN FADS BY: FUKANO, JOHN
REVIEWED IN FADS BY: YANG, ALBERT
SUBMITTED IN FADS BY: GIONGCO, DAVID
PROCESSED IN FADS BY: HUEY, SHUN
E-76 AUTHORIZED DATE IN FMIS BY: VENESHIA SMITH

ON 2017-08-30 948-3755
ON 2017-08-31 651-0015
ON 2017-08-31 FOR CALTRANS
ON 2017-08-31 FOR FHWA
ON 2017-09-07 16:15:45.0

SIGNATURE HISTORY FOR PROJECT NUMBER 5085(045) AS OF 09/08/2017

FHWA FMIS SIGNATURE HISTORY

<u>MOD #</u>	<u>SIGNED BY</u>	<u>SIGNED ON</u>
2	SHUN HUEY	09/01/2017
	KEATON BROWDER	09/05/2017
	VENESHIA SMITH	09/07/2017
1	SHUN HUEY	08/24/2016
	KEATON BROWDER	08/25/2016
	MARY CUNNINGHAM	08/29/2016
0	SHUN HUEY	11/30/2015
	CESAR PEREZ	11/30/2015
	MARY CUNNINGHAM	12/01/2015

FHWA FMIS 3.0 SIGNATURE HISTORY

CALTRANS SIGNATURE HISTORY

<u>DOCUMENT TYPE</u>	<u>SIGNED BY</u>	<u>SIGNED ON</u>
AMEND/MOD	GIONGCO, DAVID	08/31/2017



ADMINISTRATIVE REPORT

Agenda Item I.21.

Meeting Date: 4/2/2018

Report Prepared by: Joe Cardoso, P.L.S., City Surveyor

SUBJECT: Agreement for Use of Easement with Porges Properties 1, LLC, a California Limited Company for a Proposed Prime Shine Car Wash on 16th Street

REPORT IN BRIEF

Consider approving the Agreement for Use of Easement with the property owner to allow certain private improvements, as specified in the attached agreement, to be installed on the existing City easement for a future development project.

RECOMMENDATION

City Council - Adopt a motion approving the Agreement for Use of Easement with Porges Properties 1, LLC, a California Limited Company; and, authorizing the City Manager or Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Approve as recommended by staff; or,
2. Approve subject to modifications as conditioned by Council; or,
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items (specific items to be addressed in City Council motion); or,
5. Continue to a future City Council meeting (date and time to be specified in City Council motion).

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

DISCUSSION

The City of Merced has acquired multiple easements throughout the years. These easements give the City certain rights to use the property owner's land. Examples of easements include the right to install and maintain water mains, sewer mains, storm drains and other public utilities. These easements may also include roads. These easements are created by deed, map, or other written instruments.

An easement is a nonpossessory property right that allows the holder of the easement to use

property that he or she does not own or possess. An easement does not allow the easement holder to occupy the land, or to exclude others from the land, unless they interfere with the easement holder's use.

With the increase of development, the City is encountering more and more development projects placing private improvements onto City easements. As with all development projects, they must be approved and plan checked by the City. In essence, if the City approves a project that has private utilities encroaching onto the City's easement, the City is, by default, acknowledging approval of their location.

This Agreement for Use of Easement allows the property owner to place and maintain certain improvements on the City's easement and also protects the City's interests. It also helps the City because the City (holder of the easement) is responsible for maintaining their easement.

Therefore, staff recommends Council approve the Agreement for Use of Easements with Porges Properties 1, LLC, a California Limited Company.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Agreement for Use of Easement with Porges Properties 1, LLC

Recording requested by and
When recorded return to:

City of Merced, a California Charter
Municipal Corporation
678 W. 18th Street
Merced, CA 95340

(Space Above For Recorder's Use)

(RECORD AT NO FEE PURSUANT TO
CA GOVERNMENT CODE SECTION 27383)

AGREEMENT FOR USE OF EASEMENT

THIS AGREEMENT FOR USE OF EASEMENT ("**Agreement**") is made this _____ day of _____, 2018, by and between PORGES PROPERTIES I, LLC, a California Limited Liability Company ("**Owner**") and the CITY OF MERCED, a California Charter Municipal Corporation ("**City**"). Owner and City are sometimes referred to collectively herein as the "**Parties**" and individually as a "**Party**."

RECITALS:

The following recitals are a substantive portion of this Agreement:

A. Owner holds fee title to the real property at and commonly known as 930 West 16th Street, Merced, California, APN 031-173-004, and more specifically described on the attached Exhibit "A" (the "**Property**").

B. City holds a 40-foot sewer and storm drain easement as described on the attached Exhibit "B" (the "**Easement**").

C. Owner desires to construct and maintain certain improvements within the Easement, including lighting, landscaping, concrete, and a parking lot (the "**Improvements**").

NOW, THEREFORE, in furtherance of the foregoing Recitals, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Owner and City hereby agree as follows:

1. Grant of Right and Nature of Agreement. City grants Owner the right to construct and maintain the Improvements within the City Easement, as set forth more specifically in Exhibit "C" attached hereto. In so doing, and notwithstanding anything to the contrary in this Agreement, or pursuant to the course of dealings between the Parties, City expressly does not and shall not abandon the Easement or waive any rights thereunder, and Owner, its heirs, successors, and assigns derive no basis for a claim of prescriptive, contractual, or other rights to utilize the Easement except as expressly provided herein. This grant of permission is limited to Owner constructing, maintaining and using the Improvements in the Easement, and does not constitute a deed or grant of any other real property interest by City.

2. Use of the Easement; Cessation of Interference. This grant of permission shall be subject to and subordinate to the prior continuing right of City to use the Easement for the public services described in Exhibit "B". Any construction, maintenance or use of the Improvements (or of any further Improvements approved by City) shall not interfere with City's use of the Easement. If at any time, City reasonably believes that Owner's construction, maintenance or use of the Improvements interferes with City's use of the Easement as specified herein, City shall provide written notice to Owner of such interference. Owner shall work with City and remedy such interference by ceasing the interfering activities or removing or repairing the particular Improvements causing such interference within thirty (30) days of receipt of City's notice, unless such remedy takes longer than thirty (30) days in which case Owner shall commence such remedy within thirty (30) days and diligently prosecute it to completion. If Owner fails to remedy such interference as provided herein, City may (a) take steps to remedy the interference and Owner shall reimburse City's reasonable expenses for taking such steps within thirty (30) days of receipt of City's invoice for such expenses, or (b) terminate this Agreement on thirty (30) days' advance written notice. Upon termination of this Agreement, Owner shall remove all Improvements from the Easement and restore the Property to its natural state as it existed prior to the installation of Improvements by Owner.

3. Damage to the Easement. Owner shall be solely responsible for any damage Owner or its employees, representatives or contractors cause to

City streets, sidewalks, curbs, utilities, or other City owned property due to the installation, maintenance, repair, or removal of Owner's Improvements in the Easement, and shall repair, replace, and restore in kind the said damaged facilities at its sole expense.

4. Owner's Maintenance of Improvements. Owner shall be solely responsible for any maintenance and/or repairs to the Improvements except maintenance or repairs necessary due to damage caused solely by City or its employees, representatives or contractors. Owner shall maintain the Improvements and surrounding area in good and safe condition and free from damage, to the reasonable satisfaction of City.

5. City's Maintenance of Easement. City shall maintain the sewer and storm drain located within the Easement in good condition in compliance with all laws, regulations, statutes, ordinances and codes. City shall provide at least 24-hours' notice to Owner prior to replacing pipes or other improvements in the Easement or undertaking major repairs that might interfere with Owner's business, but shall not be required to provide advance notice for routine inspections or maintenance or in an emergency. During any such on-site work, City will cooperate with Owner and make diligent efforts to minimize any interference with Owner's business operations on the Property. If removal of some or all of the Improvements is necessary in order for City to perform maintenance, repairs or replacements within the Easement, Owner shall be solely responsible for the removal and replacement of any such Improvements, except that if the need for such maintenance, repairs or replacements is caused by the negligence of City or its agents, representatives or contractors, City will reimburse Owner for the costs of removing and replacing parking lot and driveway improvements and landscaping, but not any other costs, including lighting, pipelines, electrical, and buildings.

6. Hazardous Materials. Owner agrees that Owner shall not bring onto the Easement, or store or dispose of on the Easement, nor knowingly allow others to bring onto, store or dispose on the Easement, any hazardous material of any kind. Notwithstanding the foregoing, Owner may store or use standard business materials normally used in Owner's type of business, in compliance with all laws, regulations, statutes, ordinances and codes.

7. Insurance Requirements. Owner shall maintain a Commercial General Liability insurance policy against claims and liabilities for personal injury, death, or property damage providing protection in the minimum

amount of: one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage.

7.1 City, its officers, officials, employees, agents, and volunteers, are to be covered as additional insureds on Owner's Commercial General Liability insurance policy.

7.2 The Parties waive any and all rights of subrogation against each other, including their respective elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers, which any insurer of a Party may acquire against the other Party.

7.3 For any and all claims related to this Agreement, Owner's insurance shall be primary unless claims, losses, costs, liabilities, expenses, judgments or damages arise out of the sole negligence of City or its employees, representatives or contractors.

7.4 Owner shall furnish City with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to Owner's agreement with City shall be canceled or materially changed except after thirty (30) days' notice by the insurer to City. Certificates, including renewal certificates, may be mailed or delivered to the City at 627 W. 18th Street, Merced, California 95340.

8. Defense and Indemnification. Owner shall indemnify, protect, hold harmless, and defend City from any and all loss, cost, liability or expense, and from any judgments or damages to any person or property arising or resulting, directly or indirectly, from the condition of the Improvements, or in connection with the installation and/or maintenance of the Improvements. Notwithstanding the foregoing, Owner's indemnity and release herein shall not extend to losses, costs, liability, expense, judgments or damages arising out of the sole negligence of City or its employees, representatives or contractors, or arising from causes not related to Owner's Improvements.

9. Representations and Warranties. Owner hereby represents and warrants that Owner has full power and authority to execute and deliver this Agreement and to make and accept the obligations contemplated hereunder.

10. Compliance with Laws. Each of the Parties shall at all times comply fully with all applicable governmental laws, ordinances, rules, codes, regulations, and permit requirements pertaining to the use of the City Easement.

11. Waiver. The failure of any of the Parties or their successors to enforce any of the terms and provisions set forth herein shall not constitute a waiver of the right to enforce the same thereafter.

12. Entire Agreement. This Agreement constitutes the entire integrated agreement of the Parties with respect to the subject matter of this Agreement. This Agreement may not be amended or terminated except by a writing signed by authorized signatories of all Parties.

13. Construction. The section headings have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. Wherever the context hereof may so require, the singular shall include the plural and the masculine shall include the feminine and neuter. This Agreement shall be interpreted pursuant to its plain and ordinary meaning, as though prepared by both Parties, and in accordance with the laws of the State of California.

14. Successors and Assigns. The rights and obligations of the Parties hereunder shall be binding on and inure to the benefit of the Parties hereto and the successors and assigns of the Parties hereto. This Agreement, and the covenants, rights, duties, benefits and burdens described herein, constitute covenants running with the land that benefit and bind the Property, and each Party and their successors or assigns. If City vacates the City Easement in accordance with California law, then this Agreement shall terminate and be of no further force and effect, in which case Owner may use its Property unencumbered by the City Easement.

15. Recordation of Agreement. Either of the Parties may cause this Agreement or a memorandum thereof to be recorded in the Office of the County Recorder of Merced County, California.

16. Governing Law and Venue. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any legal action arising out of this Agreement shall be the Superior Court of the County of Merced, California.

17. Attorneys' Fees. Should it become necessary to take steps to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its attorneys' fees and costs related to the enforcement of this Agreement.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have made and executed this Agreement on the day and year first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: _____
City Manager

ATTEST:
STEVE CARRIGAN, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

APPROVED AS TO FORM:

BY: *K. Haep* *2-6-18*
City Attorney Date

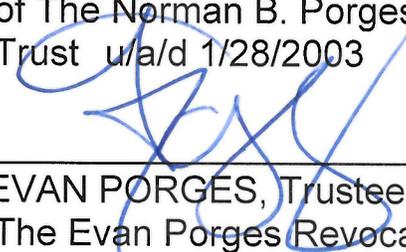
ACCOUNT DATA:

By: _____
Verified by Finance Officer

OWNER:

PORGES PROPERTIES I, LLC, a
California limited liability company


_____, TRUSTEE
By: NORMAN B. PORGES, Trustee
of The Norman B. Porges 2003
Trust u/a/d 1/28/2003



By: EVAN PORGES, Trustee of
The Evan Porges Revocable
Trust u/a/d 8/18/2004

Taxpayer I.D. No. 20-1705464

ADDRESS: P.O.B. 3469
MODESTO, CA 95353

TELEPHONE: 209-549-9274

FAX: 209-549-1542

E-MAIL: eporges@primeshine.com

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

State of California)
County of STANISLAUS)

On MARCH 7, 2018 before me, LYNETTE FANELLI, NOTARY PUBLIC,
Notary Public, personally appeared NORMAN B FORGES,
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Lynette Fanelli (Seal)



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

State of California)
County of STANISLAUS)

On MARCH 7, 2018 before me, LYNETTE FANELLI, NOTARY PUBLIC,
Notary Public, personally appeared EVAN FORGES,
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature Lynette Fanelli (Seal)



Exhibit "A"

All that certain real property described as follow:

Parcel "D" as shown on the map entitled, "Parcel Map for Southern Pacific Transportation Company", recorded March 31, 1994 in Book 77 of Parcel Maps as Pages 7 and 8 in the Merced County Records.

Excepting therefrom all minerals and mineral rights reserved in the Quit Claim Deed recorded on 12/17/2004 as Document #2004-084549 in the Official Records of Merced County.

Exhibit "B"

OWNER'S STATEMENT

WE, THE UNDERSIGNED, HEREBY CERTIFY THAT WE ARE THE OWNERS OF OR HAVE BEEN DEEDS, HEREBY CERTIFY THAT WE ARE THE OWNERS OF OR HAVE CAUSED THE SAME TO BE SURVEYED AND SUBDIVIDED, SAYING THAT WE TO THE PREPARATION AND FILING OF THIS MAP IN THE OFFICE OF THE COUNTY CLERK OF THE COUNTY OF MERCED, STATE OF CALIFORNIA, WE HEREBY OFFER FOR DEDICATION TO PUBLIC USE ALL ROADS, AVENUES, COULEES AND EASEMENTS SHOWN ON THIS MAP. WE HEREBY OFFER FOR DEDICATION TO PUBLIC USE ALL ROADS, AVENUES, COULEES AND EASEMENTS SHOWN ON THIS MAP DOES NOT HAVE THE ESSENTIAL OF PARKING LOTS OR THE INSTALLATION OF LANDSCAPING WITHIN THE ESSENTIAL

SOUTHERN PACIFIC TRANSPORTATION COMPANY

Don Gary
 Vice President and General Manager

A. C. Johnson
 SECRETARY

ENGINEER'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND WAS COMPILED FROM RECORD DATA AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCES. I HEREBY CERTIFY THAT THE SUBDIVISION MAP COMPANY IN MARCH, 1994, I HEREBY STATE THAT THIS PARCEL SUBSTANTIALLY CONFORMS TO THE APPROVED OR CONDITIONALLY APPROVED TENTATIVE MAP, AND THAT THE CORNERS SHOWN TO BE SET HAVE BEEN SET IN THE POSITIONS SHOWN AND ARE SUFFICIENT TO RETRACE THE SURVEY AND ARE OF CHARACTER AS SHOWN.

DANNY C. HOLMES, P.E. 27029



CITY ENGINEER'S STATEMENT

I, STEVAN, M. STROUD, CITY ENGINEER FOR THE CITY OF MERCED, STATE OF CALIFORNIA, DO HEREBY CERTIFY THAT I HAVE EXAMINED THIS PARCEL MAP FOR SOUTHERN PACIFIC TRANSPORTATION COMPANY, THAT THE SUBDIVISION SHOWN HEREON IS SUBSTANTIALLY THE SAME AS SHOWN ON THE TENTATIVE MAP, AND THAT THE CORNERS SHOWN TO BE SET HAVE BEEN SET IN THE POSITIONS SHOWN AND ARE SUFFICIENT TO RETRACE THE SURVEY AND ARE OF CHARACTER AS SHOWN.

REGISTERED CIVIL ENGINEER NO. 24078
 DISTRIBUTION EXPIRES 12-31-97



CITY CLERK'S STATEMENT

THIS IS TO CERTIFY THAT THE STREETS, AVENUES, ROADS, EASEMENTS, AND OTHER PUBLIC PLACES OFFERED FOR DEDICATION AS SHOWN WITHIN THE EXTERIOR BOUNDARY OF THE LAND BEING DIVIDED ARE HEREBY ACCEPTED BY THE CITY OF MERCED, AND ANY APPROVED OR CONDITIONALLY APPROVED RESOLUTION NO. 4217 ADOPTED MAY 20, 1974.

DATED 3-31-94

MERCED CITY CLERK, JAMES G. MARSHALL

James G. Marshall

RECORDER'S STATEMENT

NO. 12451

FILED FOR RECORD IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF MERCED, STATE OF CALIFORNIA, AT 8:00 AM, THIS 21ST DAY OF MARCH, 1994, IN BOOK 17 OF PARCEL MAPS AT PAGES 148, MERCED COUNTY RECORDS AT THE REQUEST OF SOUTHERN PACIFIC TRANSPORTATION COMPANY. FEE: \$1000

JAMES L. BALL, COUNTY RECORDER
 BY DEPUTY *Anita W. Spindler*

CITY OF MERCED MINOR SUBDIVISION 94-02

PARCEL MAP
 FOR
 SOUTHERN PACIFIC TRANSPORTATION CO.

A DIVISION OF A PORTION OF THE CENTRAL PACIFIC RAIL ROAD RESERVE AS SHOWN ON THE "MAP OF THE CITY OF MERCED AND SUBDIVISION OF ADJOINING AGRICULTURE PROPERTIES" RECORDED ON VOLUME 2 OF OFFICIAL PLATS AT PAGE 59, MERCED COUNTY RECORDS.

SECTION 24, T. 7 S., R. 13 E. M.D.B.&M.

CITY OF MERCED COUNTY OF MERCED CALIFORNIA

MARCH 1994 SHEET 1 OF 2 SHEETS SCALE 1" = 100'

LARSEN OHLINGER & HOLMES INC
 ARCHITECTURE ENGINEERING PLANNING SURVEYING
 MERCED CALIFORNIA

VOL. 77 PAGE 7

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
 COUNTY OF MERCED) SS.

ON MARCH 25, 1994, BEFORE ME, JOSEPH E. JABLONSKI, a Notary Public in and for the State of California, personally appeared M. J. Gary and T. E. Johnson, who are personally known to me (OR PROVED TO ME ON THE BASIS OF SUBDIVISION EVIDENCE) TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE HE/HER/THEY EXECUTED THE SAME IN HIS/HERS/THEIR CAPACITY(IES), AND THAT BY HIS/HER/THEIR SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTRY UPON BEHALF OF WHICH THE INSTRUMENT WAS EXECUTED, EXECUTED THE INSTRUMENT.

WITNESS MY HAND

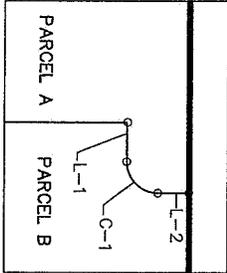
Joseph E. Jablonski
 MY COMMISSION EXPIRES JUNE 5, 1995

COUNTY OF MERCED SAA PAAKUSCO

IMPROVEMENT STATEMENT

THIS MAP APPROVED SUBJECT TO IMPROVEMENTS AS CALLED OUT IN RESOLUTION NO. 5724, PASSED BY THE CITY OF MERCED PLANNING DEPARTMENT, DATED MARCH 21, 1994, ON FILE AT THE CITY OF MERCED PLANNING DEPARTMENT.

1" = 10'



BASIS OF BEARINGS
 THE BASIS OF THE BEARINGS SHOWN ON THIS MAP IS THE EAST LINE OF "R" STREET AS SHOWN PARCEL MAP FOR SOUTHERN PACIFIC TRANSPORTATION CO. RECORDED IN BOOK 29 OF PARCEL MAPS IN PAGE 24, MERCED COUNTY RECORDS. N. 24°40'00" E.

REFERENCES

R-1 PARCEL MAP FOR GENERAL COMMERCIAL CENTER VOL. 59 PARCEL MAPS No. 21, MERCED COUNTY RECORDS

R-2 RECORD OF SURVEY FOR SHERMAN BLK. 20 SURVEYS RECORDED IN BOOK 29 OF PARCEL MAPS IN PAGE 24, MERCED COUNTY RECORDS

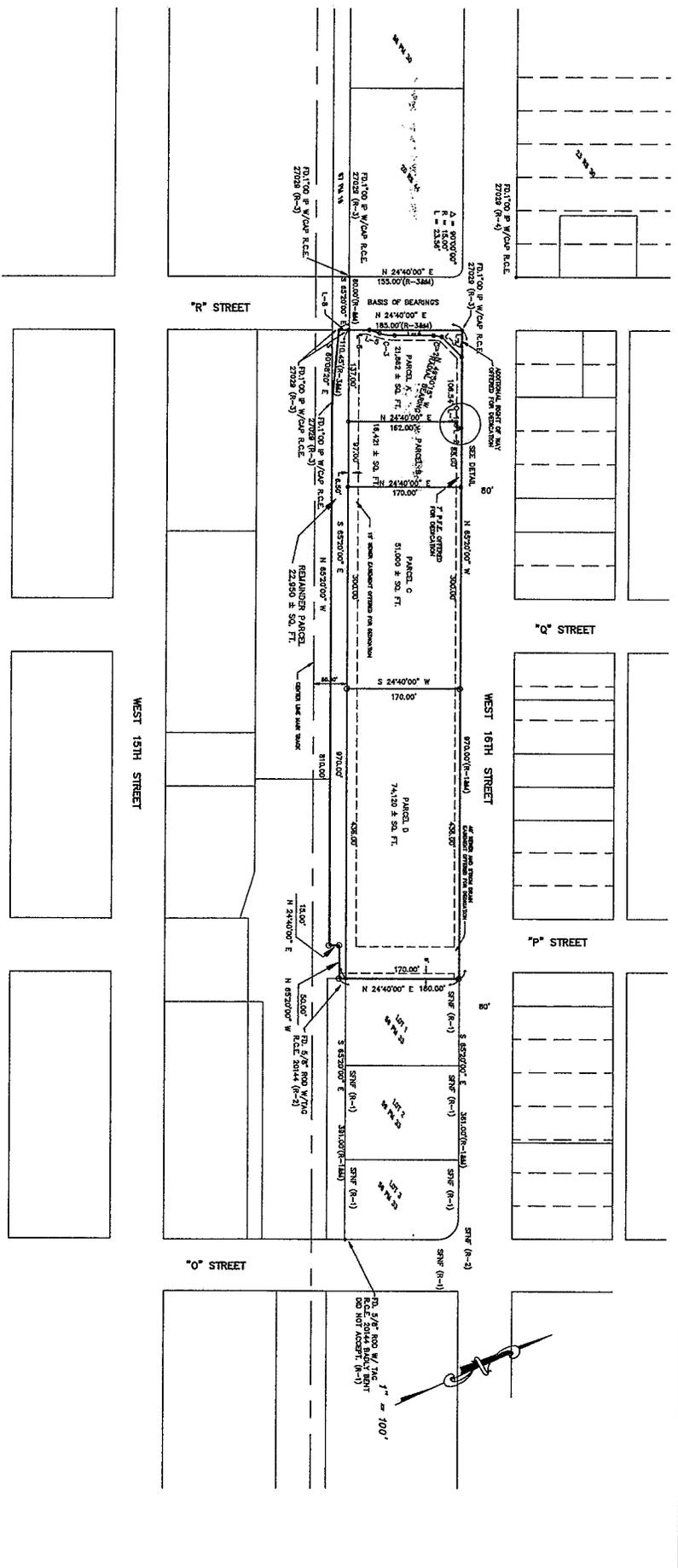
R-3 PARCEL MAP FOR SOUTHERN PACIFIC TRANSPORTATION CO. RECORDED IN BOOK 29 OF PARCEL MAPS IN PAGE 24, MERCED COUNTY RECORDS

R-4 RECORD OF SURVEY FOR WEST CANYON SUBDIVISION VOL. 23 SURVEYS No. 29, MERCED COUNTY RECORDS

LEGEND

- FOUND AND ACCEPTED MONUMENT AS NOTED
- SET 1" SCALE, WITH PLASTIC PLUG MARKED R.C.E. 27029
- BOUNDARY OF ORIGINAL PARCEL
- (R-1) RECORD DATA NUMBER REFERS TO REFERENCE TABLE P.F.C. PUBLIC FACILITIES EXHIBIT
- C.R. CALCULATED FROM RECORD
- ALL DISTANCES ARE IN FEET

LINE	SECTION	DISTANCE
1-1	S 89°20'00" E	3.00'
1-2	N 89°20'00" W	4.20'
1-3	N 89°20'00" W	4.20'
1-4	N 89°20'00" W	4.20'
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1-99	N 89°20'00" W	4.20'
1-100	N 89°20'00" W	4.20'



CITY OF MERCED MINOR SUBDIVISION 94-02

PARCEL MAP
 FOR
SOUTHERN PACIFIC TRANSPORTATION CO.

A DIVISION OF A PORTION OF THE CENTRAL PACIFIC RAIL ROAD RESERVE AS SHOWN ON THE "MAP OF THE CITY OF MERCED AND SUBDIVISION OF ADJOINING ACREAGE PROPERTIES" RECORDED ON VOLUME 2 OF OFFICIAL PLATS AT PAGE 59, MERCED COUNTY RECORDS.

SECTION 24, T. 7 S., R. 13 E., M.D.B.M.

CITY OF MERCED COUNTY OF MERCED CALIFORNIA

MARCH 1984

SHEET 2 OF 2 SHEETS

SCALE 1" = 100'

LARSEN OHLINGER & HOLMES INC
 ARCHITECTURE ENGINEERING PLANNING SURVEYING
 MERCED CALIFORNIA

VOL 77 PAGE 8

EXHIBIT "B" (continued)
LICENSE AGREEMENT AREA
LEGAL DESCRIPITON
APN 031-017-004

All that real property situate in Section 24, Township 7 South, Range 13 East, Mount Diablo Meridian, City of Merced, County of Merced, State of California, described as follows:

15' SEWER EASEMENT

BEING the southerly 15.00 feet of Parcel D as shown on that certain map recorded March 31, 1994 in Book 77 of Parcel Maps at Pages 7 and 8, Merced County Records, except therefrom the easterly 48.00 feet thereof.

Containing 5,819 square feet, more or less.

40' SEWER AND STORM DRAIN EASEMENT

BEING the westerly 40.00 feet of the easterly 48.00 feet of Parcel D as shown on that certain map recorded March 31, 1994 in Book 77 of Parcel Maps, at Pages 7 and 8, Merced County Records.

Containing 6,800 square feet, more or less.

Subject to all easements and rights of way of record.

This description was prepared by me or under my direction in accordance with the Subdivision Map Act.


George Hargrow, L.S. 6494
February 28, 2018



PARCEL C
77-PM-07

15' SEWER
EASEMENT

REMAINDER PARCEL, 77-PM-07

PARCEL D
77-PM-07

16TH STREET

P STREET

40' SEWER
EASEMENT

LOT 1
55-PM-32

8'



[Handwritten signature]



1
OF
1



**HAWKINS & ASSOCIATES
ENGINEERING, INC.**
436 MITCHELL ROAD
MODESTO, CA. 95354
PH: (209) 575 - 4295
FX: (209) 578 - 4295

**EXHIBIT "C"
LICENSE AGREEMENT AREA
PRIMESHINE MERCED
930 W. 16TH STREET, MERCED, CA**

BY: MTS
CHK: RHH
DATE: 10/26/17
SCALE: 1" = 80'
JOB #: 3402
FILE: PLATS



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item I.22.

Meeting Date: 4/2/2018

Report Prepared by: Steven Son, Acting City Engineer/Deputy Public Works Director

SUBJECT: Award Bid to Rolfe Construction Company for the B Street Sewer Main Replacement Project 116013

REPORT IN BRIEF

Consider awarding a construction contract to Rolfe Construction in the amount of \$811,785.00 for the replacement of sewer main along B Street.

RECOMMENDATION

City Council - Adopt a motion:

- A. Awarding the B Street Sewer Main Replacement Project 116013 to Rolfe Construction Company of Atwater, Ca, in the amount of \$811,785.00; and,
- B. Authorizing the City Manager or Assistant City Manager to execute the necessary documents and to approve change orders not to exceed 10% of the total contract; and,
- C. Authorizing the Finance Officer to make necessary budget adjustments.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to conditions other than recommended by staff (identify specific findings and/or conditions amended to be addressed in the motion); or,
3. Deny; or,
4. Refer to staff for reconsideration of specific items (specific items to be addressed in the motion); or,
5. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Article XI, Section 1109 - Contracts on Public Works, and Merced Municipal Code Chapter 3.04, Article IV - Public Works Contracts.

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

DISCUSSION

The work to be done consists, in general, of the replacement of approximately 3,202 lineal feet of

existing sewer main, 11 new sewer manholes, and reconnecting existing sewer laterals and mains. The project is located along B Street, starting approximately 600 feet north of Childs Ave and ending at Gerard Avenue, located within Merced County right of way.

Staff prepared plans and specifications, and the project was advertised for bids. Bids were opened on February 20, 2018, with the following results:

1. Rolfe Construction (Atwater, CA)	\$ 811,785.00
2. Mozingo Construction (Oakdale, CA)	\$ 1,031,680.00
3. Dawson-Mauldin (Selma, CA)	\$ 1,236,100.00
4. Floyd Johnston (Clovis, CA)	\$ 1,309,907.00

The engineer's estimate for construction was \$820,000.00.

The following is the proposed budget for the project:

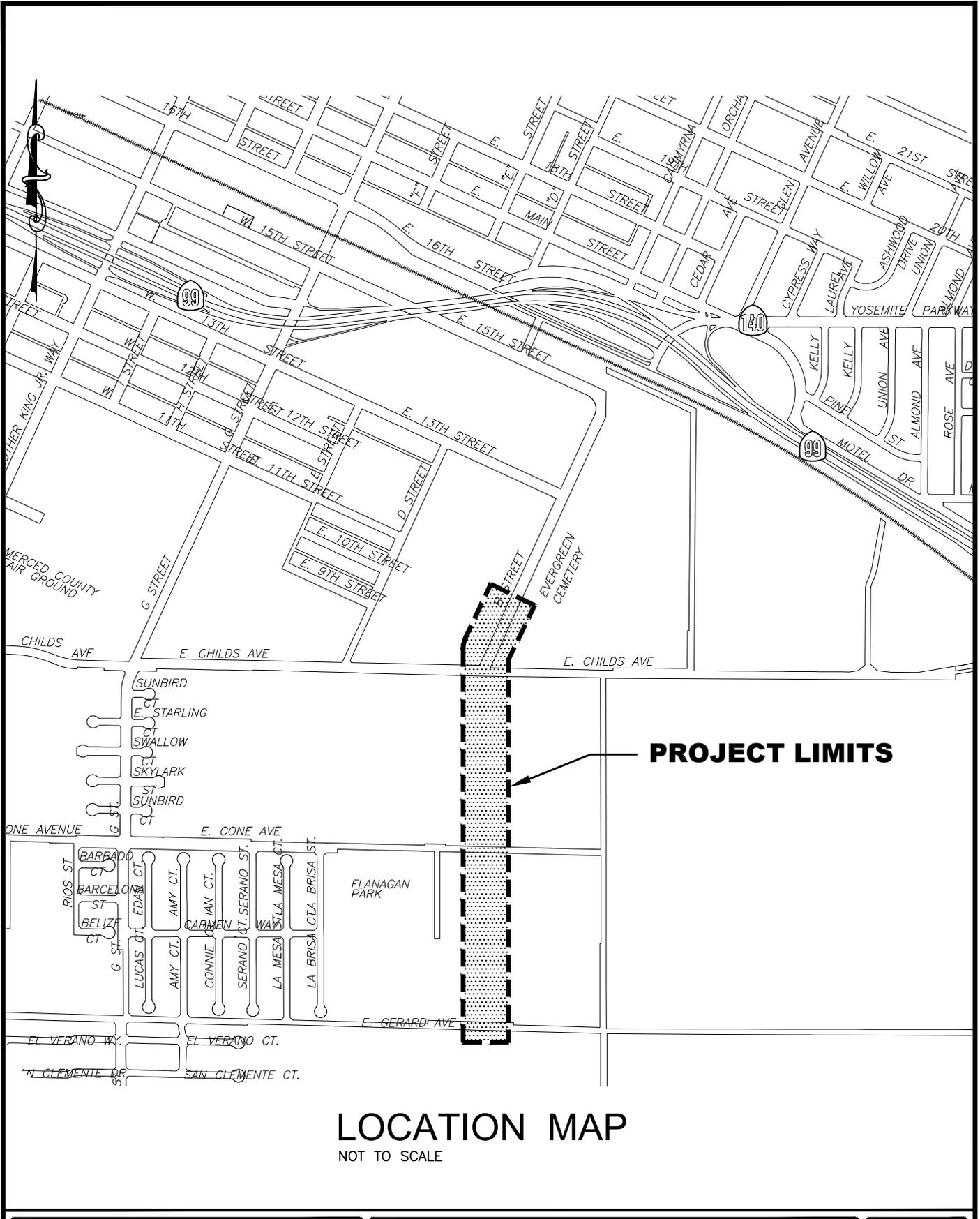
Construction	\$ 811,785.00
Contingency	\$ 81,178.50
Engineering, Testing & Inspection	\$ 144,193.00
TOTAL:	\$ 1,037,156.50

IMPACT ON CITY RESOURCES

This project was established as a Capital Improvement Project and account 553-1107-637.65-00-116013 contains sufficient funding to complete the project.

ATTACHMENTS

1. Location Map
2. Bid Results
3. Construction Contract



LOCATION MAP
NOT TO SCALE



City of Merced
"Gateway to Yosemite"
DEVELOPMENT SERVICES
ENGINEERING PROJECTS AND STANDARDS
678 W. 18th Street (209) 385-6846

PROJECT NO. 116013
"B" STREET
SEWER MAIN REPLACEMENT

DR. BY: KGE
DATE: 12/12/16
CH. BY: AMT
DATE: 12/12/16
File No. 0945
SCALE: AS SHOWN

**CITY OF MERCED
PROJECT NO. 116013
B STREET SEWER MAIN REPLACEMENT**

**Addendum 1 & 2 - REVISED BID SCHEDULE INCLUDED
Bid Opening 2/20/2018**

Item No.	Description	Unit of Measure	Estimated Quantity	Rolfe Construction Company Atwater, CA		Mozingo Construction INC. Oakdale, CA		Dawson-Mauldin Construction, Inc. Selma, CA		Floyd Johnston Construction Co. Clovis, CA	
				Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
1	Permits, Bonds & Licenses	LS	1	\$ 41,756.00	\$ 41,756.00	\$ 10,000.00	\$ 10,000.00	\$ 40,000.00	\$ 40,000.00	\$ 1,120.00	\$ 1,120.00
2	Other Permits, Bonds & Licenses – Merced Irrigation District	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
3	Public Convenience and Safety	LS	1	\$ 15,300.00	\$ 15,300.00	\$ 10,000.00	\$ 10,000.00	\$ 50,000.00	\$ 50,000.00	\$ 30,400.00	\$ 30,400.00
4	Water Pollution Control	LS	1	\$ 8,606.00	\$ 8,606.00	\$ 3,500.00	\$ 3,500.00	\$ 2,000.00	\$ 2,000.00	\$ 5,900.00	\$ 5,900.00
5	Street Sweeping	LS	1	\$ 4,628.00	\$ 4,628.00	\$ 2,500.00	\$ 2,500.00	\$ 4,400.00	\$ 4,400.00	\$ 4,600.00	\$ 4,600.00
6	Surveying Services	LS	1	\$ 5,200.00	\$ 5,200.00	\$ 11,000.00	\$ 11,000.00	\$ 5,700.00	\$ 5,700.00	\$ 5,425.00	\$ 5,425.00
7	Monumentation	EA	2	\$ 910.00	\$ 1,820.00	\$ 1,000.00	\$ 2,000.00	\$ 900.00	\$ 1,800.00	\$ 1,460.00	\$ 2,920.00
8	Clearing and Grubbing	LS	1	\$ 16,510.00	\$ 16,510.00	\$ 10,000.00	\$ 10,000.00	\$ 70,000.00	\$ 70,000.00	\$ 60,900.00	\$ 60,900.00
9	Earthwork	LS	1	\$ 9,620.00	\$ 9,620.00	\$ 10,000.00	\$ 10,000.00	\$ 8,900.00	\$ 8,900.00	\$ 12,900.00	\$ 12,900.00
10	Tree/Landscaping Removal	LS	1	\$ 6,942.00	\$ 6,942.00	\$ 5,000.00	\$ 5,000.00	\$ 10,000.00	\$ 10,000.00	\$ 5,140.00	\$ 5,140.00
11	Remove Existing 24" CMP Sewer Pipe	LF	2,640	\$ 4.25	\$ 11,220.00	\$ 25.00	\$ 66,000.00	\$ 30.00	\$ 79,200.00	\$ 12.30	\$ 32,472.00
12	Abandon Existing 24" Sewer Pipe	LF	560	\$ 20.25	\$ 11,340.00	\$ 15.00	\$ 8,400.00	\$ 50.00	\$ 28,000.00	\$ 43.00	\$ 24,080.00
13	Remove Existing Manhole	EA	8	\$ 800.00	\$ 6,400.00	\$ 2,500.00	\$ 20,000.00	\$ 700.00	\$ 5,600.00	\$ 1,645.00	\$ 13,160.00
14	Abandon Existing Manhole	EA	1	\$ 2,314.00	\$ 2,314.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 1,645.00	\$ 1,645.00
15	Remove AC Pavement	SF	5,000	\$ 2.10	\$ 10,500.00	\$ 1.00	\$ 5,000.00	\$ 2.00	\$ 10,000.00	\$ 1.50	\$ 7,500.00
16	Remove Concrete	SF	700	\$ 3.00	\$ 2,100.00	\$ 2.00	\$ 1,400.00	\$ 3.00	\$ 2,100.00	\$ 3.85	\$ 2,695.00
17	Remove Curb and Gutter	LF	50	\$ 40.00	\$ 2,000.00	\$ 2.00	\$ 100.00	\$ 10.00	\$ 500.00	\$ 13.00	\$ 650.00
18	Aggregate Base	TN	370	\$ 62.10	\$ 22,977.00	\$ 50.00	\$ 18,500.00	\$ 70.00	\$ 25,900.00	\$ 48.00	\$ 17,760.00
19	Hot Mix Asphalt	TN	160	\$ 269.75	\$ 43,160.00	\$ 260.00	\$ 41,600.00	\$ 200.00	\$ 32,000.00	\$ 222.00	\$ 35,520.00
20	Curb and Gutter	LF	50	\$ 180.00	\$ 9,000.00	\$ 125.00	\$ 6,250.00	\$ 40.00	\$ 2,000.00	\$ 49.50	\$ 2,475.00
21	Residential AC Driveway	SF	1,800	\$ 8.75	\$ 15,750.00	\$ 10.00	\$ 18,000.00	\$ 6.00	\$ 10,800.00	\$ 1.85	\$ 3,330.00
22	Concrete Pad at Basketball Court w/dowels	SF	350	\$ 25.00	\$ 8,750.00	\$ 25.00	\$ 8,750.00	\$ 20.00	\$ 7,000.00	\$ 12.50	\$ 4,375.00
23	Wood Fencing	LF	600	\$ 35.00	\$ 21,000.00	\$ 60.00	\$ 36,000.00	\$ 30.00	\$ 18,000.00	\$ 31.00	\$ 18,600.00
24	Chainlink Fencing	LF	1200	\$ 27.00	\$ 32,400.00	\$ 30.00	\$ 36,000.00	\$ 30.00	\$ 36,000.00	\$ 35.00	\$ 42,000.00
25	Concrete liner at Zentner Lateral crossing per MID Standards	EA	1	\$ 7,700.00	\$ 7,700.00	\$ 10,000.00	\$ 10,000.00	\$ 10,500.00	\$ 10,500.00	\$ 12,350.00	\$ 12,350.00
26	24" Sanitite HP Sewer Main	LF	3220	\$ 65.75	\$ 211,715.00	\$ 114.00	\$ 367,080.00	\$ 100.00	\$ 322,000.00	\$ 140.50	\$ 452,410.00
27	Sewer Manhole with Reinforced Concrete Collar	EA	11	\$ 4,100.00	\$ 45,100.00	\$ 8,500.00	\$ 93,500.00	\$ 9,700.00	\$ 106,700.00	\$ 7,700.00	\$ 84,700.00
28	Bollards	EA	12	\$ 1,000.00	\$ 12,000.00	\$ 550.00	\$ 6,600.00	\$ 1,100.00	\$ 13,200.00	\$ 435.00	\$ 5,220.00
29	Reconnect Existing Sewer Lateral	EA	8	\$ 1,803.00	\$ 14,424.00	\$ 3,000.00	\$ 24,000.00	\$ 1,400.00	\$ 11,200.00	\$ 2,825.00	\$ 22,600.00
30	PCC Collar Pipe Connection	EA	1	\$ 4,810.00	\$ 4,810.00	\$ 16,000.00	\$ 16,000.00	\$ 11,600.00	\$ 11,600.00	\$ 3,885.00	\$ 3,885.00
31	36-inch Steel Casing	LF	35	\$ 495.00	\$ 17,325.00	\$ 1,200.00	\$ 42,000.00	\$ 500.00	\$ 17,500.00	\$ 605.00	\$ 21,175.00
32	Sewer Bypass System	LS	1	\$ 111,280.00	\$ 111,280.00	\$ 95,000.00	\$ 95,000.00	\$ 196,000.00	\$ 196,000.00	\$ 349,500.00	\$ 349,500.00
33	Shoring and Bracing	LS	1	\$ 24,492.00	\$ 24,492.00	\$ 15,000.00	\$ 15,000.00	\$ 25,000.00	\$ 25,000.00	\$ 9,000.00	\$ 9,000.00
34	Restoration	LS	1	\$ 15,834.00	\$ 15,834.00	\$ 10,000.00	\$ 10,000.00	\$ 25,000.00	\$ 25,000.00	\$ 2,600.00	\$ 2,600.00
35	Zentner Lateral Bypass Pumping	LS	1	\$ 32,812.00	\$ 32,812.00	\$ 15,000.00	\$ 15,000.00	\$ 40,000.00	\$ 40,000.00	\$ 5,900.00	\$ 5,900.00
CONSTRUCTION COST				\$ 811,785.00		\$ 1,031,680.00		\$ 1,236,100.00		\$ 1,309,907.00	

GENERAL CONSTRUCTION CONTRACT

THIS CONTRACT made on _____, by and between the CITY OF MERCED, a municipal corporation of the State of California, hereinafter called the Owner, and ROLFE CONSTRUCTION COMPANY, hereinafter called the Contractor:

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

1. CONTRACT DOCUMENTS. The complete contract consists of the following documents, to wit:

- (1) This General Construction Contract;
- (2) Faithful Performance Bond;
- (3) Laborers and Materialmens Bond;
- (4) Guaranty;
- (5) Special Provisions for **PROJECT NUMBER 116013**;
- (6) Amendments to the Standard Specifications;
- (7) Project Plans;
- (8) Standard Specifications;
- (9) City Standards;
- (10) Proposal;
- (11) Instructions to Bidders;
- (12) Notice Inviting Bids;
- (13) Bidder's Bond;
- (14) Notice of Determination of Prevailing Wages;
- (15) List of Subcontractors and Material Dealers; and
- (16) Safety Provisions.

Any and all obligations of the Owner and the Contractor are fully set forth and described therein.

All of the above documents are intended to cooperate so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The documents comprising the complete contract are sometimes hereinafter referred to as the Contract Documents. In case of conflict between any of the documents, the order of documents first listed above shall be the order of precedence's, with the first item listed having the highest precedence.

2. THE WORK. Said Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, transportation, and material necessary to perform and complete in a good and workmanlike manner all work of improvement in accordance with Contract Documents in the manner designated in, and in strict conformity with, the Plans and Specifications for **PROJECT NUMBER 116013**, which said Plans and Specifications are entitled, **"B" STREET SEWER MAIN REPLACEMENT**," for construction in Merced County in Merced, and which were included in the award of bid made by the City Council of the City of Merced on _____, 2018.

It is understood and agreed that said tools, equipment, apparatus, facilities, labor, transportation and material, except materials to be supplied by the City as designated in the Contract Documents, shall be furnished and said work performed and completed as required in said Plans and Specifications under the sole direction and control of the Contractor, and subject to inspection and approval of the Owner or its representative. The Owner hereby designates the City Engineer as its representative for the purpose of this Contract.

3. **CONTRACT PRICE.** The Owner agrees to pay, and the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and doing all work contemplated and embraced in this agreement to wit:

<i>Item No.</i>	<i>Description</i>	<i>Unit of Measure</i>	<i>Estimated Quantity</i>	<i>Unit Cost</i>	<i>Total</i>
1	Permits, Bonds & Licenses	LS	----	\$41,756.00	\$41,756.00
2	Other Permits, Bonds & Licenses – Merced Irrigation District	LS	1	\$5,000.00	\$5,000.00
3	Public Convenience and Safety	LS	----	\$15,300.00	\$15,300.00
4	Water Pollution Control	LS	----	\$8,606.00	\$8,606.00
5	Street Sweeping	LS	----	\$4,628.00	\$4,628.00
6	Surveying Services	LS	----	\$5,200.00	\$5,200.00
7	Monumentation	EA	2	\$910.00	\$1,820.00
8	Clearing and Grubbing	LS	----	\$16,510.00	\$16,510.00
9	Earthwork	LS	----	\$9,620.00	\$9,620.00
10	Tree/Landscaping Removal	LS	----	\$6,942.00	\$6,942.00
11	Remove Existing 24" CMP Sewer Pipe	LF	2,640	\$4.25	\$11,220.00
12	Abandon Existing 24" Sewer Pipe	LF	560	\$20.25	\$11,340.00
13	Remove Existing Manhole	EA	8	\$800.00	\$6,400.00
14	Abandon Existing Manhole	EA	1	\$2,314.00	\$2,314.00
15	Remove AC Pavement	SF	5,000	\$2.10	\$10,500.00
16	Remove Concrete	SF	700	\$3.00	\$2,100.00
17	Remove Curb and Gutter	LF	50	\$40.00	\$2,000.00
18	Aggregate Base	TN	370	\$62.10	\$22,977.00
19	Hot Mix Asphalt	TN	160	\$269.75	\$43,160.00
20	Curb and Gutter	LF	50	\$180.00	\$9,000.00
21	Residential AC Driveway	SF	1,800	\$8.75	\$15,750.00
22	Concrete Pad at Basketball Court w/dowels	SF	350	\$25.00	\$8,750.00
23	Wood Fencing	LF	600	\$35.00	\$21,000.00
24	Chainlink Fencing	LF	1200	\$27.00	\$32,400.00
25	Concrete liner at Zentner Lateral crossing per MID Standards	EA	1	\$7,700.00	\$7,700.00
26	24" Sanitite HP Sewer Main	LF	3220	\$65.75	\$211,715.00
27	Sewer Manhole with Reinforced Concrete Collar	EA	11	\$4,100.00	\$45,100.00
28	Bollards	EA	12	\$1,000.00	\$12,000.00
29	Reconnect Existing Sewer Lateral	EA	8	\$1,803.00	\$14,424.00

<i>Item No.</i>	<i>Description</i>	<i>Unit of Measure</i>	<i>Estimated Quantity</i>	<i>Unit Cost</i>	<i>Total</i>
30	PCC Collar Pipe Connection	EA	1	\$4,810.00	\$4,810.00
31	36-inch Steel Casing	LF	35	\$495.00	\$17,325.00
32	Sewer Bypass System	LS	----	\$111,280.00	\$111,280.00
33	Shoring and Bracing	LS	----	\$24,492.00	\$24,492.00
34	Restoration	LS	----	\$15,834.00	\$15,834.00
35	Zentner Lateral Bypass Pumping	LS	----	\$32,812.00	\$32,812.00

Total of Items 1 Through 35 \$ 811,785.00

4. **TERMINATION.** If the Contractor should be adjudged as bankrupt or if he should make a general assignment for the benefit of his creditors, or if a receiver should be appointed on account of his insolvency, or if he or any of his subcontractors should violate any of the provisions of the Contract Documents, the Owner may serve written notice upon him and his surety of its intention to terminate the Contract; such notice to contain the reasons for such intention to terminate the Contract, and, unless within ten (10) days after serving of such notice such violation shall cease and satisfactory arrangements for correction thereof be made, the Contract shall, upon the expiration of said ten (10) days, cease and terminate.

In the event of any such termination, the Owner shall immediately serve written notice thereof upon the surety and the Contractor, and the surety shall have the right to take over and perform the Contract; provided however, that if the surety within fifteen (15) days after the serving upon it of notice of termination does not give the Owner written notice of its intention to take over and perform the Contract or does not commence performance thereof within thirty (30) days from the date of the serving of such notice, the Owner may take over the work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of the Contractor, and the Contractor and his surety shall be liable to the Owner for any excess cost occasioned the Owner thereby, and in such event the Owner may, without liability for so doing, take possession of and utilize in completing the work such materials, appliances, plant, and other property belonging to the Contractor as may be on the site of the work and necessary therefor.

5. **NOTICE AND SERVICE THEREOF.** 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; namely, (a) if the notice is given to the Owner, per personal delivery thereof to the City Engineer of said Owner, or by depositing the same in the United States mails enclosed in a sealed envelope, addressed to the Owner, postage prepaid and registered; (b) if the notice is given to the Contractor, by personal delivery thereof to said Contractor or to his duly authorized representative at the site of the project, or by depositing the same in the United States mails enclosed in a sealed envelope, addressed to said Contractor at **3573 SOUTHERN PACIFIC AVENUE, ATWATER, CA 95301**, postage prepaid and registered; and (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 mails enclosed in a sealed envelope, addressed to such surety or person, as the case may be, at the address of such surety or person last communicated by him to the party giving the notice, postage prepaid and registered.

6. **ASSIGNMENT OF CONTRACT.** Neither the Contract nor any part thereof, nor moneys due, or to become due thereunder, may be assigned by the Contractor without the prior written approval of the Owner.

7. **CONTRACT SECURITY.** The Contractor shall furnish a surety bond in an amount at least equal to 100 percent of the contract price as security for the faithful performance of this Contract. The Contractor shall also furnish a separate surety bond in an amount at least equal to 100 percent of the contract price as security for the payment of all persons for furnishing materials, provisions, provender, or other supplies used in, upon, for, or about the performance of the work contracted to be done, or for performing any work or labor thereon of any kind, and for the payment of amounts due under the Unemployment Insurance Code with respect to such work or labor in connection with this Contract, and for the payment of a reasonable attorney's fee to be fixed by the court in case suit is brought upon the bond.

8. **INSURANCE.** The Contractor shall not commence work under this Contract until he has obtained all insurance required by Section 7-3 of the Standard Specifications, as amended, and such insurance has been approved by the City Attorney of Owner, nor shall the Contractor allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been so obtained and approved. Contractor shall furnish the Owner with satisfactory proof of the carriage of insurance required, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Contract, and particularly paragraph 9 hereof. Said insurance obtained by the Contractor shall be primary and noncontributory as to any insurance maintained by owner. **Endorsement for additional insured shall be submitted on standard form CG 20101185. Endorsement forms CG 20101001 and CG 20371001, when used together, are acceptable in lieu of CG 20101185 for Public Works projects.** Any policy of insurance required of the Contractor under this Contract shall also contain an endorsement providing that thirty (30) days' notice must be given in writing to the Owner of any pending change in the limits of liability or of any cancellation or modification of the policy. All insurance required by this section shall be from a California admitted insurance company.

9. **HOLD HARMLESS.** The Contractor will indemnify, defend with counsel selected by the Owner, save, keep, and hold harmless, the Owner and all officers, employees, and agents thereof from all damages, costs, or expenses, in law or in equity, that may at any time arise or be set up because of personal injury or damage to property sustained by any person or persons by reason of, or in the course of the performance of said work, or by reason of any infringement or alleged infringement of the patent rights of any person or persons, firm or corporation, in consequence of the use in, on, or about said work, of any article or material supplied or installed under this Contract. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Notwithstanding the above, the Contractor shall, wherever it is necessary, keep and maintain at his sole cost and expense during the course of his operations under this Contract such warnings, signs, and barriers as may be required to protect the public. The provisions of the preceding sentence shall not impose any liability upon the Owner and are for the express benefit of the general public.

Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

It is expressly understood that Contractor is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Contractor shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Contractor desire any insurance protection, the Contractor is to acquire such protection at its expense.

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

10. ACCIDENT PREVENTION. Precaution shall be exercised at all times for 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 Industrial Accident Commission of the State of California.

11. PAYMENT. The Owner will make partial and final payment to the Contractor in accordance with Section 9-3.2 of the Standard Specifications, as amended, except that the Owner will retain the five percent (5%) of the final payment amount until the expiration of thirty-five (35) days from the date of recording by Owner of notice of acceptance of completion of all work covered by this Contract, if such notice be recorded within ten (10) days after the acceptance of completion of such Contract; or, if such notice be not so recorded within ten (10) days, until the expiration of ninety-five (95) days after the acceptance of completion of such work of improvement, at which time and not before, Owner shall pay to Contractor the whole of the remaining five percent (5%) of said contract price so held back as provided.

The payment of progress payments by the Owner shall not be construed as an absolute acceptance of the work done up to the time of such payments, but the entire work is to be subjected to the inspection and approval of the Owner and subject to whatever inspection and approval may be required by law.

12. CALIFORNIA LABOR CODE. The Contractor is aware of, and hereby agrees to comply with Sections 1770, 1773, 1776, and 1777.5 of the California Labor Code.

13. SUBSTITUTION OF SECURITIES FOR WITHHELD AMOUNTS. Pursuant to Section 22,300 of the Public Contracts Code of the State of California, securities may be substituted for any moneys withheld by a public agency to ensure performance under a contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the public agency, or with a State or Federally-chartered bank as the escrow agent, who shall pay such moneys to the Contractor upon satisfactory completion of the Contract.

Securities eligible for substitution under this section shall include those listed in Section 16430 of the Government Code of the State of California, or bank or savings and loan certificate of deposit.

The Contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

Any escrow agreement entered into pursuant to this section shall contain, as a minimum, the following provisions:

- (a) The amount of securities to be deposited;
- (b) The terms and conditions of conversion to cash in case of the default of the Contractor; and
- (c) The termination of the escrow upon completion of the Contract.

14. TRENCHES AND EXCAVATIONS. Should the Contractor be required to dig trenches or other excavations that extend deeper than four (4) feet below the surface, then the following clauses shall apply:

- (a) The Contractor shall promptly, and before the following conditions are disturbed, notify the City in writing of any:
 - (1) Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law;
 - (2) Subsurface or latent physical conditions at the site differing from those indicated;
 - (3) Unknown physical conditions at the site of any unusual nature different materially from those ordinarily encountered, and generally recognized as inherent in work of the character provided for in the contract.
- (b) The City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ or do involve hazardous waste and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, shall issue a change order under the procedures described in this contract.
- (c) In the event that a dispute arises between the City and the Contractor whether the conditions materially differ or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of or time required for performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. The Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

15. CLAIMS. This clause applies to all Contractor claims of three hundred seventy-five thousand dollars (\$375,000), or less, which arise out of this contract.

- (a) "Claim" means a separate demand by the Contractor for (1) a time extension, (2) payment of money or damages arising from work done by, or on behalf of, the Contractor pursuant to this contract, and payment of which is not otherwise expressly provided for or the Contractor not otherwise entitled to, or (3) an amount the payment of which is disputed by the City.

- (b) The claim shall be in writing and include the documents necessary to substantiate the claim. Claims must be filed on or before the date of final payment. Nothing herein shall extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims.
- (c) For claims of less than fifty thousand dollars (\$50,000), the City shall respond in writing to any written claim within forty-five (45) days of receipt of the claim or may request, in writing within thirty (30) days of receipt of the claim, any additional documentation supporting the claim or relating to defenses or claims the City may have against the Contractor.
 - (1) If additional information is thereafter required, it shall be requested and provided upon mutual agreement of the City and the Contractor.
 - (2) The City's written response to the claim as further documented shall be submitted to the Contractor within fifteen (15) days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information, whichever is greater.
- (d) For claims of over fifty thousand dollars (\$50,000) and less than, or equal to, three hundred seventy-five thousand dollars (\$375,000), the City shall respond in writing to all written claims within sixty (60) days of receipt of the claim or may request, in writing within thirty (30) days of receipt of the claim, any additional documentation supporting the claim, or relating to defenses or claims the City may have against the Contractor.
 - (1) If additional information is thereafter required, it shall be requested and provided upon mutual agreement of the City and the Contractor.
 - (2) The City's written response to the claim as further documented shall be submitted to the Contractor within thirty (30) days after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater
- (e) If the Contractor disputes the City's written response, or the City fails to respond within the time prescribed, the Contractor may so notify the City, in writing, either within fifteen (15) days of receipt of the City's response, or within fifteen (15) days of the City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the City shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.
- (f) If, following the meet and confer conference, the claim or any portion remains in dispute, the Contractor may file a claim pursuant to Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title I of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits its written claim pursuant to Subdivision (b) until the time the claim is denied, including any period of time utilized by the meet and confer conference.
- (g) The following procedures shall be followed for all civil actions filed to resolve claims subject to this clause:

- (1) Within sixty (60) days, but no earlier than thirty (30) days following the filing or responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within fifteen (15) days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) days of the submittal, and shall be concluded within fifteen (15) days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.
 - (2) If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.
 - (3) In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, (A) arbitrators shall, when possible, be experienced in construction law, and (B) any party appealing an arbitration award who does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, also pay the attorney's fees on appeal of the other party.
- (h) The City shall not fail to pay money as to any portion of a claim which is undisputed, except as otherwise provided in this contract.
- (i) In any suit filed under Section 20104.4, the City shall pay interest at the legal rate on any arbitration award or judgment. The interest shall begin to accrue on the date the suit is filed in a court of law.

IN WITNESS WHEREOF, three (3) identical counterparts of this Contract, each of which shall for all purposes be deemed an original thereof, have been duly executed by the parties hereinabove named, on the day and year first herein written.

ATTEST:

CITY OF MERCED, a Municipal Corporation
(Herein called Owner)

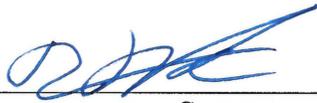
By: _____
Deputy City Clerk

By: _____
City Manager

APPROVED AS TO FORM:

ROLFE CONSTRUCTION COMPANY
(Herein called Contractor)

By: _____
City Attorney

By:  _____
Contractor
Dennis Rolfe

ACCOUNT DATA:

TAXPAYER I.D. NO: 77-0131418

Project No. 116013

VENDOR NUMBER: _____

ADDRESS: 3573 Southern Pacific Ave
Atwater, CA 95301

Project Account Number(s) / Amount

553-1107-637.65-00-116013 \$ 811,785.00

PHONE: 209-358-5548

FAX: 209-357-2916

EMAIL: mail@rolfeconstruction.biz

By: _____
Finance Officer Verification

(SEAL)

GUARANTY

To the City of Merced, California:

PROJECT NUMBER 116013

The undersigned guarantees the construction and installation of the work included in this project as described in the Contract Documents.

Should any of the materials or equipment prove defective or should the work as a whole prove defective, due to faulty workmanship, material furnished or methods of installation, or should the work or any part thereof fail to operate properly as originally intended and in accordance with the plans and specifications, due to any of the above causes, within one year after date on which the "Notice of Completion" is recorded by the City, the undersigned agrees to reimburse the City, upon demand, for its expenses incurred in restoring said work to that contemplated in said project, including the cost of any such equipment or materials replaced and the cost of removing and replacing any other work necessary to make such replacement or repairs, or, upon demand by the City, to replace any such material and to repair said work completely without cost to the City so that said work will function as contemplated.

The City shall have the unqualified option to make any needed replacements or repairs itself or to have such replacements or repairs done by the undersigned. In the event the City elects to have said work performed by the undersigned, the undersigned agrees that the repairs shall be made and such materials as are necessary shall be furnished and installed within a reasonable time after the receipt of demand from the City. If the undersigned shall fail or refuse to comply with his obligations under this guaranty, the City shall be entitled to all costs and expenses, including attorney's fees, reasonably incurred by reason of said failure or refusal.

By:  _____
Contractor

Date: 2/26/18



ADMINISTRATIVE REPORT

Agenda Item J.1.

Meeting Date: 4/2/2018

Report Prepared by: Kim Espinosa, Planning Manager, Development Services Department

SUBJECT: Public Hearing - Repeal of Regional Transportation Impact Fee Ordinance

REPORT IN BRIEF

The City Council will consider the repeal of the Regional Transportation Impact Fee Ordinance (Merced Municipal Code Chapter 17.64).

RECOMMENDATION

City Council - Adopt a motion introducing **Ordinance No. 2487**, an Ordinance of the City Council of the City of Merced, California, Repealing Chapter 17.64 of the Merced Municipal Code relating to the Regional Transportation Impact Fees.

ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Approve, subject to modifications as conditioned by Council; or,
3. Deny the request; or,
4. Refer back to staff for reconsideration of specific items (specific items to be addressed in City Council motion); or,
5. Continue to a future City Council meeting (date and time to be specified in City Council motion).

AUTHORITY

Chapter 17.64 of the Merced Municipal Code authorizes the City's collection of the Regional Transportation Impact Fees.

CITY COUNCIL PRIORITIES

Not applicable.

DISCUSSION

The City of Merced adopted the Regional Transportation Impact Fee (RTIF) in May 2005, per Ordinance #2194, and amended the RTIF in June 2008, per Ordinance #2310. From August 2005 until August 2016, the City collected the fee on all new development projects (residential, commercial, and industrial) in the City in order to raise additional revenues to pay for regional transportation improvements.

Starting in January 2012, other jurisdictions in Merced County began suspending collection of the RTIF on some or all new developments. Other cities, although still collecting the RTIF on selected projects, exempted major commercial projects from paying the fee based on a variety of stated

reasons.

From 2005 to 2016, the City of Merced collected over \$5.1 million in RTIF fees. That represented 41 percent of the \$12.2 million total collected over all jurisdictions. Just for comparison purposes, the City of Merced's population represented only 31 percent of the County's population in 2016.

Given the inconsistent application of the fees to development projects throughout the County, the City of Merced had been at a competitive disadvantage to competing jurisdictions within the County based on the City continuing to charge the RTIF, despite having lowered the City's Public Facilities Impact Fees by over 55 percent in 2012. Therefore, on July 5, 2016, the City Council adopted Ordinance No. 2461 suspending the collection of the RTIF for 2 years, starting on August 17, 2016, through July 6, 2018.

On January 18, 2018, the MCAG Board of Directors reviewed a number of options regarding the future of RTIF and how funds should be allocated if the program was dissolved (Attachment 1). The Board ultimately elected to suspend RTIF indefinitely.

On February 5, 2018, the City Council reviewed options from MCAG on how to proceed with the RTIF program. The City Council voted 7-0 to approve the 2016 RTIF Study Project list, contingent on the money being allocated based on contribution. The City Council also voted 7-0 to approve Option 3C, allocating the remaining funds to all jurisdictions based on the contributions those jurisdictions made.

The City of Merced will begin a 5-year update of the City's Public Facilities Impact Fee program in 2018. This process will include an analysis of the City's development impact fees for transportation, traffic signals, police, fire, and parks and bikeways, including regional transportation projects within the City's Sphere of Influence. As part of that study, the City can consider adding any projects that were on the RTIF list of projects into the City's fee program.

Given the MCAG Board's decision to suspend the RTIF indefinitely and the City's previous suspension of collecting the RTIF ending in July 2018, City staff is recommending that the City Council adopt an ordinance repealing Chapter 17.64 (Regional Transportation Impact Fee) in its entirety. See Attachment 2 for the proposed Ordinance, which will end the City's collection of the RTIF fees on a permanent basis.

IMPACT ON CITY RESOURCES

The Regional Transportation Impact Fees that were collected by the City were forwarded to the Merced County Association of Governments (MCAG), so there will be no impacts on City resources by repealing those fees. If the RTIF program is abolished by MCAG, the City of Merced should expect to receive an unknown amount of RTIF funds back, based on our previous contributions, to put into local transportation projects.

ATTACHMENTS

1. "RTIF Alternatives for Consideration by the MCAG Governing Board" (January 2018)
2. Draft City Council Ordinance repealing the RTIF

Regional Transportation Impact Fee (RTIF) Alternatives for Consideration by the Merced County Association of Governments Governing Board January 2018

This document contains a list of options for how to proceed regarding the RTIF. The MCAG Governing Board has considerable discretion regarding the RTIF, however, several options require action by individual jurisdictions for implementation.

Option 1: Status quo

The Board could act at any time to allocate existing funds to eligible projects. As the 2016 study was not fully implemented, projects would need to be selected from the approved 2008 list. If projects from the 2016 study were desired, each of the seven jurisdictions would need to adopt the 2016 study. The continued collection of RTIF by selected jurisdictions is up to the jurisdictions.

Option 2: Re-commitment to RTIF and adopt the 2016 study

All jurisdictions approve the 2016 study and those jurisdictions which have suspended collections resume doing so. Current and future funds would be available throughout the county for projects on the 2016 list at the discretion of the Board. A new study could be conducted in the future as an update to the 2016 study as needed.

Option 3: Termination of the RTIF and distribution of available funds by the Board

Without all jurisdictions participating, all jurisdictions cease collecting RTIF. While the RTIF implementation could terminate with withdrawal of jurisdictions, that would render any jurisdiction which withdrew ineligible for funding. Rescission of the 2005 implementation agreement by all jurisdictions would terminate the RTIF and leave all jurisdictions eligible to receive some of the remaining available RTIF funds. Under this option there are many possibilities for the distribution and use of funds.

- **Option 3A: Allocation of funds to eligible projects**

Like Option 1, the Board could act to allocate existing funds to eligible projects. As the 2016 study was not fully implemented, projects would need to be selected from the approved 2008 list. If projects from the 2016 study were desired, each of the seven jurisdictions would need to adopt the 2016 study.

- **Option 3B: Allocation of funds to east and west regions**

While final authority remains with the Board, the Board could elect to allocate the remaining funds to the east and west sides of the county as geographically defined in the Measure V Transportation Expenditure Plan. The available funding could then be

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considered by the Measure V Eastside and Westside Regional Projects Committees for recommendations to be made to the full board. Projects would need to be selected from the 2008 list unless all jurisdictions adopt the 2016 study.

- **Option 3B-1: Allocate funds by Measure V formula**
Divide the funds between the east and west based only on the Measure V method (50% by percentage of population and 50% by percentage of road mileage)
- **Option 3B-2: Allocate funds by contribution of jurisdiction**
Divide the funds between the east and west based on the contributions by individual jurisdictions. Amount of contributions by each city could be used to determine city-related contributions for each side of the county. The County's portion of contribution would still need to be split between the east and west regions. The allocation of the County's portion could be done by the Measure V formula or another method.
- **Option 3B-3: Allocate funds by other considerations**
Funds could be allocated using other considerations including continued collection of funds, previous use of funds, or any other applicable considerations.
- **Option 3C: Allocate remaining funds to all jurisdictions based on contributions**
Under this option, the funds would be allocated to all seven jurisdictions based on the amount of funds each contributed to the RTIF over the entire length of the program. This would account for jurisdictions which did and did not continue to collect RTIF funds. As a majority of all funds collected have already been expended, each jurisdiction would receive a pro-rated amount of the remaining funds. An estimated \$4.9 million is available of the total net revenue of \$14.2 million from the life of the program. That means that each jurisdiction would receive about 34.5 percent of the funds which were contributed. The Board has the ability to allocate funds to eligible projects, which is currently the 2008 list. The 2016 study would need to be adopted by all jurisdictions to make the 2016 projects available.

While the Board could allocate funds to each jurisdiction in this manner, the funds could only be used for eligible projects. This could result in some jurisdictions receiving amounts of funds that would not be meaningful compared to the costs of eligible projects. Options would need to be pursued by jurisdictions and the Board to ensure that final allocations would be made to jurisdictions in amounts that could be utilized effectively.

Quarterly Reporting
Date Updated: 10/23/2017

TABLE 1

REGIONAL TRANSPORTATION IMPACT FEES (RTIF) COLLECTED BY JURISDICTION FOR FY 2017-2018					
JURISDICTION	1 ST QTR	2 ND QTR	3 RD QTR	4 TH QTR	TOTAL
Alwater	41,912.26	0.00	0.00	0.00	41,912.26
Dos Palos					0.00
Gustine					0.00
Livingston					0.00
Los Banos Note 1					0.00
Merced City			0.00	0.00	0.00
Merced County	87,439.30	0.00	0.00	0.00	87,439.30
Interest Earnings	12,125.94	0.00	0.00	0.00	12,125.94
Total	141,477.50	0.00	0.00	0.00	141,477.50

TABLE 2

REGIONAL TRANSPORTATION IMPACT FEES (RTIF) COLLECTED BY JURISDICTION TO-DATE SEPTEMBER 2017*										
JURISDICTION	TOTAL	FY 2017-18	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2010-11
Alwater	1,210,950.17	41,912.26	241,544.08	348,808.13	237,695.01	86,365.04	33,663.76	72,258.86	58,632.41	58,632.41
Dos Palos	109,527.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cash Balance in Fund @ 9/30/2017	4,711,441.15	0.00	0.00	0.00	0.00	0.00	18,641.70	0.00	0.00	0.00
Livingston	117,251.00	0.00	0.00	117,251.00	0.00	0.00	0.00	0.00	0.00	0.00
Los Banos	1,776,781.73	0.00	1,375.00	5,289.84	0.00	28,189.99	3,115.00	41,203.34	0.00	0.00
Merced City	5,181,108.72	0.00	0.00	314,543.48	385,162.34	161,796.29	233,879.12	316,747.97	58,308.90	58,308.90
Merced County	5,143,446.13	87,439.30	460,714.96	440,973.64	303,784.59	498,886.80	484,556.55	304,487.63	100,137.23	100,137.23
Total Jurisdictions	18,253,515.90	129,351.56	703,634.05	1,224,674.09	936,641.84	779,250.12	773,856.13	734,997.80	262,524.22	262,524.22
Interest Earnings	718,826.37	12,125.94	40,729.42	20,304.37	14,102.92	11,481.71	22,364.35	35,024.26	57,147.27	57,147.27
Total Collections	18,973,341.27	141,477.50	744,363.47	1,244,978.46	950,744.86	780,731.83	786,220.48	769,722.06	537,750.03	537,750.03
Refunds	-200,895.08	0.00	-16,120.10	-1,375.00	0.00	0.00	-42,436.94	-20,388.17	0.00	0.00
Total Net	18,772,346.19	141,477.50	728,243.37	1,243,603.46	950,744.86	790,731.83	753,783.54	749,333.88	537,750.03	537,750.03

REGIONAL TRANSPORTATION IMPACT FEE PROJECT LISTS

2008 RTIF Study Project List (Adopted)

Project Location	Project Description	Cost
Bellevue Road	connection to 99 - from new interchange to Atwater	\$5,000,000
Mission Avenue Improvements	from 59 to 99 (not adding lanes)	\$8,400,000
Hwy 59 north realignment	"Merced-Atwater Highway" - re-align from 99 to Bellevue with new 99 Interchange	\$214,000,000
Hwy 59 Mission to Childs	widen to 4 lanes from Mission Ave. to Childs Ave.	\$5,000,000
Hwy 59 – 152 to Mission	widen to 4 lanes from SR 152 to Mission Ave.	\$50,000,000
Hwy 140 Bradly Overhead	widen to 4/5 lanes - from Parsons to Santa Fe Ave.	\$48,000,000
Hwy 140 to Campus Parkway	widen to 4/5 lanes - from Santa Fe Ave. to Campus Parkway	\$13,500,000
Hwy 140/33 Gustine Truck Route	Bypass	\$5,000,000
Hwy 152 Los Banos Bypass		\$497,000,000
Hwy 165 North of Hilmar	widen to 4/5 lanes - from Hilmar to Stanislaus County or alternate project to reduce traffic on SR 165 through Hilmar	\$43,000,000
Dos Palos Road Improvements		\$5,000,000
Winton Parkway	Interchange improvements and widening (Livingston)	\$15,000,000
Campus Parkway	From SR 99 to Yosemite Ave.	\$63,000,000
TOTAL		\$971,900,000

2016 RTIF Study Project List (Not Adopted as of Dec 2017)

Project	Project Description	Cost
Atwater-Merced Expressway – Phase 1b	Construct two-lane extension from Green Sands to Santa Fe	\$62,200,000
Campus Parkway from Childs Avenue to north of SR 140	Construct Phase 2 of four-lane divided expressway	\$30,524,000
Campus Parkway from north of SR 140 to Yosemite Avenue	Construct Phase 3 of four-lane divided expressway	\$55,000,000
E. Mission Avenue from SR 59 to west of Henry Street in south Merced	Construct two-lane roadway	\$4,911,600
Bellevue Road from Vine Avenue to Orchard Park near Dole plant.	Construct two-lane roadway	\$2,206,240
Hammatt Avenue at SR 99 in Livingston	Construct traffic signals & roadway improvements at interchange	\$1,674,400
Lander Avenue (SR 165) from American Avenue to August Avenue	Construct center two way left turn lane for 0.4 miles	\$785,900
SR 33 at SR 140 in Gustine	Construct a roundabout	\$2,300,000
SR 59 from Merced to SR 152	Construct two sets of passing lanes	\$2,158,000
SR 33 (Elgin Avenue) from Valeria Street to Christian Street in Dos Palos	Construct four-lane roadway	\$5,000,000
Los Banos improvement project	Construct RTIF project, to replace Los Banos Bypass	\$50,000,000
TOTAL		\$216,760,140

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ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA,
REPEALING CHAPTER 17.64 OF THE MERCED
MUNICIPAL CODE RELATING TO THE
REGIONAL TRANSPORTATION IMPACT FEES**

**THE CITY COUNCIL OF THE CITY OF MERCED DOES ORDAIN
AS FOLLOWS:**

WHEREAS, the City of Merced adopted the Regional Transportation Impact Fee (“RTIF”) on May 2, 2005 pursuant to Ordinance No. 2194 and amended the RTIF pursuant to Ordinance No. 2310 adopted on July 7, 2008. Since August 2005, the City of Merced has collected RTIF on all new development projects (residential and commercial) in the City in order to raise additional revenues to pay for regional transportation improvements; and

WHEREAS, in August 2005, the County of Merced and Cities of Atwater, Dos Palos, Gustine, Los Banos and Merced began collecting the RTIF. In November 2014, the City of Livingston began collecting the RTIF; and

WHEREAS, in January 2012, the City of Dos Palos suspended collecting the RTIF. In January 2012, the City of Los Banos suspended the collection of the RTIF for non-residential projects and in August 2014, suspended the collection of the RTIF for all projects. Other cities, although still collecting the RTIF on selected projects, have exempted major commercial projects from paying the fee based upon a variety of stated reasons; and

WHEREAS, given the inconsistent application of the RTIF to development projects throughout the County, the City of Merced has been at a competitive disadvantage with other jurisdictions within the County; and

WHEREAS, the City of Merced adopted Ordinance No. 2461 suspending the collection of RTIF for all new development until July 5, 2018.

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

SECTION 1. AMENDMENT TO CODE. Chapter 17.64, “Regional Transportation Impact Fee,” of the Merced Municipal Code is hereby repealed in its entirety.

SECTION 2. EFFECTIVE DATE. This Ordinance shall be in full force and effect thirty (30) days after its adoption.

SECTION 3. SEVERABILITY. If any section, subsection, subdivision, sentence, clause, phrase, or portion of this Ordinance, is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have adopted this Ordinance, and each section, subsection, subdivision, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof be declared invalid or unconstitutional.

SECTION 4. PUBLICATION. The City Clerk is directed to cause a summary of this Ordinance to be published in the official newspaper at least once within fifteen (15) days after its adoption showing the vote thereon.

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Merced on the ____ day of _____, 2018, and was passed and adopted at a regular meeting of said City Council held on the ____ day of _____, 2018 by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:

Mayor

**ATTEST:
STEVE CARRIGAN, CITY CLERK**

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Kylorel 3.6.18
City Attorney **Date**



ADMINISTRATIVE REPORT

Agenda Item K.1.

Meeting Date: 4/2/2018

Report Prepared by: Tonya Mora, Management Analyst, Police Department

SUBJECT: Adoption of a Resolution for an Exemption to CalPERS 180-Day Wait Period to Hire a Temporary Dispatcher Pursuant to Government Code Sections 7522.56 and 21224

REPORT IN BRIEF

Adoption of a resolution approving the hiring of Lisa Linares as an extra-help retired annuitant to perform the duties of a Temporary Dispatcher under Government Code sections 7522.56 and 21224, effective April 5, 2018.

RECOMMENDATION

City Council - Adopt a motion adopting **Resolution 2018-21**, a Resolution of the City Council of the City of Merced, approving an exception to the CALPERS 180-day wait period pursuant to Government Code sections 7522.56 and 21224.

ALTERNATIVES

1. Approve as recommended; or
2. Deny; or
3. Take no action.

AUTHORITY

Section 200 of the City of Merced Charter.
California Government Code sections 7522.56 and 21224.

CITY COUNCIL PRIORITIES

As provided for in the 2017-2018 Adopted Budget.

DISCUSSION

California Government Code section 7522.56, subdivision (f)(1) provides that a CalPERS retiree is not eligible to work for a CalPERS employer for a period of 180 days following the date of their retirement unless an exception applies. One such exception allows the 180-day waiting period to be waived if the retired employee is needed to fill a critically-necessary position and the employee has the specialized skills and knowledge for the position. Under this circumstance, the retired employee can be hired before the expiration of the 180-day waiting period if the governing body of the CalPERS agency certifies through the adoption of a resolution that the appointment is necessary to fill a critical need. Additional requirements for the post-retirement employment include:

- The retired employee can only work for a limited duration and must be hired into a retired annuitant or part-time temporary/extra-help position (not a permanent part-time position);
- The retired employee can only work 960 hours in a fiscal year (July 1 to June 30);
- The retired employee can only be paid an hourly compensation without benefits or any additional or special compensation;
- The compensation paid to the retired employee must be an hourly rate that is not greater than nor less than the hourly rate on the salary schedule for the equivalent position; and,
- The appointment of the employee must be made by the governing body at a public meeting and the appointment cannot be placed on a consent calendar.

At this time, the City has a critical need for an experienced Dispatcher to work the Communications Center, which includes answering calls for Police Services and Dispatching Police and Fire personnel. Currently, the Communications Center is understaffed due to vacancies, employees on extended leaves of absence and newly hired dispatchers who are undergoing supervised training. Due to these circumstances, overtime will be required to attempt to meet the daily demands of the Communications Center. The appointment of a skilled temporary dispatcher will provide the Police Department with the necessary assistance to handle calls for service as well as reduce overtime for existing full time dispatchers.

Lisa Linares retired from the City on December 17, 2017, as a Dispatcher II. Prior to her retirement, Ms. Linares worked for the City as a Dispatcher for 27 years. She has invaluable institutional knowledge of the City's Police Dispatch procedures and practices and she also possesses the necessary skills to perform the required duties. Due to her age at retirement, Ms. Linares is required to have a 60-day separation between her retirement date and her post-retirement employment date with the City. She has also met this requirement.

The attached resolution authorizes the City Council to make the required findings to allow Ms. Linares to be hired as a Temporary Dispatcher II effective April 5, 2018, which is before the expiration of her 180-day post-retirement wait period. As set forth in further detail in the attached resolution, Ms. Linares will be paid on an hourly basis within the same hourly range as other employees performing the same duties. Moreover, her hours will not exceed 960 hours in a fiscal year and no other benefits will be paid or provided.

Approval of the attached Resolution is therefore requested to waive the 180-day waiting period to allow the City to hire Ms. Linares on April 5, 2018.

IMPACT ON CITY RESOURCES

Funds are available in the 2017-2018 Police Budget to cover this temporary cost; no additional funding is needed.

ATTACHMENTS

1. Resolution No. 2018-21
2. Salary Range
3. Personnel Action Form

RESOLUTION NO. 2018-_____

**A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF MERCED, CALIFORNIA, FOR
EXEMPTION TO THE 180-DAY WAIT PERIOD
GOVERNMENT CODE SECTIONS 7522.56 &
21224**

WHEREAS, in compliance with Government Code section 7522.56 the City Council of the City of Merced must provide CalPERS this certification resolution when hiring a retiree before 180 days has passed since his or her retirement date; and

WHEREAS, Lisa Linares retired from the City of Merced in the position of Dispatcher II, effective December 17, 2017; and

WHEREAS, Lisa Linares has had a 60-day separation in service between her retirement date and the date her temporary employment will begin; and

WHEREAS, section 7522.56 requires that post-retirement employment commence no earlier than 180 days after the retirement date, which is June 13, 2018, without this certification resolution; and

WHEREAS, section 7522.56 provides that this exception to the 180-day wait period shall not apply if the retiree accepts any retirement-related incentive; and

WHEREAS, the City Council, the City of Merced and Lisa Linares certify that Lisa Linares has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, Lisa Linares shall certify in writing upon accepting an offer of employment, that she has not received any unemployment insurance compensation arising out of a prior employment with a public employer subject to Government Code section 7522.56; and,

WHEREAS, the City Council hereby appoints Lisa Linares as an extra help retired annuitant to perform the duties of a Temporary Dispatcher II for the City of Merced under Government Code section 21224, effective April 5, 2018; and

WHEREAS, the entire employment agreement, contract or appointment document between Lisa Linares and the City of Merced has been reviewed by this body and is attached herein; and

WHEREAS, the matters, issues, terms or conditions related to this employment and appointment have not and will not be placed on a consent calendar; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year; and

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$4,445.00 and the hourly equivalent is \$25.64, and the minimum base salary for this position is \$3,656.92 and the hourly equivalent is \$21.09; and

WHEREAS, the hourly rate paid to Lisa Linares will be \$25.64; and

WHEREAS, Lisa Linares has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:

SECTION 1. The City Council of the City of Merced hereby certifies the nature of the appointment of Lisa Linares as described herein and detailed in the attached employment agreement/contract/appointment document and that this appointment is necessary to fill the critically needed position of Temporary Dispatcher II for the City of Merced effective April 5, 2018. Specifically, the City has a need for an experienced Dispatcher to work the Communications Center which includes answering calls for Police Services and Dispatching Police and Fire personnel. At this time, the City's Communications Center is understaffed due to vacancies, newly hired dispatchers who are under supervised training and employees on extended leaves of absences. While the City is currently recruiting to fill the vacant dispatcher positions, the current staffing level will require excessive

overtime to meet the daily demands of the Communications Center. Ms. Linares was employed by the City as a Dispatcher II for 27 years. She possesses skills and experience that are unique to her and the position of Dispatcher. This temporary appointment will provide the Police Department with the necessary resources to effectively handle calls for service and safely dispatch Police and Fire personnel as well as reduce unnecessary overtime for existing full time dispatchers.

PASSED AND ADOPTED by the City Council of the City of Merced at a regular meeting held on the 2nd day of April 2018, by the following vote:

- AYES: Council Members:
- NOES: Council Members:
- ABSENT: Council Members:
- ABSTAIN: Council Members:

APPROVED:

Mayor

ATTEST:
CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

Valery J. Sanchez 3/26/18
City Attorney Date

JOB CLASS/RANGE/B.U./TITLE	1	2	3	4	5
02786 900 MX DIR OF ECONOMIC DEVELOPMENT	9602.62 4431.98 55.3997	10082.75 4653.58 58.1698	10586.89 4886.26 61.0782	11116.23 5130.57 64.1321	11672.02 5387.09 67.3386
02787 891 MX DIR OF INFORMATION TECHNOLOGY	8628.66 3982.46 49.7807	9060.09 4181.58 52.2698	9513.09 4390.66 54.8832	9988.74 4610.19 57.6274	10488.18 4840.70 60.5087
02790 890 MX DIR OF PARKS & COMM SERVICES	8642.27 3988.74 49.8593	9074.39 4188.18 52.3522	9528.09 4397.58 54.9698	10004.49 4617.46 57.7183	10504.73 4848.34 60.6043
02800 875 MX DIR OF PUBLIC WORKS	9946.77 4590.82 57.3853	10444.11 4820.36 60.2545	10966.32 5061.38 63.2672	11514.64 5314.45 66.4306	12090.39 5580.18 69.7522
02850 870 MX DIR OF SUPPORT SERVICES	8918.86 4116.40 51.4550	9364.83 4322.23 54.0279	9833.04 4538.33 56.7291	10324.70 4765.25 59.5656	10840.93 5003.51 62.5439
01981 571 PD DISPATCHER I	3317.44 1531.13 19.1391	3483.28 1607.67 20.0959	3657.48 1688.07 21.1009	3840.33 1772.46 22.1558	4032.34 1861.08 23.2635
01982 592 PD DISPATCHER II	3656.92 1687.81 21.0976	3839.74 1772.19 22.1524	4031.75 1860.81 23.2601	4233.34 1953.85 24.4231	4445.00 2051.54 25.6443
04350 342 WC ENGINEERING TECHNICIAN I	3416.96 1577.06 19.7133	3587.87 1655.94 20.6992	3767.22 1738.72 21.7340	3955.57 1825.65 22.8206	4153.37 1916.94 23.9617
04351 362 WC ENGINEERING TECHNICIAN II	3767.22 1738.72 21.7340	3955.57 1825.65 22.8206	4153.37 1916.94 23.9617	4361.02 2012.78 25.1598	4579.07 2113.42 26.4177
04352 382 WC ENGINEERING TECHNICIAN III	4153.37 1916.94 23.9617	4361.02 2012.78 25.1598	4579.07 2113.42 26.4177	4808.05 2219.10 27.7388	5048.46 2330.06 29.1257
04353 402 WC ENGINEERING TECHNICIAN IV	5048.46 2330.06 29.1257	5300.83 2446.54 30.5818	5565.92 2568.89 32.1111	5844.21 2697.33 33.7166	6136.39 2832.18 35.4023
04365 171 BC ENVIRONMENTAL CONTROL OFFCR I	3896.14 1798.22 22.4777	4090.97 1888.14 23.6017	4295.48 1982.53 24.7816	4510.26 2081.66 26.0208	4735.79 2185.75 27.3219
04366 201 BC ENVIRONMENTAL CONTROL OFFCR II	4510.00 2081.54 26.0193	4735.51 2185.62 27.3202	4972.28 2294.90 28.6863	5220.88 2409.64 30.1205	5481.97 2530.14 31.6267
04370 818 MM ENVIRONMENTAL PROJECT MANAGER	7103.63 3278.60 40.9825	7458.83 3442.54 43.0317	7831.74 3614.65 45.1831	8223.32 3795.38 47.4423	8634.51 3985.16 49.8145



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item K.2.

Meeting Date: 4/2/2018

Report Prepared by: Mark E. Hamilton, Housing Program Supervisor, Housing Division, Department of Development Services

SUBJECT: 2017 California Housing Legislative Update

REPORT IN BRIEF

Council Member Belluomini requested that staff provide the Council with a presentation on the 15 housing bills signed into law by Governor Brown in 2017. Staff has attached a detailed overview of the new housing legislation and will present a summary to the Council as requested.

ATTACHMENTS

1. 2017 California Housing Package Overview

2017 California Housing Package Overview

In 2017, Governor Brown signed into law 15 housing bills aimed at addressing California's housing shortfall most of these bills fall into three groups:

- Direct Financing to Affordable Housing Production (SB 2, SB 3, AB 571)
- Streamlining Local Review Process (SB 35, SB 540, AB 73)
- Increasing Local Accountability for Accommodating a Fair Share of Local Housing Development (AB 1397, SB 166, AB 879, AB 72, SB 167, AB 678, AB 1515)

The package also includes two other bills:

- Harnessing Private Funding to Pay for Affordable Housing Development through Inclusionary Zoning (AB 1505)
- Preserving Existing Subsidized Housing (AB 1521)

Direct financing to affordable housing production:

- Two of the bills in the housing package are designed to provide new sources of state funding to directly invest in the production or rehabilitation of homes that are affordable to households with low incomes.
- A third bill included in the housing package is designed to improve the utilization of an existing state funding source for affordable housing developers, the state low income housing tax credit (LIHTC).

SENATE BILL 2 (ATKINS), the building homes and jobs act:

- \$75 recording fee on real estate transactions - excluding new home purchase.
- Creates a permanent source of state funding for affordable housing.
- This is projected to generate \$200 million to \$300 million per year.
- Year 1 Funding: Homelessness Services & Capacity Building.
 - Notice of Funding Availability for Year 1 Funding: Spring 2019*
- Year 2 Funding: Distributed to Local Entitlement Communities (Merced)
 - Merced is considered an Entitlement Community.
 - Adoption of an Annual Action Plan (Similar to HUD's Requirement).

SENATE BILL 3 (BEALL), The affordable housing bond act of 2018:

- The Ballot Measure is on the November 2018 Election
- The Measure proposes \$4 billion in bonds
 - \$3 billion going to fund affordable housing development.
 - Programs projected to receive funding have been very successful in Merced.
 - Many of our recipients are working class households receiving FTHB Loans.
 - \$1 billion to support affordable homeownership for veterans.
- Bond Estimates production of 18,000 to 43,000 homes.
- Provide home loans to more than 3,300 veterans.
- If approved, the Notice of Funding Availability (NOFA): Spring 2019

SENATE BILL 3 - Funds distributed as follows:

- \$1.5 billion to the existing Multifamily housing program
- \$1 billion to the CalVet Home Loan Program
- \$150 million to the existing TOD Implementation program
- \$300 million to the Infill Incentive Grant Program
- \$300 million to the Joe Serna, Jr. Farmworker Housing Grant fund
- \$300 million to the Local Housing Trust Fund Matching Grant Program
- \$300 million to the CalHome Program
- \$150 million to the Self-Help Housing Fund

ASSEMBLY BILL 571 (GARCIA):

- Provides incentives to developers / communities developments
- Incentivizes rural communities to finance farmworker housing
- Past restrictions too burdensome and little interest from developers
 - 100% of units were required for farmworkers.
 - 15-year rental subsidy required was a substantial cost to the pro-forma.
- By making eligibility less restrictive, more units will be built!
 - Encourages a blend of farmworker housing with other types.
 - Reduces rental subsidy required to be financed by a local jurisdiction.
 - Diversifies the development financially and demographically!

Increasing local accountability for accommodating a fair share of new housing development:

- These bills are designed to improve the existing state process for ensuring that all local jurisdictions accommodate a fair share of the production of new housing that is needed to meet the increased statewide need for housing as California's population and economy grow.
- The housing package includes several bills designed to ensure that local housing elements are realistic and that make it easier to hold jurisdictions accountable for achieving their assigned housing goals.

ASSEMBLY BILL 1397 (LOW):

- Specifies that housing elements can only list land as a potential site to accommodate new housing if that land has a realistic capacity for housing development.
- An analysis of and demonstration of local efforts to remove nongovernmental constraints upon the maintenance, improvement, or development of housing.

SENATE BILL 166 (SKINNER):

- Requires local jurisdictions to continually update their housing elements and general plans, as new development permits are issued and land uses change, to ensure that their housing elements always identify enough sites for potential development to meet their assigned goals for housing of different income categories.

ASSEMBLY BILL 879 (GRAYSON):

- Requires local jurisdictions to include in their housing elements an expanded analysis and attempt to mitigate constraints on housing development.
- This specifically includes:
 - Requests to develop housing at lower densities than zoned.
 - Length of time to complete permitting.
 - Local ordinances that impact the cost and supply of housing development.
- Requires the Department of Housing and Community Development to complete a study on the reasonableness of local fees charged to new developments, including potential amendments to the Mitigation Fee Act to substantially reduce fees for residential development.

ASSEMBLY BILL 72 (SANTIAGO):

- Requires the department of housing and community development to review local jurisdictions' general plans and housing actions to ensure that they comply with state law.

SENATE BILL 35 (WIENER):

- Described earlier, also requires local jurisdictions to report more complete information about their progress in meeting housing goals to the department of housing and community development.

SENATE BILL 167 (SKINNER) and ASSEMBLY BILL 678 (BOCANEGRA):

- Increases the burden of proof required for a local government to reject or require downsizing of a housing project that includes affordable units.
- These bills also require written documentation to justify decisions to reject this type of housing project, and impose fines on jurisdictions that improperly reject or require downsizing of housing projects or fail to comply with required timelines for making approval decisions.

ASSEMBLY BILL 1515 (DALY):

- Requires courts to give less deference to evidence presented by local governments, and more consideration of alternative reasonable evidence, when a housing developer legally challenges a local jurisdiction's decision to reject a proposed housing project based on inconsistency with local plans or policies.

Streamlining local review process:

- All three of these bills require or facilitate faster and simpler local review processes, and fewer opportunities for project-specific legal challenges, for multi-unit housing. Projects that include affordable units and pay prevailing construction wages.
- SB 540 and AB 73 take a “carrot” approach, incentivizing local governments to streamline review through eligibility for additional state funding, while SB 35 takes a “stick” approach, requiring local governments to streamline review if they have failed to accommodate housing production in the past.

SENATE BILL 35 (WIENER):

- Requires localities to follow a streamlined, ministerial local review process for some types of proposed housing projects if the locality has failed to meet certain established goals for accommodating a fair share of new housing development.
- Eligible projects for streamlined review must be:
 - Multifamily housing containing 2 or more residential units.
 - At least 75% of the perimeter adjoins parcels developed with urban uses.
 - Zoned for residential or residential mixed-use development or general plan equivalent
 - Not in especially environmentally sensitive areas.
 - Paying prevailing wages to construction workers.
 - A certain percentage of affordable units.

SENATE BILL 540 (ROTH):

- Allows local governments to create workforce housing opportunity zones.
- Within the zones, local governments complete environmental and planning reviews in advance.
- Qualified housing projects must also pay prevailing wages to construction workers.
- Local governments that create these zones may apply for state grants or zero-interest loans to cover the costs of completing the needed planning and environmental review processes.

ASSEMBLY BILL 73 (CHIU):

- Allows cities and counties to create housing sustainability districts.
- Local jurisdictions complete environmental and planning reviews for the land within the districts in advance so that housing projects proposed within the districts:
 - Must include at least 20 percent affordable units overall
 - Can be approved through a streamlined review process
 - Are not subject to project-specific legal challenges under CEQA.
- As with SB 540, projects must pay prevailing wages to construction workers. Local Governments that create these housing districts become eligible for incentive payments from the state.

Harnessing private funding to pay for affordable housing development through inclusionary zoning

ASSEMBLY BILL 1505 (BLOOM):

- Overrules a 2009 appellate court decision that inclusionary zoning policies could not be applied to rental housing developments. Many California jurisdictions applied these policies to rental housing prior to 2009, so the “Palmer fix” restores this local planning mechanism as a tool to regulate the production of rental housing.
- By requiring market-rate housing developers to incorporate or provide funding for affordable homes, inclusionary zoning policies harness a portion of the private revenues generated by market-rate housing production to fund production of homes affordable to lower-income households.
- Allows the state to review local inclusionary policies when circumstances suggest the policies might be overly inhibiting housing development needed to meet a community’s fair share housing goals.

Preserving existing subsidized housing

ASSEMBLY BILL 1521 (BLOOM):

- Strengthens the existing preservation notice law that applies to housing developments whose affordability requirements are set to expire so that rents will no longer be required to be maintained at below-market rates.
- Requires longer advance notice to tenants in these units to let them know when rents are scheduled to increase.
- Requires the owners to preferentially sell to qualified buyers who intend to maintain the properties as below-market rental housing and who make a fair-market-value purchase offer.

For Additional information please visit the following link:

<http://www.hcd.ca.gov/policy-research/lhp.shtml#milestones>



ADMINISTRATIVE REPORT

Agenda Item K.3.

Meeting Date: 4/2/2018

Report Prepared by: Michael Miller, Public Works Manager - Tax Services

SUBJECT: Acceptance of Ballot Proceeding Voting Results for the Northwood Village, East College Homes, Moss Landing, and Ridgeview Meadows Maintenance Districts; Approval of Annual Increase in Assessment Levy to the Moss Landing Maintenance District and Approval of No Increases to the Northwood Village, East College Homes and Ridgeview Meadows Maintenance Districts

REPORT IN BRIEF

Acceptance of ballot results on the proposed increase in annual assessment levy to property owners in the Northwood Village, East College Homes, Moss Landing, and Ridgeview Meadows Maintenance Districts. Approves an annual increase in assessment levy to the Moss Landing Maintenance District; subject to annual Consumer Price Index adjustments and approves no increase in annual assessment levies to Northwood Village, East College Homes, and Ridgeview Meadows Maintenance Districts with the previous year's annual assessment remaining in effect.

RECOMMENDATION

City Council - Adopt a motion:

- A. Accepting assessment ballot proceeding results for the Northwood Village, East College Homes, Moss Landing, and Ridgeview Meadows Maintenance Districts; and,
- B. Approving annual increase in assessment levy to the Moss Landing Maintenance District; subject to annual Consumer Price Index adjustments; and,
- C. Approving no increase in annual assessment levies to Northwood Village, East College Homes, and Ridgeview Meadows Maintenance Districts with the previous year's annual assessment remaining in effect.

ALTERNATIVES

- 1. Accept ballot results, approving annual increase in levy to Moss Landing; and no increased assessments to Northwood Village, East College Homes, and Ridgeview Meadows Maintenance Districts; or,
- 2. Authorize another assessment ballot proceeding for the unsuccessful Districts; or,
- 3. Refer back to staff with specific direction.

AUTHORITY

Chapter 26 of Part 3 of Division 7 of State of California Streets and Highways Code provides the

applicable general law for Maintenance Districts; and,

Article I (alternative method for the levy of benefit assessments) of Title 13, Division VIII, of the Merced Municipal Code dealing with Maintenance Districts, provides for subsequent modification to existing Maintenance Districts; and,

Initiative Measure (Proposition 218, Sections 2,3,4,5, and 6) approved at the November 5, 1996 election, and also known as the "Right to Vote on Taxes Act" provides for assessment ballot proceedings.

CITY COUNCIL PRIORITIES

Addresses FY 17/18 City Administration Priority for Maintenance District Funding.

BACKGROUND

The Public Works Department determined the Northwood Village, East College Homes, Moss Landing, and Ridgeview Meadows Maintenance Districts do not have sufficient Fund balances to cover operation and maintenance service costs necessary to maintain the District.

A summary of the current and proposed assessment amounts required to maintain the current level of service are listed below:

<u>DISTRICT NAME</u>	<u>CURRENT ASSESSMENT</u>	<u>PROPOSED ASSESSMENT</u>
Northwood Village	\$39.46	\$79.15
East College Homes	\$27.64	\$82.97
Moss Landing (residential)	\$18.38	\$42.49
Moss Landing (school)	\$1,074	\$2,482
Ridgeview Meadows	\$32.48	\$65.01

The associated District boundary maps are attached for your reference (Attachment 2).

In order to increase levies an assessment ballot proceeding must be held to obtain property owner approval in advance of any increase in annual assessment levy. Accordingly, on January 16, 2018, the City Council adopted Resolution # 2018-04, which authorized an assessment ballot proceeding for the above identified Districts.

Thereafter, at its March 19, 2018, meeting the City Council opened and concluded the Public Hearing and authorized staff to tabulate the ballots and report the results at the April 2, 2018, City Council meeting.

DISCUSSION

On March 22, 2018, the City Clerk’s office tallied the ballots in the Sam Pipes Room of the Merced Civic Center. The public was invited to observe this process. The results of the ballot proceeding are as follows:

<u>DISTRICT NAME</u>	<u>BALLOT RESULTS</u>	<u>APPROVED</u>	<u>OPPOSED</u>
----------------------	-----------------------	-----------------	----------------

Northwood Village	FAILED	6.4%	93.6%
East College Homes	FAILED	34%	66.0%
Moss Landing	PASSED	51.4%	48.6%
Ridgeview Meadows	FAILED	15.8%	84.2%

Due to its passage, the Fiscal Year 2018/2019 Moss Landing annual budget will increase to \$8,047, as approved by the property owners of the District. In addition, the ballot noticing expenses in the amount of \$532.88, for this District are reimbursable since the ballot proceeding was successful.

In contrast, because the Northwood Village, East College Homes, and Ridgeview Meadows Districts ballot proceedings failed, their respective annual budgets will remain at their current approved amounts for Fiscal Year 2018/2019, and ballot costs for the election are not reimbursable to the General Fund.

Maintenance service levels will continue to match existing revenues resulting in possible minimum pesticide application, storm pump inspections, repairs, and upgrades.

IMPACT ON CITY RESOURCES

If ballots are successful, Council will adopt a resolution approving, confirming, and adopting the Engineer's Reports for that particular District, and the new levy will appear on the property owners' tax bill.

ATTACHMENTS

1. Budget Summary Report
2. District Boundary Maps

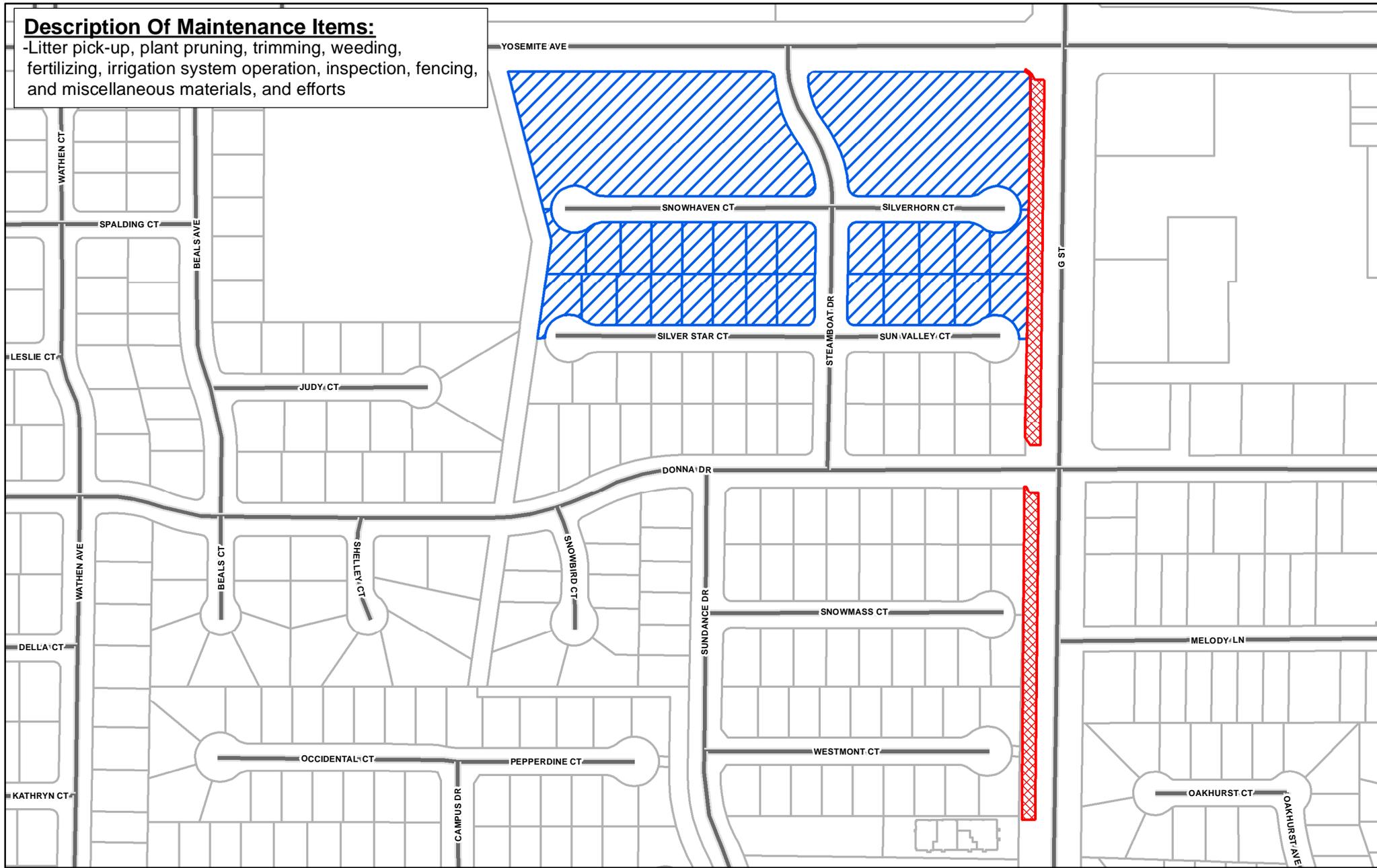
PROPOSED BUDGET SUMMARIES

FISCAL YEAR 2018/2019

	Fiscal Year 2017/2018			Proposed Fiscal Year 2018/2019		Operating Reserves	Comments
District Name	Approved Budget	Approved Assessment	Reserve Funds Used	Proposed Budget	Proposed Assessment	Fund Balance as of 12/19/17	Consumer Price Index Adjustment
Northwood Village	11,611.00	6,629.00	4,982.00	13,298.00	13,298.00	11,431.00	No Previous Ballot
East College Homes	3,980.00	3,262.00	718.00	9,790.00	9,790.00	1,277.00	No Previous Ballot
Moss Landing	4,576.00	3,481.00	1,095.00	8,047.00	8,047.00	2,724.00	Ballot Failed 12/1/08
Ridgeview Meadows	13,610.00	11,464.00	2,146.00	22,947.00	22,947.00	1,712.00	No Previous Ballot
Total	\$33,777.00	\$24,836.00	\$8,941.00	\$54,082.00	\$54,082.00	\$17,144.00	N/A

Description Of Maintenance Items:

-Litter pick-up, plant pruning, trimming, weeding, fertilizing, irrigation system operation, inspection, fencing, and miscellaneous materials, and efforts



Maintenance District - Northwood

Legend

-  Northwood Village
-  Landscape Area

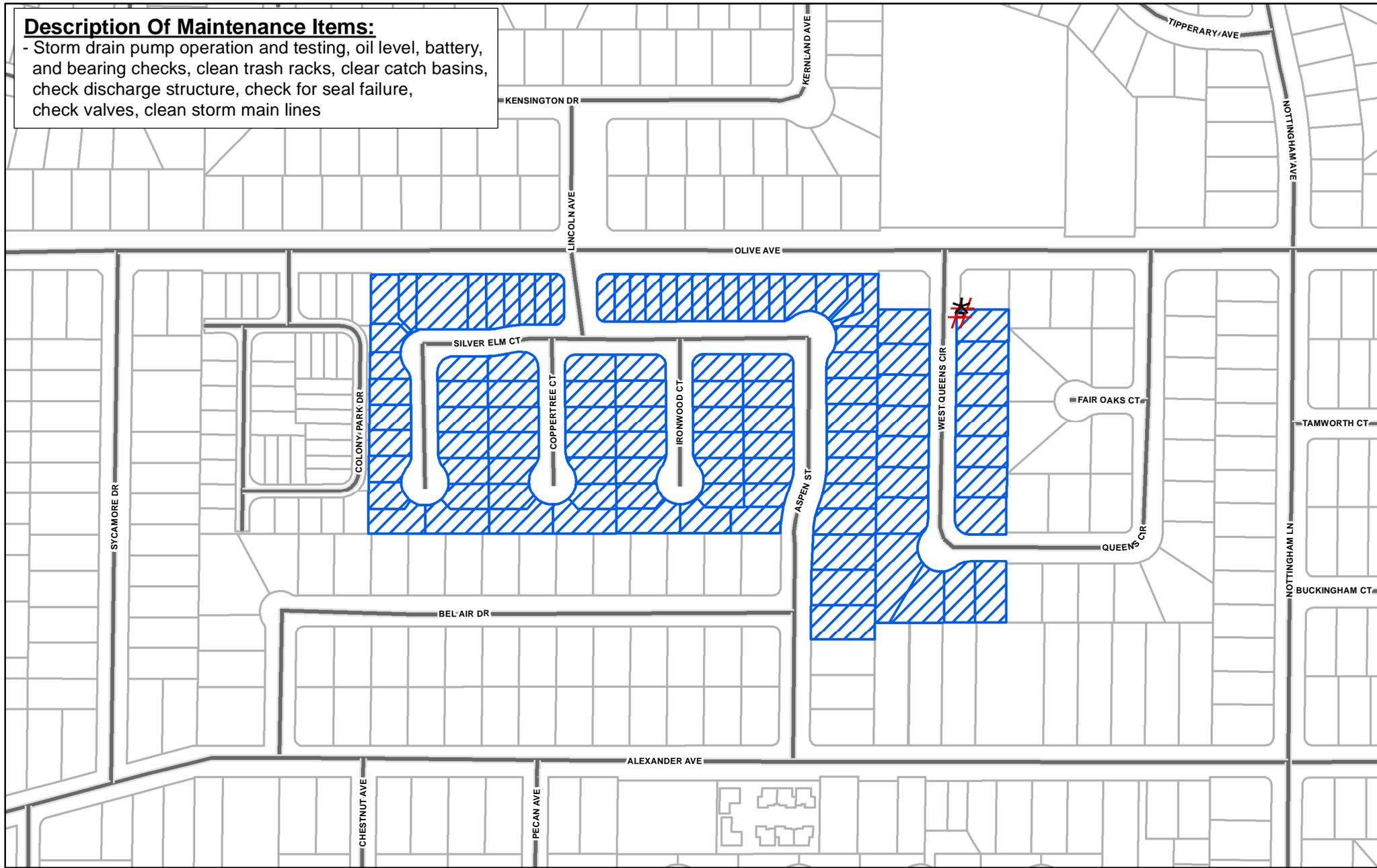


Date: 1/19/2018

Disclaimer: This document was prepared for general inquiries only. The City of Merced is not liable for errors or omissions that might occur. Official information concerning specific parcels should be obtained from recorded or adopted City documents.

Description Of Maintenance Items:

- Storm drain pump operation and testing, oil level, battery, and bearing checks, clean trash racks, clear catch basins, check discharge structure, check for seal failure, check valves, clean storm main lines



Maintenance District - East College Homes

- Legend**
- East College Homes
 - Storm Drain Station



Date: 1/19/2018

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Description Of Maintenance Items:

- Storm drain pump operation and testing, oil level, battery, and bearing checks, clean trash racks, clear catch basins, check discharge structure, check for seal failure, check valves, clean storm main lines



Maintenance District - Moss Landing

Legend

-  Moss Landing
-  Storm Drain Station
-  Storm Drain Basin



Date: 1/29/2018

Disclaimer: This document was prepared for general inquiries only. The City of Merced is not liable for errors or omissions that might occur. Official information concerning specific parcels should be obtained from recorded or adopted City documents.

Description Of Maintenance Items:

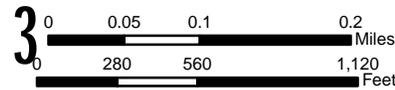
- Litter pick-up, plant pruning, replacement, and fertilizing
- Landscaping irrigation
- Weed control and cultivation
- Edging and wall maintenance/repair/replacement
- Storm pump inspection, maintenance, repair
- Other maintenance as necessary, including equipment devices, and other items and efforts recommended for specific landscape/open space elements



Maintenance District - Ridgeview Meadows

Legend

- Ridgeview Meadows
- Storm Drain Station
- Storm Drain Basin
- Landscape Area



Date: 1/19/2018

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ADMINISTRATIVE REPORT

Agenda Item K.4.

Meeting Date: 4/2/2018

Report Prepared by: Ken F. Elwin, PE, Director of Public Works

SUBJECT: Sewer Master Plan Discussion

REPORT IN BRIEF

Seeks Council direction on finalizing the draft Sewer Master Plan.

RECOMMENDATION

Provide direction to staff on finalization of the draft Sewer Master Plan, provide approval to begin the CEQA environmental process, and direct staff to explore financing options to support the construction of the plan.

ALTERNATIVES

1. Refer to staff for reconsideration of specific items;
2. Continue to a future meeting.

AUTHORITY

Charter of the City of Merced, Section 200.

CITY COUNCIL PRIORITIES

Addresses Council priority of infrastructure planning via the Sewer Master Plan, as well as addresses the development of financing options for the Sewer Master Plan components.

HISTORY AND PAST ACTIONS

The Sewer Master Plan is designed to evaluate and help the City plan and expand its wastewater collection sewer system to meet the needs of its growing population in accordance with the 2030 General Plan.

Stantec Consulting was hired in 2013 to update the wastewater collection system model and continue with updates to the 2007 draft Sewer Master Plan. Multiple amendments to the contract were executed to provide additional service options, increased stakeholder outreach, as well as the exploration of financing options for future construction.

Staff has held multiple stakeholder meetings throughout the Sewer Master Plan development process. In addition, Stantec prepared a draft Assessment District Formation document to help assist with investigating financing options to implement the draft Sewer Master Plan. A separate stakeholder meeting was held March 30, 2017, to discuss financing options, including the potential

formation of a sewer assessment district. A final stakeholder meeting was held on November 13, 2017; stakeholder input has been received and appropriate changes have been incorporated in the revised draft plan.

DISCUSSION

At the February 5, 2018 City Council meeting, staff sought Council input on the draft plan, investigating financing options, and approval to begin the CEQA environmental process. During the discussion, Council provided direction on the preferred design option. Direction and input from Council is still needed in order to finalize the draft Sewer Master Plan so that the CEQA environmental process can begin. Once environmental review is complete, the final Sewer Master Plan will be brought back to Council for adoption.

Staff is also seeking approval to begin the process of evaluating financing options, including the possible formation of an assessment district. This is an essential component for the establishment of Capital Improvement Project (CIP) elements of the draft Sewer Master Plan. The February 2017 draft memorandum on Assessment District Formation is included in the packet to provide background information on financing options. It has not been updated with the most recent cost estimates.

See attached *Draft Sewer Master Plan Executive Summary*.

IMPACT ON CITY RESOURCES

No appropriation of funds is needed.

ATTACHMENTS

1. Executive Summary
2. Assessment District Formation

**City of Merced
Wastewater Collection System
Master Plan**



Prepared for:
City of Merced

Prepared by:
Stantec Consulting Services Inc.

December 15, 2017

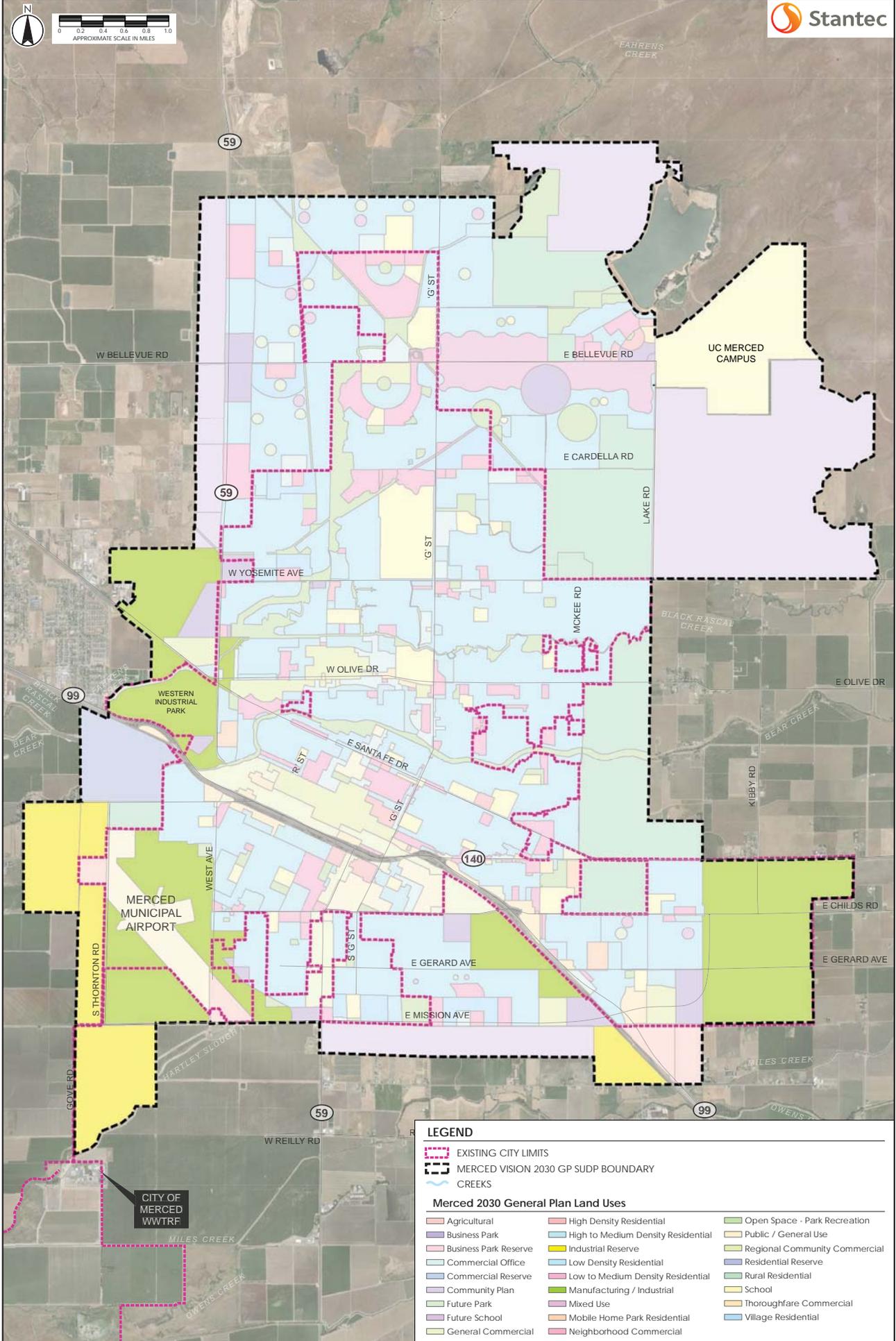
CITY OF MERCED
WASTEWATER COLLECTION SYSTEM MASTER PLAN

Executive Summary
December 15, 2017

Executive Summary

The City of Merced (City) Vision 2030 General Plan (2030 General Plan) discusses City growth that may occur by the year 2030. Much of that growth requires construction of new infrastructure that is to be funded by the proponents of growth needing public services which the City provides. Key infrastructure needs relevant to this Wastewater Collection System Master Plan (WCS Master Plan) include the wastewater collection system, itself; wastewater treatment, disposal, and reuse facilities; and various potable and non-potable water needs for the growing areas of the City. This WCS Master Plan is focused on wastewater collection system (aka, sewer system) needs and planning. However, wastewater collection system planning is driven by 1) where the wastewater is generated (i.e., collected from), and 2) where it is conveyed to receive treatment, and then subsequent disposal or reuse of the treated wastewater, which is termed “effluent”. The siting of wastewater treatment facilities is driven by many factors including land use/zoning, how/where the treated wastewater is to be disposed/reused, and overall life cycle costs. The City is in the process of updating its master plan for wastewater treatment needs and recently updated a draft of its water master plan (AECOM, 2015 draft). This WCS Master Plan is believed to integrate the intent and objectives expressed by City staff relevant to these related infrastructure planning efforts. The most important concept coming out of these concurrent planning efforts is that the City is not planning to implement extensive effluent reuse (i.e. the City is not planning to install a “purple pipe” distribution system) in the North Merced area. This WCS Master Plan considers the collection system needs of the existing City as well as future needs of the Specific Urban Development Plan (SUDP) identified in the 2030 General Plan, see **Figure ES-1**.

Because wastewater collection systems are designed to have an effective service life of over 50 years and can be expected to be in service up to 75 or 100 years, such systems are designed and constructed based on best professional judgement of wastewater collection system needs under “reasonable build-out” conditions, not just City growth envisioned in the 2030 General Plan (which has a mandated 20-year planning horizon). The City’s collection system is to be designed and constructed to serve “reasonable build-out” of the General Plan SUDP depicted in **Figure ES-1**. “Reasonable build-out” conditions (hereinafter, simply “build-out”, or “build-out conditions”) are City growth and wastewater flow estimates based on development density assumptions outlined in Section 5.0 of this WCS Master Plan. Application of maximum densities on all properties within the 2030 General Plan SUDP could result in higher flow estimates than presented herein. Planning for maximum densities is unrealistic for a city like Merced (versus “land-locked” cities like San Francisco). Consequently, this WCS Master Plan is based on reasonable build-out of the City utilizing current development trends and judgment of City staff. Prior to actual design and construction of infrastructure improvements, developers should be given the opportunity to fund maximum density sewer capacity, if that is their desire.



**CITY OF MERCED
WASTEWATER COLLECTION SYSTEM MASTER PLAN**

Executive Summary
December 15, 2017

Because wastewater collection systems flow to wastewater treatment plant sites and related effluent disposal/reuse facilities, these plant sites and effluent facilities must also be evaluated conceptually for function/viability under “build-out” flow conditions. The importance of this concept of planning infrastructure for build-out conditions becomes evident from the forecasts of current (2017), 2030 General Plan, and build-out design wastewater flows presented in **Table ES-1**.

Table ES-1 Design Wastewater ADWFs for the City of Merced (a)

Time Frame	Entire City	North Merced (b)	Rest of City (c)
	ADWF, Mgal/d	ADWF, Mgal/d	ADWF, Mgal/d
Current (2017) (d)	~ 8	--	--
2030 General Plan	~ 16 to 17	~ 4 to 5	~ 12
Build-out	~ 34 to 35	~ 14 to 15	~ 20

- (a) Design flow= expected flow for design purposes, not actual flow which can vary materially from year-to-year. ADWF = average dry weather flow.
- (b) Represents new flow from the North Merced service area requiring new trunk sewers and additional wastewater treatment and effluent disposal/reuse capacity.
- (c) Represents flow to the existing trunk sewer system, including some flow (about 4 Mgal/d) from proposed projects entitled to connect to the existing trunk sewer system.
- (d) Current flows include a mix of wastewater from both North Merced (including UC Merced) and the rest of the existing City.

Like collection systems, wastewater treatment plants are master planned to serve “reasonable build-out”, but construction of these facilities can be more cost effectively phased. Collection system sewer lines, particularly large trunk sewers, are often located within roadways. This WCS Master Plan has identified locations for trunk sewers which are consistent with the Vision 2030 General Plan Circulation Plan. Trunk sewers require deep excavations and are most cost effectively installed prior to, or concurrent with construction of major roadway and other surface improvements. Replacing sewers or putting in parallel sewers after the fact is disruptive to the public and very expensive.

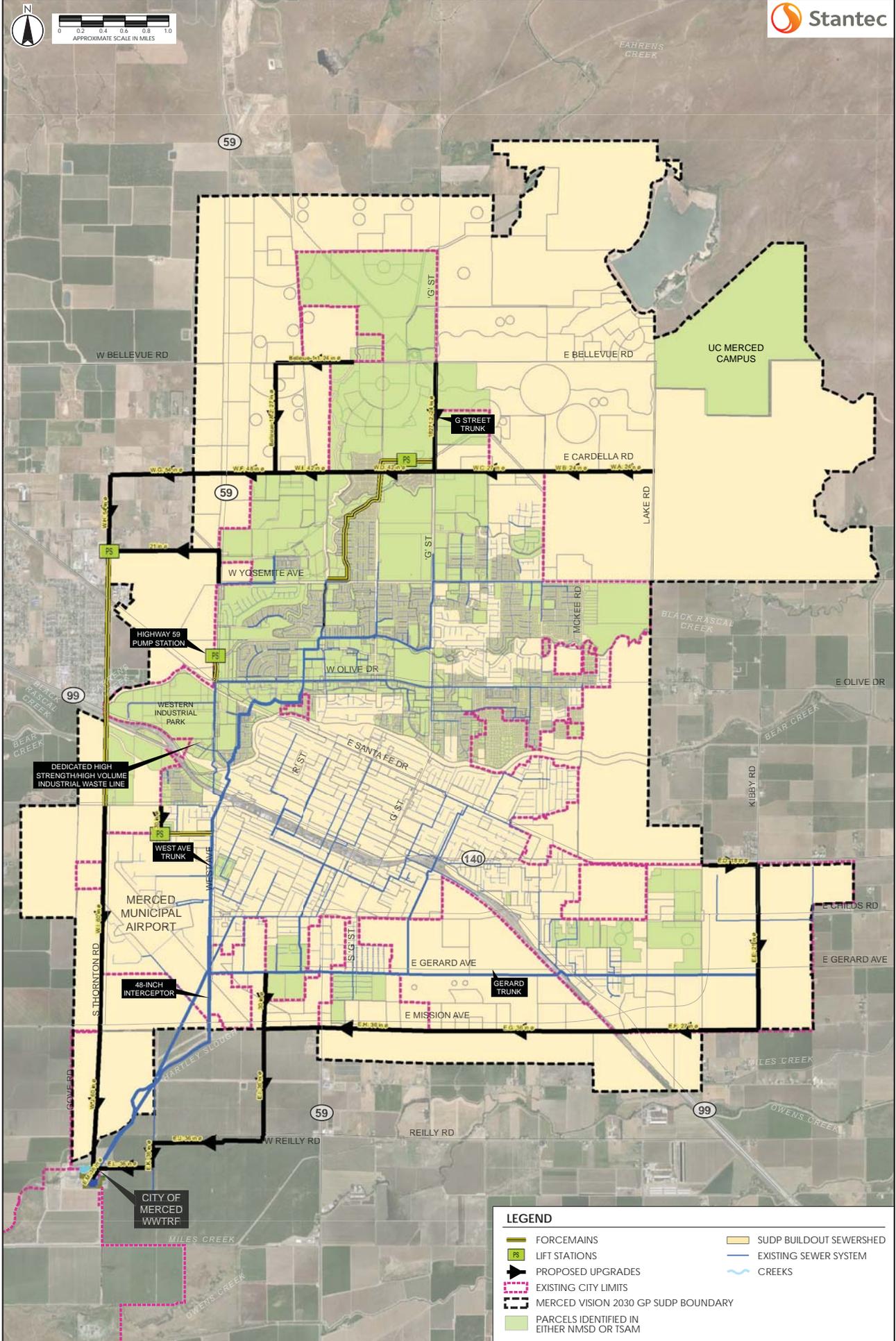
Treatment plants, when properly sited have generous buffers to limit exposure of commercial and residential land uses to objectionable odors, noise and visual impacts associated with them. Thus, construction activities occurring on treatment plant sites do not involve significant traffic disruptions like trunk sewers and typically result in less exposure of the general public to noise and other potential impacts. So, although treatment plants must be planned for “reasonable build-out” to ensure these generous buffers are in place, they allow for construction of capacity expansions to be phased to keep pace with population growth and take advantage of advances in treatment process technology and consideration of regulatory requirements.

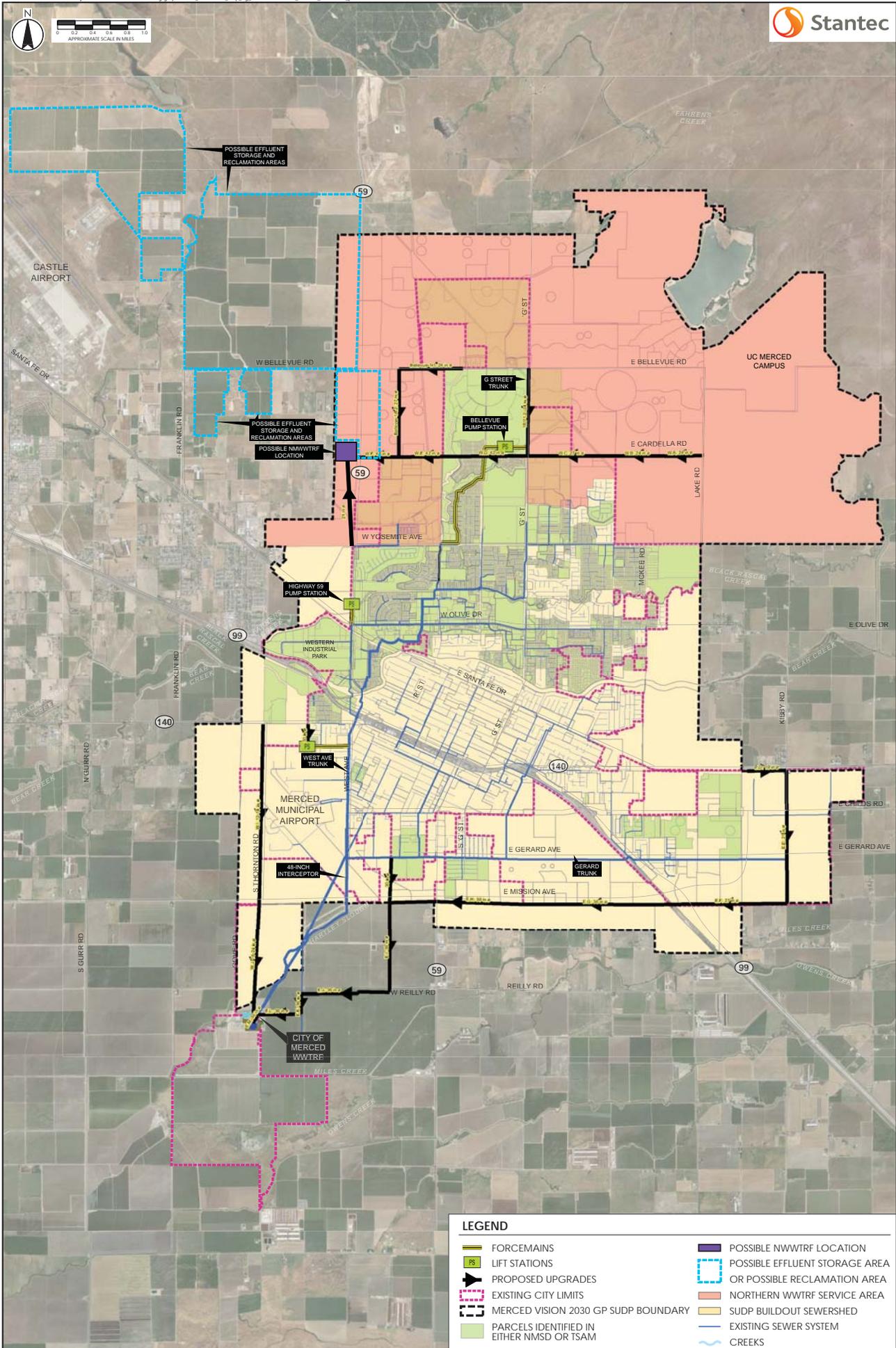
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This WCS Master Plan, after consideration of many alternatives, describes two basic plans for building the wastewater collection system infrastructure needed to serve 2030 General Plan growth projections and City forecasts of reasonable “build-out” conditions. All flow capacities referred to in the following bullets are design, ADWF (Average Dry Weather Flow) capacities.

- Plan A: Under Plan A, the collection system takes all municipal wastewater to the City's existing 12 Mgal/d capacity wastewater treatment and reclamation facility (WWTRF) located southwest of the City, as shown in **Figure ES-2**. The existing WWTRF would be expanded, as needed, to handle 2030 General Plan flows. The effluent disposal and reuse facilities needed by the planned expansions largely exist; however, developers still need to buy their fair shares of all existing City facilities they use, including the land on which that infrastructure is located. The existing WWTRF site is believed to have sufficient land and disposal potential to serve “reasonable build-out” design flow estimates of 34 to 35 Mgal/d, if/when needed.
- Plan B: Under Plan B, the collection system takes most municipal wastewater generated by growth in North Merced to a new North Merced WWTRF (NMWWTRF) located on industrially zoned land west of the intersection of W. Yosemite Avenue and Highway 59 (aka, Snelling Highway), see **Figure ES-3**. The NMWWTRF site would be planned for 2030 General Plan and build-out capacities of approximately 4 to 5 Mgal/d, and 14 to 15 Mgal/d, respectively. The existing WWTRF would serve the remainder of the City and its growth, and would have approximate planned capacities for 2030 General Plan, and build-out conditions of 12 Mgal/d and 20 Mgal/d, respectively. Both the new NMWWTRF and existing WWTRF would be built and expanded in stages, or phases, as needed. The NMWWTRF would also need new effluent disposal and reuse facilities master planned for its 2030 General Plan and build-out flow conditions. This is because there are no existing effluent facilities or related effluent discharge permits for the NMWWTRF site, at this time, whereas they do exist at the WWTRF site.





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When comparing wastewater collection system needs under Plan A (**Figure ES-2**) to the wastewater collection system needs under Plan B (**Figure ES-3**), it becomes evident that there is one major similarity and four major differences between these two plans, as summarized below.

Similarities:

- S-1. The wastewater collection systems servicing North Merced and the rest of the City are the same under both plans except that under Plan A the North Merced sewer system leads to a pump station conveying the wastewater to the existing WWTRF, whereas under Plan B, the North Merced sewer system leads to a pump station (in essentially the same location as Plan A) lifting the wastewater into the new NMWWTRF.

Differences:

- D-1. Plan A builds a pipeline between the North Merced pump station (see S-1, above) and the existing WWTRF, whereas Plan B does not.
- D-2. Plan A expands the existing WWTRF, whereas Plan B builds a new NMWWTRF on industrially zoned land adjacent to the North Merced pump station (see S-1, above).
- D-3. Plan A expands effluent disposal capacity at the existing WWTRF, whereas Plan B builds a new effluent disposal facility in the greater North Merced area. The new effluent disposal/reuse area could occupy up to approximately 3,800 acres of land under build-out conditions. Effluent reuse is envisioned to entail irrigation of agricultural crops in this WCS Master Plan in the absence of there being any other plan for NMWWTRF effluent, at this time.
- D-4. Plan B facilitates effluent reuse in the North Merced area, and therefore has the potential to reduce agricultural use of groundwater in the area, which has been over-utilized historically.

Because actual wastewater collection system needs under Plan A and Plan B are very similar, a comparison of Plan A and Plan B is presented in **Table ES-2** to help avoid confusion as to the major and material differences between these two plans.

Because the wastewater collection system improvements needed under Plans A and B are virtually identical except as noted under “D-1” of Table ES-2, the City Council’s decision regarding which wastewater collection system plan to implement will be based more on wastewater treatment and disposal/reuse issues (and associated costs) than on wastewater collection issues (and associated costs). Besides these differences and their costs, the City Council’s decision will also be based on many other considerations including recommendations from City staff, City consultants, the general public, and various special interest groups; water resource planning considerations; economics; political considerations; specific service area needs/objectives; etc.

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Table ES-2 Differences Between Plan A and Plan B

Major Differences	Plan A	Plan B
D-1. Raw sewage pipeline from North Merced to existing WWTRF	Approximately 2.5 miles of dual 24 and 36-inch forcemains and approximately 3 miles of 60-inch diameter gravity sewer	Not required.
D-2. WWTRF Needs	Expand existing WWTRF to approximately 34 Mgal/d, as needed.	Build new approximately 14 Mgal/d NMWWTRF, and expand existing WWTRF to approximately 20 Mgal/d, both as needed.
D-3. Effluent disposal needs a. Land b. Storage c. Conveyance pipe	a. None b. None c. None	a. Up to ~3,800 acres b. Up to ~750 acres c. Approximately 2 miles to ag land north of Bellevue Road and west of Highway 59
D-4. Effluent reuse potential	Indirect via MID (Merced Irrigation District)	Indirect via MID and direct from NMWWTRF to ag land in/near North Merced area

An important consideration in the City Council's final decision regarding Plan A and Plan B is cost and cost differences between A and B. As will be discussed, the costs and cost differences between Plan A and Plan B are dependent on many factors, including whether the City plans to implement extensive effluent reuse via agricultural irrigation in the North Merced area to reduce agricultural use of the North Merced groundwater resource. This groundwater resource serving the City, agriculture, and other uses in the greater Merced area is currently heavily utilized. Extensive agricultural reuse of effluent in the North Merced area could potentially reduce agricultural use of the groundwater resource, and possibly play a role in helping sustain the City's potable water supply.

When put in those terms, without benefit of a more complete understanding of City water resource planning, it may seem irresponsible to not implement Plan B and associated effluent reuse in North Merced. However, the City has engaged in extensive water resource planning to help achieve the goal of making the City's potable water supply more sustainable and reliable. The most significant planning relative to this WCS Master Plan is between the City and Merced Irrigation District (MID) to swap effluent water from the existing WWTRF for Merced River water to be used to 1) recharge the area's groundwater resource, and 2) irrigate parks and other City landscaping (in place of using groundwater).

In summary, not implementing effluent reuse in the North Merced area does not mean the City is ignoring groundwater resource issues. It means the City is attempting to address the issue via different means involving use of lower salinity and lower nitrogen content Merced River water

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rather than tertiary-treated effluent. This is important because the two most common contaminants of concern in groundwater resources are salinity and nitrogen. With this insight, one may ask, “Why even consider effluent reuse in North Merced when better quality water is available?” The answer is reliability. The City has greater control over an effluent reuse program than over a water swap program involving MID and parties impacted by changes in Merced River flows and/or diversions. This is why the City continues to consider effluent reuse in the North Merced area and throughout the City.

In so far as Plan A and Plan B both include effluent reclamation and groundwater resource considerations, the choice between Plan A and Plan B is primarily a matter of economics from an engineering perspective. Specifically, is the overall life cycle cost of Plan A more or less than the overall life cycle cost of Plan B? Life cycle costs cover the upfront cost of building the infrastructure (the primary concern of developers, who typically pay this bill when assessment districts are not involved), and the present worth of the on-going annual costs necessary to operate, maintain, and ultimately rebuild the infrastructure (the primary concern of businesses and residents, who pay these bills after occupying the developers’ projects). The desires for low, up-front construction costs versus low, long-term annual costs are generally competing interests. The City’s objective is to act as the fair deal broker between these two special interest groups, who are both essential to City growth.

Stantec’s reconnaissance opinion of probable total project costs to plan, design and construct Plan A and Plan B (to serve “reasonable build-out”, or ~34 Mgal/d, ADWF) reflects a difference of approximately 15 to 20 percent, with Plan B having the higher expected cost. Detailed breakdowns of the estimated costs for Plan A and Plan B are presented in Section 8.0 of this WCS Master Plan, along with discussion of the anticipated process and facility components associated with each. Major uncertainties (known to exist, at this time) associated with each plan are presented in **Table ES-3**. Schematics of the relative locations of infrastructure needs for Plan A and Plan B are shown in **Figure ES-2** and **Figure ES-3**, respectively.

Table ES-3 Major Uncertainties Associated with Plan A and Plan B

Uncertainties	
Plan A	<ul style="list-style-type: none"> • Will water swap with MID occur and be a long-term proposition?
Plan B	<ul style="list-style-type: none"> • Does the City wish to devote 35 acres of industrially zoned land for the new NMWWTRF? Will the presence of a major WWTRF in the industrial park discourage other industries from locating there, particularly food processing industries? • Which agricultural lands in the greater North Merced area will become part of the NMWWTRF effluent reclamation system, and how/when will those lands be secured for City use under build-out conditions? • Will CEQA analyses and/or Regional Water Board permitting present any roadblocks to implementing Plan B either near-term or long term? • Will Plan B help or hinder maintenance of the quantity and/or quality of the City’s groundwater potable water supply?

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Under Plan A, wastewater treatment, disposal, and reuse are expansions in-kind of existing facilities and permits. Much of the effluent is planned to be swapped for Merced River water, as described previously. Under Plan B, effluent disposal from the new NMWWTRF is envisioned to entail dry season effluent irrigation of agricultural land under City ownership (effluent disposal facilities should be as permanent [i.e., secure] as the developments they serve), wet season storage of effluent for subsequent use during the following dry season, and possibly wet season effluent discharges to Fahrens Creek under very wet conditions when Fahrens Creek is both below flood stage, and has adequate flow to dilute effluent discharged to it (if realistic under CEQA and permitted by the Regional Water Board). As to whether effluent produced by the NMWWTRF under Plan B could be swapped for MID surface water (as is proposed under Plan A) is unknown at this time. Plan B should reduce use of North Merced area groundwater for agricultural purposes, but this is not an established fact at this time because the agricultural lands that would be used for effluent reclamation have not been identified by the City, let alone acquired by the City. Because the actual types, locations, and feasibilities of the new NMWWTRF effluent facilities have not been developed by the City, subjected to CEQA analyses, permitted by the Regional Water Board, etc., the estimated higher total project costs for Plan B NMWWTRF effluent facilities are based solely on Stantec's judgement and experience with somewhat similar facilities in the Central Valley.

Plan A is believed to have a total project cost and fewer uncertainties than Plan B. Plan A's effluent is proposed to be swapped by the City for MID surface water; Plan B's effluent may not have this potential benefit. Plan A is well preceded by similar sized cities throughout the Central Valley, and is in concert with Regional Water Board policy to regionalize WWTRFs to the extent feasible rather than have multiple WWTRFs servicing geographically contiguous areas. Based on available information, Stantec's recommendation is to implement Plan A, primarily for cost and water resource planning reasons. In other words, Stantec's preliminary recommendation is to pipe all municipal wastewater to the existing WWTRF for treatment, disposal, reuse, and water swapping.

In making that preliminary recommendation, Stantec believes both Plan A and Plan B are viable. Merced-sized cities with two WWTRFs are relatively rare in the Central Valley, but do exist. A good example of such a city is Roseville, California. Roseville elected to build a second WWTRF (the Pleasant Grove Creek facility: ADWF= 18 Mgal/d) just under 5 miles northwest from its existing Dry Creek facility (ADWF= 12 Mgal/d) to serve new growth that was occurring primarily in this northwesterly area. The two Cities (Roseville and Merced) face different circumstances relative to land use planning. The driving force behind Roseville's decision to bifurcate treatment and disposal was the reality that development had encroached upon the Dry Creek facility, surrounding it and making expansion in that location impractical. The City of Merced, in contrast, has large agricultural and industrial land use buffers surrounding its existing WWTRF making such conflicts far less likely in the future.

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When considering the contents of this WCS Master Plan, likely questions are “Why not recommend this approach...or that approach?” A very brief discussion of some collection system options raised by special interests that have not been carried forward in this WCS Master Plan as being feasible for the City on a long-term, permanent basis are presented below.

1. *Why not install wastewater flow equalization basins in the collection system to utilize the existing sewers more efficiently, and more cost effectively?*

Such basins are possible, but storing raw sewage for flow equalization purposes, in practice, is almost entirely limited to WWTRF sites. Such basins are rare in developed areas because they are ugly, are a potential nuisance, and are maintenance headaches. Such basins have aeration equipment (to minimize smells), have automatic wash-down systems (to scour “solids” from the basin when not in use), and may need a cover or other visual screening, noise attenuation, and/or odor scrubbing equipment (depending on situation-specific factors). Raw sewage equalization basins should not be a planned permanent component of a wastewater collection system (except in rare situations not applicable to Merced); however, such basins may be considered on a temporary basis (with specific closure criteria and financial guarantees) in specific situations authorized by the City Council. The entire cost of such a basin, if approved by the City Council, should be borne and bonded by the basin proponent, and in no way reduces proponent's fees for building the permanent wastewater collection system, which will be exactly the same regardless of whether the City Council permits temporary use of such a basin to expedite a specific development that otherwise would be on hold until sewer system capacity is built to meet the development's needs.

2. *Why not allow larger, planned community developments to build their own wastewater collection, treatment, and effluent reuse systems? We could save the cost of those big trunk sewers, implement effluent reuse, and expedite development all at the same time*

This approach to implementing wastewater infrastructure reduces upfront construction costs (paid by developers) and increases long-term annual costs (paid by residents and businesses) because of loss of economy of scale on at least operations and maintenance, if not also construction when total construction costs are considered. As an example of total construction costs, such systems need places to store effluent within the planned communities through 100-year rainfall seasons. In this example, each planned community may plan to build an ornamental lake for seasonal tertiary effluent storage, but problems with such lakes are manifold. The lake's water level must be able to rise and fall seasonally because the only lake volume that counts as 100-year effluent storage is the volume of the lake that is empty each autumn. Algae that naturally grow in tertiary effluent lakes can be chronically problematic. The lake may need aeration, circulation, and chemical controls. Following construction and filling of ornamental lakes, midge populations can explode to nuisance levels until the natural ecology of the lake has time to develop (typically in a year or two). Such small, project-specific wastewater

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systems are difficult to permit with the Regional Water Board because they run contrary to Board policy, which was developed because the long-term track record of multiple small systems has been relatively poor. If/when such systems fail, the City will be responsible for correcting the failure. This is because the development is within the City, and the City permitted it to occur. Because the wastewater collection system was not planned for these "self-sufficient" planned community developments, the City will either reconstruct the wastewater collection system, or continue to rebuild and operate the small systems to prevent the planned community development from being condemned for health and safety reasons. However, as with the raw sewage equalization basins, temporary small wastewater systems (with specific closure criteria and financial guarantees) could be authorized by the City Council in specific situations to address specific development needs. The entire cost of the temporary system should be borne and bonded by the system proponent. The proponent still pays upfront for proponent's share of the permanent wastewater collection system and treatment facilities. The proponent still designs the development's collection system to tie into the permanent City trunk sewer by gravity flow when that trunk sewer reaches the development. Because the City has General Plan Policy UE-1.2 to maintain development in a compact urban form, any proposal for a temporary, development-specific wastewater treatment and reuse system should be located on the perimeter of existing City-served developments with the only hindrance to connecting to the City system being lack of capacity in the existing City wastewater collection system at the time the development desires to move forward.

The Regional Water Board is not expected to approve any small systems unless they are operated by the City, and are temporary (with specific and enforceable closure criteria and financial guarantees). Because of the poor economy of scale of operating and maintaining small WWTRFs, the annual costs (as reflected by monthly sewer use fees) for users of these small systems will be higher than normal City wastewater fees. As a matter of policy, the City Council (when approving any such temporary system) will need to decide whether the businesses and residents served by the temporary system pay higher monthly sewer use fees, or whether they pay the City's normal use fee with the system proponent covering the cost difference until the businesses and residents connect to the permanent City system.

Raw sewage equalization basins and development-specific WWTRFs are suggestions put forth by developers to reduce their infrastructure costs and/or to facilitate implementation of their developments that are on-hold because of the need for City wastewater infrastructure. Neither suggestion is recommended as a permanent facility; therefore, neither suggestion impacts the design or cost of Plan A, or Plan B. However, the City Council may wish to consider allowing developer use of temporary raw sewage equalization basins and/or development-specific WWTRFs on a project-specific basis for situation-specific reasons, e.g., to facilitate development critically needed by the community. If the City Council desires to consider temporary means to facilitate critically needed development, then Stantec recommends that the City develop an Implementation Plan describing use of and design criteria for temporary facilities.

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Finally, this Executive Summary concludes with a list (see **Table ES-5**) of recommended trunk sewer projects:

- Improvements to existing trunk sewers (common to Plans A and B).
- New trunk sewers to serve new growth in SUDP (common to Plans A and B).
- New pump station, forcemain, and gravity sewer connecting North Merced area trunk sewers to the existing WWTRF (unique to Plan A).

Table ES-4 includes reconnaissance opinions of probable capital costs for each trunk sewer project.

Table ES-4 Recommended Trunk Sewer Improvements & Opinions of Probable Cost ^(a)

Service Area	Construction Cost ^(a)	Engineering, CM, Admin (20%)	Contingency (30%)	Total Project Costs (rounded)
Address Existing Deficiencies	\$3,417,000	\$683,000	\$1,230,000	\$5,330,000
North Merced SUDP (Plan A)	\$67,139,000	\$13,428,000	\$24,171,000	\$104,738,000
South Merced SUDP	\$14,620,000	\$2,924,000	\$5,264,000	\$22,808,000

(a) ENR CCI = 10703, June 2017. Costs presented do not include acquisition of additional right-of-way, environmental or permitting costs.

The improvement projects to address existing deficiencies identified in **Table ES-4** do not include repair and replacement (R&R) of City facilities. A robust R&R program is a key element of any properly managed public infrastructure system. The City's R&R program for the sewer utility includes an annual expenditure for the replacement of older, aging infrastructure. To replace all the facilities in the City's sewer enterprise would require a significant sum of money. An annual R&R allocation is recommended to reduce the impact of repairing and replacing critical portions of the City's sewer collection system by stretching them out over time.

Implementation of Plan A and the necessary improvements to convey wastewater to the existing City WWTRF site would require the construction of additional treatment capacity as needed. The City, as described previously and in more detail in Section 8.0 of this WCS Master Plan, intends to expand those facilities either in one 8 Mgal/d, ADWF phase, or in two 4 Mgal/d phases up to 20 Mgal/d. This would be sufficient to provide treatment and disposal capacity for the projected flows anticipated in 2030 (~16 to 17 Mgal/d, ADWF) as summarized in **Table ES-1**.

Table ES-5 summarizes the expected cost of those WWTRF improvements.

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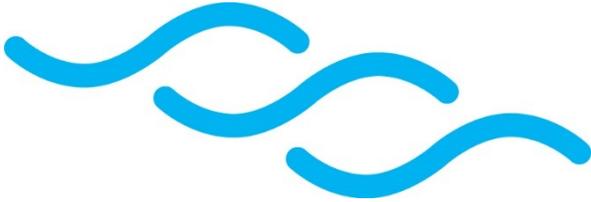
Table ES-5 An Estimate of Improvements Needed to Provide Capacity at Existing WWTRF to Serve 2030 Population Projections ^(a)

WWTRF Improvements	Opinion of Capital Costs to Expand Existing WWTRF to 20 Mgal/d ^(b)
Headworks and Primary Treatment Facilities	\$2,474,000
Secondary Treatment	\$21,901,000
Tertiary Treatment	\$3,065,000
Disinfection System	\$0
Effluent Disposal Facilities	\$0
Solids Handling Facilities	\$21,835,000
Miscellaneous Structures	\$677,000
Subtotal 1	\$49,952,000
Mobilization, Bonds, Insurance, Startup, Misc.	\$6,808,000
Sitework	\$6,152,000
Site Piping	\$4,922,000
Electrical and Instrumentation	\$10,663,000
Subtotal 2	\$78,497,000
Contingencies @ 30%	\$23,549,000
Subtotal 3	\$102,046,000
Engineering and Administration @ 20%	\$20,409,000
Total Project Cost	\$122,455,000

a) 20 Mgal/d, ADWF is estimated to be sufficient to serve the 2030 population projected in the City's General Plan.

b) Based on ENR-CCI (20 Cities Index) = 10703, June 2017.

At this time, the City is planning to budget \$600,000 to \$800,000 annually for repair and replacement of collection system assets. Prioritization of R&R projects will be done within the typical five-year CIP timeframe, updated accordingly, but the City also recognizes that unforeseen incidents may require adjustments in the specific projects identified in any particular year. Further discussion of the City's R&R program is provided in Sections 7.0 and 8.0 of this WCS Master Plan.



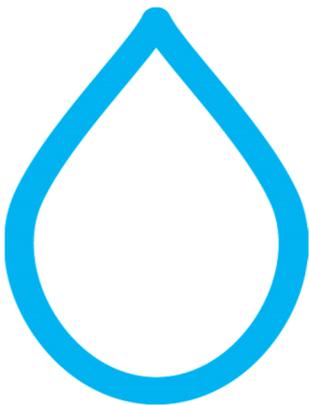
**City of Merced
Assessment District Formation**

Draft Memorandum



*Prepared for:
City of Merced*

*Prepared by:
Stantec Consulting Services Inc.*



February 8, 2017

Sign-off Sheet

This document entitled City of Merced Assessment District Formation was prepared by Stantec Consulting Services Inc. ("Stantec") for the account of City of Merced (the "Client"). Any reliance on this document by any third party is strictly prohibited. The material in it reflects Stantec's professional judgment in light of the scope, schedule and other limitations stated in the document and in the contract between Stantec and the Client. The opinions in the document are based on conditions and information existing at the time the document was published and do not take into account any subsequent changes. In preparing the document, Stantec did not verify information supplied to it by others. Any use which a third party makes of this document is the responsibility of such third party. Such third party agrees that Stantec shall not be responsible for costs or damages of any kind, if any, suffered by it or any other third party as a result of decisions made or actions taken based on this document.

Prepared by **Mark Hildebrand**

Reviewed by **Jason Mumm**

Approved by _____



(signature)

Dave Price, Project Manger

**CITY OF MERCED
ASSESSMENT DISTRICT FORMATION**

Introduction
February 8, 2017

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CITY OF MERCED
ASSESSMENT DISTRICT FORMATION

Introduction
February 8, 2017

1.0 INTRODUCTION

The purpose of this memorandum is to detail the proposed strategy of forming an Assessment District in order to pay for the expansion of the City of Merced's (City) sewer collection system in order to serve growth. This memorandum will describe the need for the project, the reasoning for forming an Assessment District, and a detailed implementation roadmap and schedule.

1.1 MERCED SEWER SYSTEM

The City owns and operates a sewer system consisting of over 400 miles of gravity sewers. The system is commonly described as having two geographical regions – North Merced and South Merced – delineated by Bear Creek running approximately east to west through the City. The City's customer base includes residential, commercial, industrial, and public users, with a majority of the wastewater being generated by the residential customers. The City's wastewater is treated at a wastewater treatment facility (WWTF) located southwest of the City.

1.2 PROBLEM STATEMENT: UNFUNDED GROWTH REQUIREMENTS

Growth estimates for the City were developed as part of the Merced Vision 2030 General Plan. In addition, the City has assessed expected infrastructure needs to accommodate growth with a Sewer Master Plan. Growth in North Merced - specifically the Bellevue Ranch development and growth of the UC Merced Campus - has spurred the expansion of the City's wastewater conveyance system and treatment capacity.

The Final Draft Sewer Master Plan (October 2016, Stantec) provides details on new collection system infrastructure to satisfy the interim and long-term system needs by both increasing capacity and extending infrastructure to previously undeveloped areas. The Sewer Master Plan discusses specific projects and cost estimates.

This memorandum addresses the funding of (the large, new trunk sewers recommended in the Final Draft Sewer Master Plan. Claiming that there is a 1% vacancy rate in local housing and that expansion of the University of California-Merced (UCM) will increase housing demand, developers in the community have made numerous requests to the City to fund and commence construction of new trunk sewers. While the City is in general agreement that new housing is necessary, there are insufficient reserves in the City's Sewer Enterprise Fund to pay for the new trunk sewers in the near-term.

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1.3 ASSESSMENT DISTRICT PROPOSAL

The costs of sewer system expansion are typically funded with developer fees (Capacity Charges) such that “growth pays for growth.” A common problem with this funding mechanism, however, is that the future customers that are driving the need for increased system capacity will pay their Capacity Charges at some time after the project is already built – in some cases, much later in the future. As such, unless the Capacity Charge fund has adequate reserves, utilities are often required (a) to borrow from another fund (such as the Sewer Enterprise Fund) or (b) issue debt to provide near-term funding for the expansion projects. Future Capacity Charge revenue provides reimbursement for these short-term obligations (assuming that the growth indeed occurs).

In this particular case, the Sewer's Growth Fund has already borrowed approximately \$15M from the Sewer Enterprise Fund to pay for the recent WWTF expansion. That debt is still outstanding partly because growth did not materialize in Merced as quickly as developers had estimated in the past. In order to avoid further indebtedness between funds or directly burdening the City with still more external debt (e.g. issue a General Obligation bond), the City is seeking an alternative financing mechanism for the construction of the new trunk sewers.

This memorandum explores the creation an Assessment District to fund the trunk sewers because this approach provides:

1. Near-term funding that is otherwise not available through the City;
2. A means to address the urgent need for the trunk sewers;
3. An equitable approach that will cause growth to pay for growth and will not expose the City to undue financing risks;

As is detailed in Section 2.0, the formation of a new Assessment District is subject to property owner approval through a ballot process. Votes are weighted based on the property owner's financial obligation. Approval requires a simple majority. Once the Assessment District is formed, a Special Tax Lien is placed against each property thereby generating a revenue stream that would support the issuance of municipal bonds for the purpose of funding the trunk sewers.

This memorandum also explores the potential use of private developer bridge loan prior to the formation of the Assessment District in order to accelerate the commencement of the sewer trunk expansion project.

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ASSESSMENT DISTRICT FORMATION

Special Assessment Districts
February 8, 2017

2.0 SPECIAL ASSESSMENT DISTRICTS

2.1 LEGAL HISTORY

Two key laws set forth the procedures required to establish Assessment Districts in California – the Municipal Improvement Act of 1913 and Proposition 218.

2.1.1 Improvement Act of 1911 and Municipal Improvement Act of 1913

The Improvement Act of 1911 (1911 Act) and Municipal Improvement Act of 1913 (1913 Act) allowed communities to assess themselves for the construction of public infrastructure and utilize public financing mechanisms to address at least a portion of project costs. Among other things, the 1911 Act and 1913 Act allow for the levy of assessments to pay for capital costs and operating and maintenance costs for public improvements, including sanitary sewers.

Also, included in the 1911 Act are provisions governing access to bond financing for Assessment Districts for public improvements. Access to bond financing is further governed by the Improvement Bond Act of 1915.

2.1.2 Proposition 218

Proposition 218 (now Article XIII C and D of the California Constitution), known as the “Right to Vote on Taxes Act,” was passed in November 1996. A key feature in Article XIID, Section 4 was the implementation of stricter rules governing special assessments. Included in these rules was a definition of a special benefit as a “particular and distinct benefit over and above general benefits conferred on real property located in the District or to the public at large. General enhancement of property value does not constitute a special benefit.” These rules require assessments be calculated based on the direct, special benefit to individual parcels resulting from completion of a project, and provide a mandatory process for defining and approving the proposed special assessment.

2.1.3 Community Facilities Districts

“Mello-Roos Community Facilities Districts” (CFD) are a similar mechanism that are used to finance public improvements and services. The primary difference in this case is that a CFD is formed by obtaining a two-thirds majority vote of residents living within the proposed boundaries. Because the voting requirements are so much higher for CFD’s, we have not considered them for the purposes of this memorandum and have instead focused on creation of Assessment Districts.

CITY OF MERCED
ASSESSMENT DISTRICT FORMATION

Special Assessment Districts
February 8, 2017

2.2 PROCEDURAL REQUIREMENTS

The legal requirements for creating an Assessment District and imposing an assessment on specific properties are described below. 3.0 details the practical steps that need to be followed to form an Assessment District.

1. Write a detailed Engineer's Report (prepared by a registered professional engineer certified by the State of California) wherein the special benefit conferred on each identified parcel is calculated. It is important that the assessment not exceed the reasonable cost of the proportional share of the special¹ benefit conferred on each individual parcel.
2. Send a ballot to the record owner of each parcel whereby the owner may indicate his or her support or opposition to the proposed assessment. The "record owner" is defined as the owner of a parcel whose name and address appears on the last equalized secured property tax assessment roll.
3. The ballot must be accompanied by a written notice with the following information:
 - a. The reason for the assessment;
 - b. The proposed assessment for owner's particular parcel (including details of payments and duration) and the total amount chargeable to the entire Assessment District;
 - c. Basis used in calculating the proposed assessment;
 - d. The date, time, and location of the public hearing for the proposed assessment;
 - e. A summary of the procedures applicable to the completion, return, and tabulation of the ballots; and
 - f. A disclosure statement indicating majority protest will result the in assessment not being imposed.
4. Conduct a public hearing (no less than 45 days after mailing the notice) to consider protests against the proposed assessment.
5. Tabulate the submitted ballots by weighting each vote by the proportional financial obligation of the affected property. A majority protest exists if the weighted total of opposition ballots exceeds the weighted total of ballots submitted in favor of the assessment.

¹ This "special" benefit needs to be a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large.

**CITY OF MERCED
ASSESSMENT DISTRICT FORMATION**

Implementation Road Map
February 8, 2017

3.0 IMPLEMENTATION ROAD MAP

The following provides a practical road map to forming an Assessment District, including (1) the steps required to meet the procedural requirements of Proposition 218; (2) additional steps designed to improve the likelihood of success; and (3) practical implementation details.

3.1.1 Project Delineation

The boundaries of the proposed District will be identified based on the improvements recommended in the Sewer Master Plan and any modifications thereafter. All parcels receiving a special benefit from the construction of the trunk sewers and upon which an assessment will be imposed should be identified and listed in a database. The database should include key information regarding each parcel, including parcel size, zoning information, and location relative to any phase of the trunk sewer construction. A preliminary depiction of anticipated Assessment District boundaries, as well as the recommended trunk sewer improvements is provided in **Figure 1**.

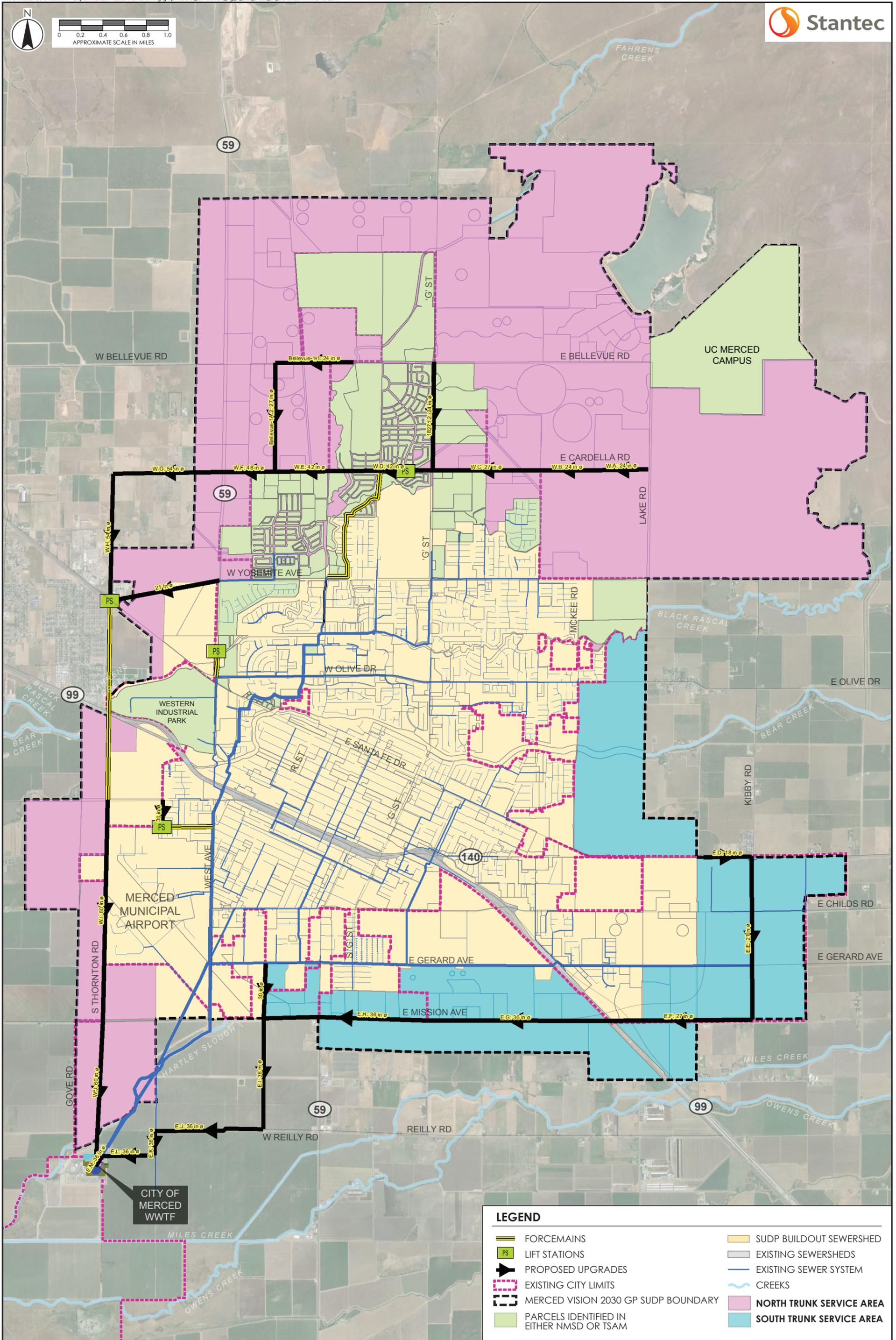
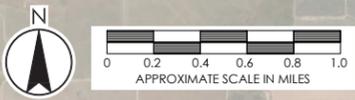
3.1.2 Cost Estimate

Based on project information from the Sewer Master Plan including the digital model of the collection system, a detailed estimate of capital costs will be developed in accordance with American Association of Cost Estimators (AACE) Class 4 estimating criteria. This cost estimate will serve as the basis for determining the maximum costs to be recovered through the assessment on parcels within the Assessment District. While the actual costs of the trunk sewer construction may vary from these cost estimates, the assessment shall not exceed the cost stated on the ballot (although the assessment can, and should, be lower in the event that costs are less than those stated on the ballot).

3.1.3 Petitioning

As an outreach step, and to gauge support of the project, petition forms will be prepared and distributed to the property owners within the Assessment District boundaries. The petitions will include basic information regarding the project, including the scope of the work, project delineation, general methodology for assigning cost responsibilities, and preliminary cost ranges for properties. In order to confirm support for the project (and therefore justify the expense of the ballot process), the City should seek to secure support from approximately two-thirds (2/3) of the polled votes (weighted).

In the event that property owners are split in their support of the project, the City may elect to redraw the boundaries of the Assessment District or redefine the project in order to be responsive to the expressed desires of property owners.



LEGEND

- FORCEMAINS
- LIFT STATIONS
- PROPOSED UPGRADES
- EXISTING CITY LIMITS
- MERCED VISION 2030 GP SUDP BOUNDARY
- PARCELS IDENTIFIED IN EITHER NMSD OR TSAM
- SUDP BUILDOUT SEWERSHED
- EXISTING SEWERSHEDS
- EXISTING SEWER SYSTEM
- CREEKS
- NORTH TRUNK SERVICE AREA
- SOUTH TRUNK SERVICE AREA

CITY OF MERCED ASSESSMENT DISTRICT FORMATION

Implementation Road Map
February 8, 2017

Once sufficient support is expressed by property owner, the petition results will be presented to the City Council, seeking approval to move forward with the Engineer's Report (see Section 3.1.4) and hiring bond counsel (see Section 3.1.6), if applicable.

3.1.4 Engineer's Report

An Engineer's Report will be completed by a professional engineer as a means of documenting the assessment methodology in support of a ballot measure to approve funding of the trunk sewers. The engineer's report is the key to measuring and reflecting the special benefits that will accrue to each particular parcel within the Assessment District and ensuring that the proposed special assessments comply with the special benefit and proportionality requirements of Proposition 218. Clearly documented and well-defined methodologies for completing these tasks are crucial to successful adoption of the assessment.

The Engineer's Report will, at a minimum, include the following sections:

1. Definition of proposed sewer improvements;
2. Location of proposed improvements;
3. Cost estimate for completion of proposed improvements;
4. Description of general and special benefits provided by proposed improvements;
5. Methodology used to allocate the *special* benefits to each parcel; and
6. Assessment diagram showing locations of the benefitting parcels.

The methodology must link the benefits of public improvements to individual parcels in a quantifiable manner. No property owner pays more than his or her proportional share of the total cost. This may require the assessment rates to be set on a parcel-by-parcel basis.

In addition to meeting compliance with Proposition 218, the Engineer's Report should be used as an outreach tool to demonstrate that the basis of the assessment is equitable, transparent, and appropriate. An effective outreach strategy that clearly explains the methodology applied in determining the special assessment will improve public perception of the process and increase the likelihood of successful adoption.

**CITY OF MERCED
ASSESSMENT DISTRICT FORMATION**

Implementation Road Map
February 8, 2017

A Note on Special Benefits

It is important to understand the distinction between a general benefit versus a special benefit, since the law doesn't allow general benefits to be included as part of the cost of the special assessment. A special benefit confers a particular benefit to land and buildings, as opposed to a general benefit to the public or a general increase in property values. Any general benefits that are shared by the public at large must be proportionately subtracted from the calculation of special benefits. General benefits are not solely benefits to parcels outside the assessment district, but may include benefits to parcels within the assessment district that also benefit the public at large. That is, if special benefits represent 50 percent of total benefits, local government may use assessments to recoup half the project or service's costs.

It is critical to explain each element of the Engineer's Report clearly and support them with strong evidence and irrefutable logic. Since the adoption of Proposition 218, California courts have shifted the burden of demonstrating special benefit and proportionality to the agency establishing the special assessment.

While it is beyond the scope of this memorandum to develop the methodology by which the special benefits will be measured, it is worth noting that an obvious special benefit to the properties will be value of being credited for all, or a portion, of the sewer collection system Capacity Charge that would otherwise be charged in order to develop an unimproved parcel.

CITY OF MERCED ASSESSMENT DISTRICT FORMATION

Implementation Road Map
February 8, 2017

3.1.5 Resolution of Intent

The Engineer's Report will be presented to the City Council, with a motion to approve the mailing of the ballots and schedule the required public hearing.

The City may elect to adopt a "resolution of intention" prior to mailing the hearing notice. The typical resolution of intention (i) proposes (and sets forth the details of) the assessment, (ii) sets the date and time for the public hearing, (iii) directs staff to mail notice of the public hearing, and (iv) adopts procedures for the tabulation of votes. While the City is not legally obligated to have the City Council adopt a Resolution of Intent (rather than have staff proceed on its own authority), the extra step gives the elected officials a chance to consider the assessment before notice of the proposal is mailed to their constituents. Adopting the resolution reduces the possibility that Councilmembers are surprised when constituents start receiving notices and ensures that the City Council have explicitly approved the notices.

3.1.6 Additional Services

At this phase, the City may wish to procure additional services (if needed) to accomplish the Assessment District formation and financing, such as bond counsel, bond underwriter, printing services, or any other services as needed.

3.1.7 Outreach

After conducting the petition (see Section 3.1.3) and prior to mailing the ballots, there are several outreach activities that could increase the chances of successfully obtaining a majority vote. Perhaps the most impactful activity are property owner information meetings to explain the proposed District; provide information about the work to be accomplished; discuss the anticipated time schedule; clarify the assessment amount and the financial options available to property owners; and to answer any questions.

3.1.8 Ballot mailing

Ballots and written notices are mailed to the record owner of each parcel inclusive of a ballot to vote in favor or opposition of the assessment. See Section 2.2 for the requirements tied to these written notifications.

3.1.9 Public hearing

A public hearing will be held no less than 45 days after transmittal of the ballots to property owners. The City will use the public hearing to consider protests against the assessment and to accept any ballots that weren't previously received.

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ASSESSMENT DISTRICT FORMATION

Implementation Road Map
February 8, 2017

3.1.10 Tally Votes

The tabulation of ballots involves calculating votes weighted based on the financial obligation of each parcel. This means parcels that will pay more as a result of the proposed assessment will have a larger share of the vote, and the vote equates to a one dollar: one vote, as opposed to one person: one vote.

3.1.11 District Formation and Finance Implementation

If the ballots support the formation of the Assessment District, City Council may resolve to form the Assessment District and order the levy of assessments based on the Engineer's Report.

3.1.12 Debt Issuance

Once the Assessment District has been approved, the City can proceed with securing a municipal bond. Section 4.0 discusses options for obtaining a near-term bridge loan while going through the process of obtaining a municipal bond.

3.1.13 Design and Construction Contracts

The design contract (and then construction contract) may be awarded once the debt financing has been secured (see Section 4.0).

**CITY OF MERCED
ASSESSMENT DISTRICT FORMATION**

Financial Strategies
February 8, 2017

4.0 FINANCIAL STRATEGIES

The following addresses a variety of financial options available to the City while forming the Assessment District.

4.1 PROPERTY OWNER PAYMENT OPTIONS

As was previously detailed in Section 2.0, once the Assessment District is formed a Special Tax Lien is placed against each property. Property owners then have the option to pay the entire assessment all at once, or in annual installments (as a Special Tax through their property tax bill). Once the Assessment District has been approved by the City Council, property owners have a period of time (say 30 days) to pay their entire assessment in cash if they choose. If the property owner elects to finance the costs, annual installments of principal, interest, and administrative fees will be collected with the property tax bill. The principal repayments will also include the cost of bond issuance. If a property owner pays the assessment in cash, he/she will save the bond financing costs. Cash payment also saves the cost of interest payments.

After the 30-day cash payment period any unpaid portion of the assessment will be financed through bond sales. Since it is unlikely that all property owners will pay their full assessment straightaway, municipal bonds will likely be sold by the Assessment District.

4.2 MUNICIPAL BONDS

The portion of the trunk sewers not funded with cash will be funded through the issuance of Improvement Bonds pursuant to the "Improvement Bond Act of 1915". The payment of the debt service on the Improvement Bonds shall be secured by the annual assessments within the District. The bonds are usually financed over a 15-year term.

4.3 BRIDGE LOAN

Even after the formation of the Assessment District, the issuance of a Municipal Bond for a newly-formed Assessment District may take several months or longer. Given the development community's expressed desire to commence construction of additional housing units within the anticipated District boundaries as soon as possible, it may be desirable to accelerate the financing and construction of the trunk sewers ahead of the formation of the Assessment District.

One potential option for accelerating the financing and construction of the trunk sewers is for the developers within the District (or perhaps elsewhere as well) to provide short-term bridge funding. Under this approach, the developers would secure private financing – either debt or equity – to pay for construction of the trunk sewers. Once the Assessment District is formed, the City would issue Improvement Bonds as described above with a portion of the proceeds going to refund the developers (for the bridge financing provided). The property owners would then

CITY OF MERCED
ASSESSMENT DISTRICT FORMATION

Financial Strategies
February 8, 2017

be faced with the options, as described above, to either pay their individual assessments in full or by annual assessment. The bridge financing option is not required. The Assessment Districts can be formed with or without this optional approach. However, the bridge financing is a means that would allow developers to commence their own housing projects a number of months sooner than otherwise while waiting for the Assessment District process to unfold. Of course, if the developers are unwilling to provide the private bridge funding, they can always wait until the Assessment District process is complete. Importantly, the City need not provide any advanced funding of the trunk sewers under this approach.

4.4 HARDSHIP

Property owners who are unable to pay the assessment should consult with a tax attorney to determine if their situation qualifies for deferred tax payments under the California Revenue and Tax Code. If their situation qualifies, the assessment MAY also qualify for deferment until the property is sold or the estate is settled.

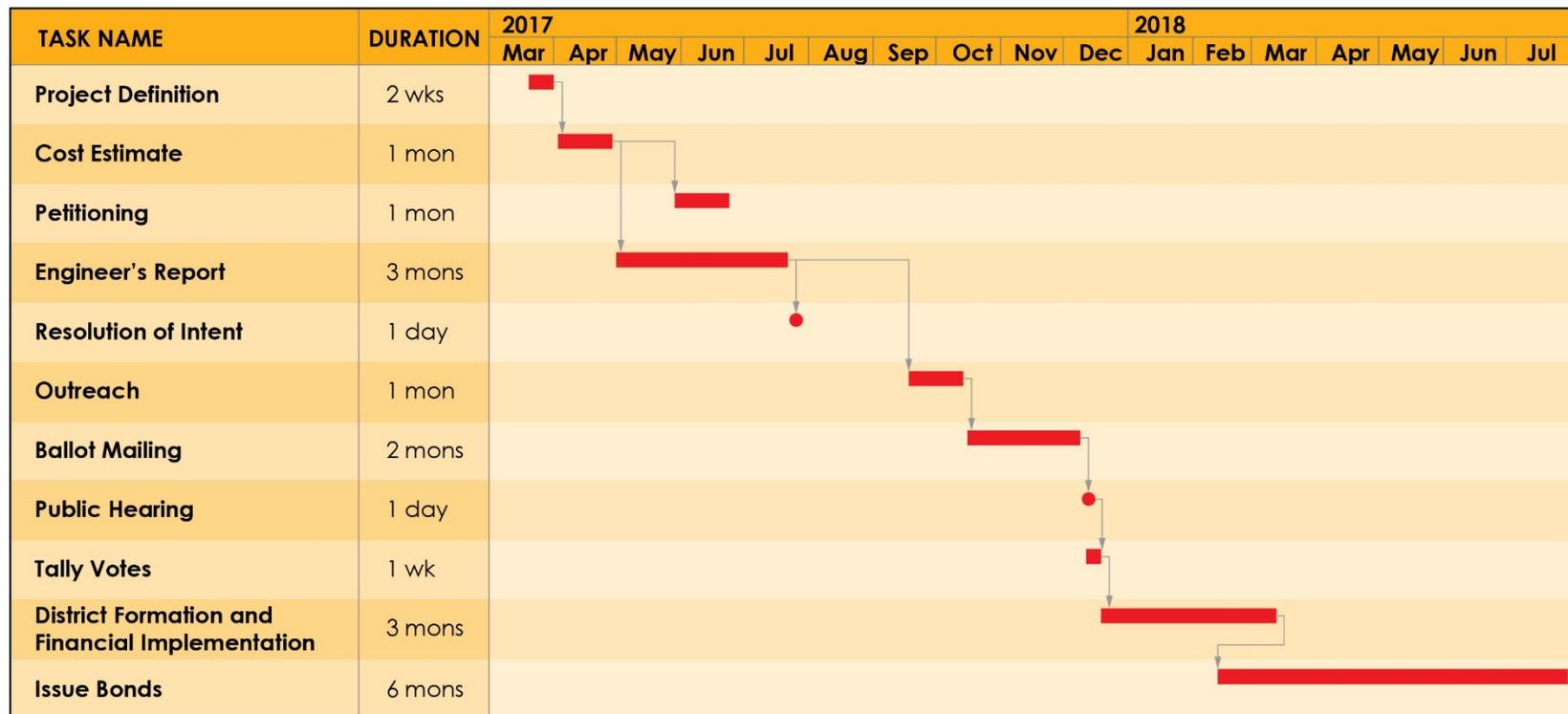
4.5 CAPACITY CHARGE STUDY

As discussed in Section 3.0, one of the significant special benefits conferred by the Assessment District will be the credit that the assessed parcels will have towards future sewer capacity charges. The City may find that a Capacity Charge study will be needed in order to update the Capacity Charge fee schedule to be consistent with the assessments.

**CITY OF MERCED
ASSESSMENT DISTRICT FORMATION**

Approximate Schedule (assuming no Bridge Loan)
February 8, 2017

5.0 APPROXIMATE SCHEDULE (ASSUMING NO BRIDGE LOAN)





ADMINISTRATIVE REPORT

Agenda Item L.1.

Meeting Date: 4/2/2018

SUBJECT: Request to Discontinue all Work on an Ordinance for Meeting Decorum and Conduct

REPORT IN BRIEF

This item is in response to Council's request to have staff discontinue all work in drafting an ordinance regarding decorum and conduct at Council Meetings.

RECOMMENDATION

City Council - Adopt a motion directing staff to discontinue all work related to a decorum and conduct ordinance for Council Meetings.

ALTERNATIVES

1. Approve as recommended; or,
2. Direct staff to continue work on the ordinance.

AUTHORITY

City of Merced Charter Section 200.

CITY COUNCIL PRIORITIES

N/A

DISCUSSION

Council directed staff to draft an ordinance regarding Council meeting decorum and conduct at the March 5, 2018 meeting.

At the March 19, 2018 meeting, it was requested that staff take no further action on this item. As a vote had previously been taken to direct staff to draft an ordinance, the City Attorney recommended bringing the item back for a second vote on the item.



CITY OF MERCED

Merced Civic Center
678 W. 18th Street
Merced, CA 95340

ADMINISTRATIVE REPORT

Agenda Item L.2.

Meeting Date: 4/2/2018

SUBJECT: City Council Downtown Subcommittee

REPORT IN BRIEF

This item is in response to Mayor Pro-Tempore McLeod's request to discuss the formation of a Council subcommittee to meet with other local municipalities with successful downtown areas.

RECOMMENDATION

Select Council subcommittee and direct staff as needed.